

THE WALL STREET JOURNAL.

CLM World News
 SE World
 HD **A Quarter of Africans Face Food-Security Crisis Partly Due to [Ukraine](#) War, Red Cross Says; [Russia's](#) invasion drives up world food prices and worsens hunger in Africa caused by drought and local conflicts**
 BY By Michael M. Phillips
 WC 845 words
 PD 5 April 2022
 ET 21:58
 SN The Wall Street Journal Online
 SC WSJO
 LA English
 CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

NAIROBI, Kenya—A quarter of Africa's population is facing a food-security crisis driven by severe drought, raging wars and a rise in world food prices caused by Russia's invasion of Ukraine, the International Committee of the Red Cross warned Tuesday.

Some 346 million people, from Mauritania in the west to the Horn of Africa in the east, are affected by food insecurity, Dominik Stillhart, the agency's global operations director, told reporters in Nairobi.

TD

"What we don't want to see is the response that comes too late, and that is why it is so important to draw attention to the situation now," Mr. Stillhart said.

Russia and Ukraine were major grain suppliers before the war, and [the conflict is causing pain](#) across the developing world, spurring price shocks, constraining imports of basic commodities and [causing food shortages](#), with poorer nations in Africa especially affected.

Somalia, one of the hardest-hit countries, faces the specter of famine by midyear should food prices continue to rise, the rains fail for the fourth consecutive season and international relief efforts fall short, according to the United Nations World Food Program.

Some 800,000 Somalis have left their homes in search of food and water since the beginning of March, and 1.4 million Somali children under five years old will be acutely malnourished by the end of the year, unless donor countries step up their responses, according to the aid agencies.

The WFP calculates it needs to spend \$273 million in emergency funds between now and August to stave off such a disaster; at the moment, the relief agency is \$149 million short.

"We are having to look at prioritizing assistance, which is essentially taking from the hungry to feed the starving," said Petroc Wilton, the WFP's Somalia spokesman.

Mr. Wilton recently visited displaced families in a camp in the Somali city of Bardere, about 210 miles west of Mogadishu, the capital. "There are children there with little more than skin stretched over rib cages and limbs that are barely any more than the bones beneath," he said.

There are 28 such camps around Bardere, he said.

Aid agencies estimate that in February alone Somali families lost 650,000 donkeys, cows and other livestock, a key source of wealth for 40% of the country's population.

Somalia's crisis is complicated by a continuing insurgent war conducted by al-Shabaab, the local al Qaeda affiliate.

Somalia normally buys between 49% and 59% of its wheat from Ukraine, and another 33% to 43% from Russia, according to the U.N.

The WFP in Somalia received a shipment of 1,000 tons of yellow split peas from the Ukrainian port of Odessa in February and another shipload in the middle of last month, to be distributed in Somalia and Ethiopia. A third shipload—believed to be the last—left Odessa just before the port there closed and is expected to dock at the northern Somali port of Berbera on Wednesday.

Other traditional food exporters, such as Egypt, have cut their own overseas sales to ensure supplies at home while the Ukraine crisis continues.

Relief workers in Africa stress that they don't want to play down Ukraine's humanitarian needs. But they fear the world's wealthy donor countries might prove so focused on the war in Europe that they forget the desperate need in Africa.

The International Committee of the Red Cross budgeted \$1 billion for its work in Africa this year, but remains \$800 million short.

"It's likely the Ukraine crisis will make donors look more inward, and our humanitarian response plan won't receive anything close to adequate funding," said Adam Abdelmoula, the U.N. humanitarian coordinator in Somalia.

"We are facing a significant risk of famine in Somalia," Mr. Abdelmoula said.

Aid agencies warn that hunger could also worsen in Mali and Burkina Faso, West African nations facing drought amid a life-or-death struggle with al Qaeda and Islamic State affiliates. The Red Cross estimates that 29 million West Africans are in need of urgent food aid, a number likely to rise by another four million as the lean season progresses.

Some 27 million people face acute food insecurity in the Democratic Republic of Congo, along with up to 600,000 in the Central African Republic, according to Mr. Stillhart.

The war between Ethiopia's central government and rebels from the northern Tigray region has worsened that country's food crisis and slowed aid flows to those in need. A truce allowed the Red Cross to deliver 200 tons of aid to Tigray over the weekend, its first successful ground convoy in months.

Write to Michael M. Phillips at michael.phillips@wsj.com

[A Quarter of Africans Face Food-Security Crisis Partly Due to Ukraine War, Red Cross Says](#)

CO	icrcss : International Committee of the Red Cross
NS	gfamin : Famine gdev : Development/Humanitarian Aid gdroug : Drought gntdis : Natural Disasters/Catastrophes gpir : Politics/International Relations ncolu : Columns nmajev : Major News Events gcat : Political/General News gdip : International Relations gdis : Disasters/Accidents grisk : Risk News gwea : Weather ncat : Content Types ndj : Dow Jones Top Stories ntop : Top Wire News redit : Selection of Top Stories/Trends/Analysis
RE	ukrn : Ukraine somal : Somalia africaz : Africa asiaz : Asia eafz : East Africa easiaz : Eastern Asia eurz : Europe kenya : Kenya nairoi : Nairobi russ : Russia uk : United Kingdom ussrz : CIS Countries apacz : Asia Pacific bric : BRICS Countries devgcoz : Emerging Market Countries dvpcoz : Developing Economies eerz : Central/Eastern Europe weurz : Western Europe
IPD	Wires
IPC	N/DJN
PUB	Dow Jones & Company, Inc.
AN	Document WSJO000020220405ei4500439

THE WALL STREET JOURNAL.

CLM Europe News
SE World
HD **What Is a War Crime? [Russia](#) Faces Accusations as Civilian Casualties in [Ukraine](#) Grow; Western governments reiterate calls for investigations after reports of mass killings in formerly Russian-occupied territory**
BY By James Hookway
WC 1,449 words
PD 5 April 2022
ET 22:48
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
CX

Corrections & Amplifications

Ukrainian President Volodymyr Zelensky has zeroed in on what he says is Russia's decision to specifically target civilian populations. An earlier version of this article incorrectly spelled the president's name as Volodymr Zelenskysy. (Corrected on March 16)

Write to James Hookway at James.Hookway@wsj.com

LP



A battle in Ukraine's capital, Kyiv, left at least 20 Russian armored fighting vehicles destroyed. PHOTO: Christopher Occhicone for The Wall Street Journal

TD

[Russia's invasion of Ukraine](#) has brought allegations of war crimes against President [Vladimir Putin](#) and his army, including accusations from the U.S., raising the question of whether he or his commanders will ultimately be charged.

Ukrainian President Volodymyr Zelensky said more than 300 [civilians were killed or tortured](#) in and around the Kyiv suburb of Bucha after [Russian troops withdrew](#), prompting condemnation by Western governments, who pledged they would help gather evidence for investigations into potential war crimes by Russia. Mr. Zelensky said many more dead may be found in other towns as Russian forces turn back their advance to focus instead on the east of the country.

Whether President Putin and his commanders can ultimately be charged is a complex legal issue, compounded in part by the fact that Russia, like the U.S. and China, isn't a party to the International Criminal Court, which usually hears war-crime cases at its headquarters in the Netherlands.

ICC prosecutor Karim Khan four days into the invasion said he [would begin an investigation into violations](#), based on Ukraine's previously agreeing to the court's jurisdiction. Mr. Khan traveled to western Ukraine and Poland and held a virtual meeting with Mr. Zelensky.

The U.S. government subsequently [accused Russian forces](#) in Ukraine of committing war crimes, a formal move designed to preserve information and evidence for future review. Secretary of State Antony Blinken cited reports of [attacks on civilian centers](#) including apartment buildings, schools, hospitals, civilian vehicles and more, adding the sites were clearly identifiable as used by civilians.

It is easier to try commanders on the ground for alleged war crimes than the political leaders who ordered them into the field. If Mr. Putin were to be charged, he would first have to be arrested in a country that accepts the jurisdiction of the court—something he could easily avoid. Moscow has rejected war-crimes allegations, including accusations that Russia has targeted civilians.

Meanwhile, reports of wider abuses are mounting as Ukrainian officials and independent rights watchdogs say they are uncovering evidence of war crimes perpetrated by occupation forces. Russia denies the allegations, saying video and photographic images purporting to show civilians bound and shot are fakes.

What constitutes a war crime?

[War crimes are broadly defined](#) and include willfully killing or causing suffering, widespread destruction and seizing of property, deliberately targeting civilian populations, in addition to other serious violations of laws applicable in armed conflict. The ICC also prosecutes three other offenses: crimes against humanity, genocide and the crime of aggression. Mr. Khan, the ICC prosecutor, said there was already a reasonable basis to believe that both war crimes and crimes against humanity had taken place in Ukraine.

What crimes has Russia been accused of?

Mr. Zelensky has zeroed in on what he says is Russia's decision to target civilian populations after Ukrainian forces delayed the Russian battalion's initial advance on the capital, Kyiv. He described an attack on Freedom Square in the eastern city of Kharkiv as a war crime and has called on the West to help stop "the crime Russia is committing" in Ukraine.

"Atrocity! How much longer will the world be an accomplice ignoring terror?" Mr. Zelensky tweeted after a Russian strike hit a maternity hospital in Mariupol on March 9.

On April 3, he described Russian forces as "murderers" and "rapists" after mass graves were found in Bucha, a Kyiv suburb formerly held by Russian forces. Human Rights Watch said it had documented several cases of war crimes by Russian military forces in areas around Chernihiv, Kharkiv and Kyiv. Following the reports of mass graves, President Biden [called for a war-crimes trial](#) and said Mr. Putin was a war criminal who must be held accountable for the war in Ukraine.

"We have to get all the detail so this can be an actual war crime trial. This guy is brutal, and what's happening in Bucha is outrageous and everyone has seen it," Mr. Biden told reporters at the White House on April 4.

The Russian Defense Ministry has dismissed the reports of widespread killing of civilians in Bucha, calling them "another provocation" by the Ukrainian side.

In its war-crimes accusation in March against Russian forces operating in Ukraine, the State Department noted the Russian bombardments of [a maternity hospital](#) and [a theater](#) in the southern coastal city of Mariupol.

"Every day that Russia's forces continue their brutal attacks, the number of innocent civilians killed and wounded, including women and children, climbs," Mr. Blinken said on March 23. "Based on information currently available, the U.S. government assesses that members of Russia's forces have committed war crimes in Ukraine."

Legal experts said it would have to be proved that Russian forces were systematically selecting civilian targets.

Who has the authority to take action?

The International Criminal Court in The Hague hears war-crime cases and related matters, including genocide. Though Ukraine isn't party to the 1998 Rome statute that established the court, it has previously accepted the court's jurisdiction. That means that while Ukraine can't refer any alleged crimes to the court, the ICC can investigate on its own initiative and charge

Mr. Putin or other Russian leaders, though it can't try them in absentia. Kremlin spokesman Dmitry Peskov has already rejected the ICC's investigation, noting that Russia isn't a party to the court, having withdrawn in 2016.

Ukraine has been seeking an ICC investigation since 2014, when Russia annexed Crimea. The court's prosecutor in 2018 said it found a reasonable basis that war crimes—including torture, rape and the intentional targeting of civilians—had taken place in eastern regions of Ukraine, where Russian-backed separatists were fighting the central government. The investigation was put on hold because of the Covid-19 pandemic and other cases.

What are the Geneva Conventions?

The initial Geneva Convention was adopted in 1864, and four additional treaties were introduced in 1949 after World War II. Further protocols were adopted in 1977 and 2005. The conventions provide for: the protection of the sick and wounded along with medical and religious personnel; care for the wounded sick and shipwrecked at sea; the humane treatment of prisoners of war; and the protection of all civilians.

In addition, more than [100 nations have signed an international treaty](#) called the Convention on Cluster Munitions prohibiting the use of such devices, which can be scattered over a large area. Ukraine has accused Russia of using cluster bombs.

Will Putin be prosecuted for war crimes?

The short answer: Unlikely, or at least not while he is still in power.

Cases at the International Criminal Court tend to revolve around the individual actions of commanders in the field, not their political masters. In addition, for Mr. Putin to be tried he would have to be arrested and handed over to the court. That seems improbable while he is in the Kremlin. Moreover, Moscow formally withdrew in 2016 after the ICC published a document describing its annexation of Crimea as an occupation, though this was a largely cosmetic move: it had never ratified its membership in the first place.

Russia could also veto any U.N. Security Council move to refer a war-crime case—specifically the crime of aggression—to the ICC.



Bucha residents received humanitarian aid on April 2 after Russian troops left the area. PHOTO: Christopher Occhicone for the Wall Street Journal

The dynamic could change radically if Mr. Putin were no longer in power and a new Russian leadership decided to hand him over.

Some national courts, meanwhile, could move to prosecute Mr. Putin if they have what are known as universal jurisdiction laws. Germany did this in January when a court there sentenced a former Syrian intelligence officer to prison in relation to crimes against humanity committed during the civil war there. They were both in Germany. French prosecutors have said they would begin their own investigation into alleged war crimes in Ukraine. French law allows them to conduct an investigation outside of French territory if a war crime targets French people or is committed by a French national or resident.

Again, the problem would be how to arrest and try Mr. Putin.

[What Is a War Crime? Russia Faces Accusations as Civilian Casualties in Ukraine Grow](#)

NS

gwar : War Crimes | gcrim : Crime/Legal Action | gvexe : Executive Branch | gvio : Military Action | gcat : Political/General News | gmurd : Murder/Manslaughter | gdiip : International Relations | gpri : Politics/International Relations | gpol : Domestic Politics | gvbod :

	Government Bodies ncolu : Columns ncor : Corrections ncrx : Corrected Items nimage : Images gcns : National/Public Security grisk : Risk News ncat : Content Types
RE	ukrn : Ukraine asiaz : Asia crimea : Crimea easiaz : Eastern Asia eurz : Europe russ : Russia uk : United Kingdom ussrz : CIS Countries apacz : Asia Pacific bric : BRICS Countries devgcoz : Emerging Market Countries dvpcoz : Developing Economies eeurz : Central/Eastern Europe weurz : Western Europe
IPD	WSJ
IPC	G/FDL
PUB	Dow Jones & Company, Inc.
AN	Document WSJO000020220403ei43001jl

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Is China Helping [Russia](#)? Beijing-Moscow Relations Explained; China's pact with [Russia](#) has made its relationship with the U.S. even worse. Here is a primer on what drives the frictions**
BY By Lingling Wei and James T. Areddy
WC 1,417 words
PD 5 April 2022
ET 22:37
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

China and Russia have often been contentious rivals, but under Xi Jinping and Vladimir Putin, the two countries' relations have grown closer than at any time since the early days of the Cold War. On Feb. 4, the two declared a [friendship with "no limits."](#)

The pact is an alignment rather than a formal alliance. China is believed to have only one formal ally, North Korea. Russia's [invasion of Ukraine](#) has nonetheless forced Beijing to [walk a diplomatic tightrope](#)—honoring its commitment to Russia without allowing its ties with the West to collapse.

TD

President Biden and Mr. Xi spoke March 18 in a nearly [two-hour videoconference](#) during which Mr. Biden warned Mr. Xi of consequences if Beijing provides substantive assistance to Russia, according to a senior U.S. official. Beijing's version of the meeting sought to present China as a peacemaker, minimizing friction between the leaders over Ukraine.

Beijing has repeatedly said it favors dialogue to end the conflict peacefully but there is little evidence to suggest it has played a role in the Russia-Ukraine talks that have taken place. Mr. Xi isn't known to have spoken with Ukrainian President Volodymyr Zelensky, though he did confer with Mr. Putin a few days after the invasion. Mr. Xi's envoys have spoken with both sides as well as their U.S. counterparts, and they have argued they are working behind the scene to resolve the crisis.

Western officials worry that Moscow's actions, on the argument that Ukraine is historically a part of Russia, could embolden China to step up its own long-stated goal of [bringing Taiwan into its fold](#). A Chinese aircraft carrier and a U.S. Navy destroyer [sailed through the Strait of Taiwan](#) in a pair of sensitive operations ahead of the Biden-Xi call.

Here is a look at the tensions over China's entente with Russia and what it could mean for its relationship with the U.S.

What is Vladimir Putin's relationship with Xi Jinping?

A shared interest in confronting the U.S. has helped drive the relationship between the two presidents. Both are authoritarians and nationalists, and each desires to raise his country's stature and challenge the U.S.-led world order.

Mr. Xi's first foreign trip as China's leader was to Russia, in 2013, and the two have since met about three dozen times. Mr. Putin has shown Mr. Xi a degree of respect he sometimes withholds from other world leaders and was the only major-country VIP to show up for the opening ceremony of the Beijing Winter Olympics in February.

As the Russia-Ukraine war was raging on March 30, Chinese Foreign Minister Wang Yi welcomed to China Russian Foreign Minister Sergei Lavrov and reiterated [support for Beijing's recent alignment pact](#).

How is China helping Russia?

China says it will maintain normal trade relations with Russia despite the conflict, as well as with Ukraine. It is expected to buy farm and energy products that Russia suddenly can't sell elsewhere because of [Western sanctions](#), perhaps at discount prices. But Beijing is conscious that the U.S. and its allies have the wherewithal to inflict pain if it is seen undermining sanctions in considerable ways.

So far, major Chinese companies and banks have refrained from obviously helping Russia evade [financial sanctions](#), as that would jeopardize their access to the dollar-denominated banking system and international finance.

U.S. officials in March said Russia had asked China for military equipment, and President Biden warned it would face consequences if it provides substantive support.

The war and related sanctions have nevertheless [disrupted Chinese trade](#), and capacity constraints will limit its near-term ability to significantly boost imports from Russia. Ukraine had been important to China's strategy to move more exports to Europe by rail and now, according to freight forwarders, its traders are reorienting shipments to ships or by rail through Kazakhstan and Georgia.

China has been helping Russia in other ways, including by voicing understanding for what Moscow says are its security concerns in Europe related to the North Atlantic Treaty Organization's expansion.

State media have been circumscribed in their coverage of the conflict itself. Official reports have sometimes reported evidence of bombardment and [attacks on Ukrainian civilians](#) but have been careful to avoid blaming Russian forces. Chinese authorities have permitted social-media users and prominent nationalist voices to express support for Mr. Putin online while appearing to limit online discussion of allegations against Russia, and in China there has been little of the lionization of Ukraine's Mr. Zelensky common in Western media.

What about the China-Ukraine relationship?

In recent years, as Kyiv pushed away from Moscow, China became Ukraine's biggest trading partner. It had supplied 70% of China's imported sunflower oil, a key staple in Chinese kitchens, and has sold China military equipment, including the hull for China's first aircraft carrier. But long-running Ukraine-Russia tensions had made Beijing [cautious about sinking capital into the country](#), and unlike some of its neighbors, Ukraine hasn't fallen into China's orbit.

In 2013, Mr. Xi signed a Chinese pledge of [unspecified security guarantees for Ukraine](#) in the event of a nuclear attack. Nuclear experts have debated the statement's meaning. Some interpret the pledge as something more than the assurances nuclear-armed states routinely provide nonnuclear ones—one that under some scenarios could pit Beijing against Moscow.

What has China said about the Ukraine war?

China has repeatedly stated its commitment to "territorial sovereignty," a principle that seemingly would force it to condemn Russia's invasion of Ukraine. Instead its officials have avoided words like "invasion." They express concern for destruction in Ukraine as well as understanding for Russia's security interests. They have called for dialogue to resolve the crisis and accused the U.S. of inflaming tensions.

[European Union officials warned China](#) during a summit on April 1 that Beijing's refusal to condemn Russia's invasion could create lasting damage to their ties, and called on China to use its influence to pressure Russia. China's president, Mr. Xi, voiced opposition to sanctions, calling on the international community to "keep creating favorable conditions and environment" for peace talks "rather than add fuel to the fire and aggravate tensions." While Chinese officials said they support a peaceful solution, they also appeared to put the onus on Europe to solve the matter.

What does this mean for U.S.-China relations?

Friction between Beijing and Washington was already high, and China's pact with Russia on the eve of its Ukraine invasion [has made it worse](#). On China's side, the U.S.'s firming up of ties with allies—including a [U.S.-U.K. nuclear submarine deal with Australia](#)—have strengthened the desire to counter Washington. As the Ukraine war has appeared to tighten U.S.-Europe ties, China has called on Europe to develop an independent China policy.

Both sides have hardened their rhetoric in recent weeks.

The U.S. has said Beijing bears a responsibility to use its influence with Mr. Putin to seek an end to the war, while Beijing has sought to present China as a neutral party to the conflict and denied U.S. assertions that Russia has sought its help, either on military equipment or economic assistance.

Beijing's recent pact with Moscow has raised the prospect that the U.S. could need [to counter two major adversaries](#) at once, forcing the U.S. to reconsider its defense strategy and military presence.

What is China's stance on NATO?

China isn't part of the North Atlantic Treaty Organization. In the Feb. 4 pact, China adopted Mr. Putin's opposition to NATO's expansion—the first time Beijing has explicitly backed Moscow on a European security issue.

But China's position on NATO isn't a surprise: The alliance last year signaled it would devote more resources to [security threats posed by China](#), even while seeking to deter Russian aggression.

This article might be updated.

Write to Lingling Wei at lingling.wei@wsj.com and James T. Areddy at james.aredy@wsj.com

[Is China Helping Russia? Beijing-Moscow Relations Explained](#)

NS gdip : International Relations | gcat : Political/General News | gvexe : Executive Branch | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gesanc : International Sanctions | gpir : Politics/International Relations | gtrade : Trade Barriers/Restrictions | gvio : Military Action | ncolu : Columns | gcns : National/Public Security | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE china : China | russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | ukrn : Ukraine | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD WSJ

IPC N/CNW

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220405ei45004mr

THE WALL STREET JOURNAL.

CLM U.S. Economy
SE Economy
HD **U.S. Trade Deficit Narrowed Slightly in February; Imports and exports both rose on cusp of war in [Ukraine](#)**
BY By Josh Zumbrun
WC 700 words
PD 5 April 2022
ET 19:56
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

The U.S. trade deficit narrowed slightly in February, shrinking 0.1% for the month but remaining close to a record. Both exports and imports climbed as the impending [conflict in Ukraine](#) pushed up commodity prices.

The deficit in trade of goods and services slipped to [a seasonally adjusted \\$89.19 billion](#) in February, the Commerce Department said Tuesday, compared with an \$89.23 billion gap in January, which was the all-time monthly record for the trade gap.

TD

Imports rose 1.3% to \$317.8 billion, while exports grew 1.8% to \$228.6 billion in February. Though the deficit declined from [January's record level](#), it was the second-largest monthly deficit on record.

The rapid rise [in prices for many commodities](#) weighed heavily on the report. If the numbers for imports and exports were adjusted for inflation, both figures would have declined slightly in February, meaning that companies are importing and exporting slightly lower volumes of goods, but paying a higher price for them.

U.S. exports of industrial supplies, including fuel and coal, increased by \$1.7 billion in February while pharmaceutical exports such as Covid-19 vaccines rose by \$1.3 billion. U.S. travel, which is considered an export of services, rose \$1.2 billion as international travelers returned to American cities and resorts.

Meanwhile imports rose too. Imports of crude oil climbed \$1.9 billion while other chemicals increased \$1.2 billion. Imports of vehicles declined [amid tight supply](#) and a world-wide chip shortage.

A wider trade deficit subtracts from the calculation of gross domestic product growth. Andrew Hunter, a senior U.S. economist for Capital Economics, said the high deficit to start the year likely shaved 2.5 percentage points off GDP for the first quarter of 2022, which he estimates will now grow at a seasonally adjusted annual rate of between 1% and 1.5%.

The figures provide a snapshot of U.S. trade on the very cusp of being shaken by war. Russia invaded Ukraine on Feb. 24, meaning most U.S. imports for February were on the water or at U.S. ports before the war started. The threat of conflict, however, had already begun to contribute to a rise in commodity prices.

The Biden administration [banned Russian oil imports](#) on March 8, after the window of time covered by Tuesday's report.

Ukraine and Russia aren't [major direct trading partners](#) of the U.S. In February, the U.S. imported \$2.6 billion worth of goods from Russia—less than 1% of total U.S. imports—and \$188 million from Ukraine.

The countries aren't major export destinations either, with the U.S. exporting \$497.5 million of goods to Russia and \$309 million of goods to Ukraine in February.

Economists expect, however, that the war will lead to [greater supply-chain disruptions](#) in the months ahead. The countries are significant producers of commodities traded on global markets, such as oil, grains and certain metals, and the conflict is disrupting economic activity across Eastern Europe.

Data for February, "didn't fully capture the trade impacts of Russia's invasion of Ukraine, which will slow global growth through higher inflation and renewed supply chain snarls," said Mahir Rasheed, U.S. economist for Oxford Economics, in a note.

Trade has been volatile over the past year, as companies have struggled with shipping backlogs, product scarcity, order cancellations and delays.

Despite the volatility, both exports and imports have been growing rapidly after initially collapsing in the early days of the coronavirus pandemic, which closed factories and businesses around the world.

The deficit has been trending wider ever since, repeatedly setting new records over the past year, as the U.S. economy roared back to life on the back of stimulus payments and a more-rapid reopening than much of the rest of the world. Those same factors have contributed to significant inflation in U.S. import prices and consumer prices.

Write to Josh Zumbrun at Josh.Zumbrun@wsj.com

[U.S. Trade Deficit Narrowed Slightly in February](#)

NS c311 : Corporate/Industry Imports | e512 : Physical Trade | gvcom : Commerce Department | ccat : Corporate/Industrial News | e11 : Economic Performance/Indicators | e1118 : Trade Figures | e51 : Trade/External Payments | ecat : Economic News | gpri : Politics/International Relations | ncolu : Columns | npred : Economic Predictions/Forecasts | gcat : Political/General News | cdom : Domestic/Foreign Markets | gpol : Domestic Politics | gvbod : Government Bodies | gvexe : Executive Branch | ncat : Content Types

RE ukra : Ukraine | russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC 1176

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220405ei450028l

SE WSJ Pro
 HD **Sanctioned LPs Complicate Private-Equity Fund Dynamics; Opaque ownership and fractured rules make it challenging for private-fund managers to comply with recent **Russia** sanctions**
 BY By Chris Cumming
 WC 1,034 words
 PD 5 April 2022
 ET 15:30
 SN WSJ Pro Private Equity
 SC RSTPROPE
 LA English
 CY Copyright © 2022, Dow Jones & Company, Inc.

LP

Private-equity firms are navigating the complications of cutting sanctioned Russian investors out of their funds, a task that can create challenges for a fund's remaining investors or even threaten the fund itself.

In the weeks since the U.S. and Europe imposed sanctions on certain entities in response to Russia's invasion of Ukraine, financial-services firms world-wide have struggled with the complex logistics of removing a major economy out of the global financial system.

TD

A major challenge for private-equity firms is determining whether any of their limited partners are connected with sanctioned people or companies, in which case they typically need to freeze these ownership stakes and notify regulatory authorities.

But what happens next is more complicated, attorneys and private-equity experts say. Fund managers may—or may not—be allowed to bring in a new limited partner to replace the sanctioned one, or to call new capital from the remaining limited partners to cover the stake of the investor under sanctions.

In some cases, a fund may be so deeply tied to a sanctioned Russian that the fund won't be able to continue operating. In other cases, the best option may be to shut down and liquidate the fund, as London firm Pamplona Capital Management recently did.

The large number of private-equity firms forced to grapple with these challenges reflects the sanctions' unprecedented scale, said Brendan Hanifin, a partner at law firm Ropes & Gray LLP who specializes in risks related to international investment.

"We've never had sanctions this significant targeting a country whose companies and citizens had such widespread holdings in the global financial system," he said.

No reliable estimates are available for how much money sanctioned Russian individuals or organizations are holding in U.S. and European private-equity funds. Private-equity firms had already become leery of Russian investors after the U.S. imposed sanctions in 2014 in response to Russia's annexation of Crimea and support for separatists in Ukraine's Donbas region. Still, industry sources say private-equity managers have had to freeze numerous investments tied to sanctioned Russian people and companies since the new sanctions were announced in February.

According to news reports, firms affected by the sanctions include Pamplona, some of whose funds are backed by LetterOne Holdings, an investment firm co-founded by sanctioned Russian billionaire Mikhail Fridman, and venture-capital firm Fort Ross Ventures, whose backers include sanctioned Moscow-based bank Sberbank PJSC. The New York Times reported March 21 that sanctioned Russian billionaire Roman Abramovich had used an intermediary to make numerous investments in private-equity funds and hedge funds in recent years.

Sanctioned Russians may have far more private-equity holdings than anybody yet knows, as a result of the loose rules on private funds for identifying customers, according to the Financial Accountability and Corporate Transparency Coalition, a group that aims to fight tax abuse and money laundering.

Private funds are "a black hole" because of their lack of requirements for vetting and reporting investors, said Ryan Gurule, policy director for the FACT Coalition.

"There's no real way to measure the intrusion of oligarch money into that sector, but recent revelations have proven that it has found its way into the [private funds] industry," said Mr. Gurule.

The challenge is compounded for private-equity firms by the complex and often opaque structures—sometimes involving shell companies or offshore vehicles—through which people sometimes invest in the asset class, attorneys say.

"Sometimes it's really difficult to determine who the counterparties are up the chain," said Tamer Soliman, a partner at Mayer Brown LLP who heads the law firm's export control and sanctions practice.

If firms detect a sanctioned entity among their investors, they need to notify the U.S. Treasury Department's Office of Foreign Assets Control, which enforces U.S. sanctions, stop sending distributions or taking capital calls from that investor, and transfer the investor's stake to a blocked account, said Mr. Hanifin. That investor will continue to own the fund stake but the assets will be frozen—impossible to sell or transfer—until the OFAC gives permission.

More drastic action may be necessary. Pamplona said March 24 it would liquidate three funds in which LetterOne, its largest investor, held an interest. But that process may not be so straightforward, experts say. Pamplona didn't provide many details on how it planned to liquidate the funds, which it said could be through a secondary sale of fund assets and direct investments. While LetterOne isn't itself sanctioned, selling the assets of Pamplona's funds may still present complications, experts say.

Mr. Fridman stepped down from LetterOne's board after the sanctions were announced. "We have removed all sanctioned individuals from all influence, control or benefit from LetterOne and are focused on protecting the 120,000 jobs our investments support while allocating \$150 million and all dividends to aid efforts for the victims of this unjustifiable war," a LetterOne spokesman said.

Because limited-partner agreements vary from fund to fund, a manager may have options when a sanctioned entity is among its investors. In some cases, the agreements may be written in a way that allows the sponsor to recoup fund expenses from the sanctioned entity, or to raise money from a new investor to cover the sanctioned investor's portion of the fund, lawyers say.

In other cases, a fund may simply find itself without the money the sanctioned entity would have contributed. If the sanctioned person holds more than 50% of the fund's assets, the fund itself may be frozen, unable to buy or sell any assets.

Regardless, the headache of having a sanctioned limited partner, and the potential public-relations fallout, is likely to make buyout firms wary of taking money even from Russians who aren't sanctioned, said Mr. Hanifin.

"I would be surprised to see many U.S. sponsors accepting Russian investors after this," he said.

Write to Chris Cumming at chris.cumming@wsj.com

IN i81502 : Trusts/Funds/Financial Vehicles | i8150203 : Private Equity | ibnk : Banking/Credit | ifinal : Financial Services | iinv : Investing/Securities | iwealth : Private Banking/Wealth Management | i814 : Banking | i831 : Financial Investment Services | ialtinv : Alternative Investments

NS gtrade : Trade Barriers/Restrictions | gesanc : International Sanctions | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gpri : Politics/International Relations | gcat : Political/General News | gdip : International Relations | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE russ : Russia | ukra : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgoz : Emerging Market Countries | dvpcos : Developing Economies | eurz : Central/Eastern Europe | weurz : Western Europe

IPD Abramovich, Roman

IPC I/AMG

PUB Dow Jones & Company, Inc. - Enterprise WSJ

AN Document RSTPROPE20220405ei4500001

HD The Ukraine Crisis: Nations World-Wide Pile on Debt to Ease Inflation Pain

BY By Tom Fairless, Nicholas Bariyo and Ryan Dube

WC 802 words

PD 5 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

A surge in food and fuel prices is raising pressure on governments world-wide to pick up the tab for consumers, stretching precarious public finances and intensifying political instability in the shakiest economies.

Spooked by protests from Bangkok to Sicily, many governments have adopted subsidies or tax breaks to shield households and businesses from the soaring prices. Yet, the handouts are boosting high government debt as borrowing costs are rising. For some countries, the increase may prove too much, raising the specter of political unrest.

TD

Subsidies "might support consumer confidence in the short term, but they also prevent healthy adjustments in the economy," deterring companies and consumers from adjusting to economic shifts, said Jorg Kramer, chief economist at Commerzbank in Frankfurt.

In Europe, Russia's attack on Ukraine saw gasoline and diesel prices make their biggest jumps since the oil shocks of the 1970s against a backdrop of rampant inflation. After chafing under Covid rules, Europeans are protesting their dwindling purchasing power.

Greek farmers in mid-March drove their tractors to the Agriculture Ministry in Athens to demand relief. In Sicily, protesting truckers disrupted food deliveries. In Spain, striking truckers caused food shortages in some areas and prompted companies like Danone SA and Heineken NV to warn of production cuts.

Inditex SA, the Spanish apparel maker behind Zara, said the strike could delay getting products to stores. Inflation in Spain rose to 9.8% in March, according to preliminary figures released last week, the highest level since 1985.

In mid-March, France staved off a similar strike with a 400 million euro relief package, equivalent to \$442 million, that includes direct payments to truckers. In Spain, strikers have rejected a proposed 500 million euro government aid package as too small. Germany recently unveiled cash payments to taxpayers, heavily discounted public-transport tickets and a temporary price cap on gasoline and diesel.

All this extra expenditure tops three years of surging pandemic-related public spending. Governments in the 19-nation eurozone are likely to run budget deficits of about 4.5% of GDP on average this year in part because of new subsidies, said Capital Economics.

Many economists say subsidies often are politically difficult to withdraw when they have outlived their purpose. The International Monetary Fund has said they tend to benefit richer households that consume more energy. Gas and oil subsidies also could undermine a planned shift away from fossil fuels. Global fossil-fuel subsidies already were worth about \$6 trillion or 7% of global output in 2021, according to the IMF.

For emerging markets in particular, the cost of often depleted public coffers is also an issue. Emerging economies must refinance debt worth about \$7 trillion this year, up from \$5.5 trillion in 2021.

Across Africa, governments struggling to recover from Covid-induced recessions have retained or reintroduced subsidies and tax breaks, threatening to worsen the continent's debt crisis. With food and

fuel prices surging again, many African nations are caught in the middle, unraveling efforts to repair the havoc wrought by the pandemic.

In Nigeria authorities have suspended long-touted plans to scrap gas subsidies, while the government in Zambia is expanding subsidies on fertilizers to support corn farmers, threatening the highly indebted nation's promises to rein in soaring external debt. After public protests, Kenya, east Africa's largest economy, offered new subsidies to help poor households. It plans to spend more than \$500 million in the next two years to ease spiraling costs, said the treasury.

Egypt, the world's largest wheat importer, normally buys 70% of its grain from Ukraine and Russia. Rising flour and fuel prices have increased government expenses by about \$1 billion, prompting it to regulate prices of non-subsidized bread.

Economists say Asian countries are in better shape to weather the inflationary shock from the war than they were in previous crises, with sounder public finances and reduced reliance on foreign capital.

Some, such as Malaysia and Indonesia, are net exporters of commodities. Higher revenues from these exports could help finance subsidies without blowing big holes in their budgets, economists say.

In India, the government has budgeted about \$40 billion for a food and fertilizer subsidy program for the fiscal year through March 2023, aimed at supporting consumers and farmers. Surging prices mean the bill for the treasury could rise to between 1.0% to 1.5% of national income, said Andrew Wood, a director in S&P Global Ratings' sovereign-ratings team, making it more difficult for the government to meet its goal of narrowing its budget deficit to 6.4% of gross domestic product from 6.9% this fiscal year.

[License this article from Dow Jones Reprint Service](#)

NS gcat : Political/General News | e211 : Government Budget/Taxation | c341 : Government Aid/Grants | ecat : Economic News | e212 : Government Borrowing | gpol : Domestic Politics | nfiac : Fixed Income Asset Class News | e11 : Economic Performance/Indicators | e1103 : Inflation Figures/Price Indices | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e21 : Government Finance | gpir : Politics/International Relations | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE ukrn : Ukraine | spain : Spain | egypt : Egypt | fra : France | greece : Greece | india : India | italy : Italy | kenya : Kenya | nigea : Nigeria | zambia : Zambia | africaz : Africa | asiaz : Asia | balkz : Balkan States | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eafz : East Africa | eecz : European Union Countries | eeurz : Central/Eastern Europe | eurz : Europe | indsubz : Indian Subcontinent | meastz : Middle East | medz : Mediterranean | nafz : North Africa | sasiaz : Southern Asia | souafz : Southern Africa | wafz : West Africa | wasiaz : Western Asia | weurz : Western Europe

IPC AFXI

PUB Dow Jones & Company, Inc.

AN Document J000000020220405ei450000h

HD **Leaders Demand War-Crime Probe --- Biden supports a trial; West to aid Ukraine in collecting evidence of alleged Russian killings**

BY By Brett Forrest and Isabel Coles

WC 1,165 words

PD 5 April 2022

SN The Wall Street Journal

SC J

PG A1

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BUCHA, Ukraine -- Western leaders vowed to investigate alleged war crimes in Ukraine and impose new penalties on Moscow over reports of Russian atrocities against Ukrainian civilians that have sparked international condemnation and outrage.

President Biden called for a war-crimes trial over the accounts of rape and killings of hundreds of civilians in Bucha and other formerly Russian-occupied towns around the Ukrainian capital. He said President Vladimir Putin of Russia must be held accountable.

TD

"We have to get all the detail so this can be an actual war-crime trial. This guy is brutal, and what's happening in Bucha is outrageous and everyone has seen it," Mr. Biden said at the White House on Monday, adding that Washington was seeking additional sanctions against Moscow. He didn't provide details.

The U.S. and European Union said Monday that they would assist Ukrainian authorities with investigations and collecting evidence.

President Emmanuel Macron of France called for additional sanctions on Russian oil and coal, despite the pain it would inflict on Europe's economies.

"It is very clear today that there are clear indications of war crimes," Mr. Macron said on French radio. "It was more or less established that this is the Russian army."

The German government said it would temporarily take control of a unit of Russian state-owned natural gas giant Gazprom PJSC in Germany in a bid to secure gas deliveries.

France and Germany said they were expelling dozens of Russian diplomats, and Germany's foreign minister, Annalena Baerbock, said images of bodies on Bucha's streets bore witness to the brutality of Russia's leadership.

President Volodymyr Zelensky of Ukraine visited Bucha on Monday afternoon, arriving in a convoy of military and police cars. Mr. Zelensky described Russian forces as "murderers" and "rapists," and vowed to hold the perpetrators to account.

In his nightly video address, Mr. Zelensky said more than 300 people are believed to have been killed in Bucha alone. "It is likely that the list of victims will be much larger when the whole city is checked. And this is only one city," he said, adding, "In many villages of the liberated districts of the Kyiv, Chernihiv and Sumy regions, the occupiers did things that the locals had not seen even during the Nazi occupation 80 years ago."

The Russian Defense Ministry has dismissed the reports of widespread killing of civilians in Bucha, calling them "another provocation" by the Ukrainian side. Moscow said no local residents suffered from violence while Bucha was under Russian control.

Ukraine's prosecutor general's office has said that more than 400 bodies of civilians had been removed from the areas surrounding Kyiv after Russian troops withdrew last week. Human Rights Watch released a report documenting instances of rape and summary executions.

More than 100 civilians were buried in mass graves by residents in Bucha, and Ukrainian soldiers and police said Monday that they were clearing the town of booby traps set by fleeing Russian forces. An explosion sounded but the combat engineers crowding the sidewalk near the administrative headquarters paid little notice.

There were some signs on Monday that normal life was gradually returning to Bucha. A girl in a purple helmet rode a bicycle past a destroyed coronavirus clinic. A couple walked four dogs off leash.

Crowds lined up at Bucha's central hospital to receive medicine and a hot meal. In the hospital's backyard, Leonid Cherkassky, the informal coordinator of Bucha's humanitarian effort, loaded food into a white van for delivery to retirees.

"We've stopped being afraid," Mr. Cherkassky said. "We're free people. Bucha was occupied but not taken."

A batch of bodies in black body bags covered those previously laid in the mass grave behind Bucha's St. Andrew's Church, though men by the open pit said Monday they would bring no more corpses.

"No people are being buried in mass graves anymore," said Andrei Verlaty, a deputy commander of Bucha's territorial defense brigade. "We still find a large number of them. Tortured. Raped women. We don't have an exact number yet."

He said authorities were shipping newly recovered corpses to an out-of-town morgue to collect DNA samples.

Three days after Ukrainian forces retook Bucha, people across town continued to share accounts of occupation.

A group of people gathering outside a kindergarten said Russian troops had evicted them from their homes, which were now destroyed. They lived in the school basement.

Tatiana Aleksandrovna said a Russian soldier had shot a woman standing near her. "I looked at the brains lying on the floor."

She spoke of other cruelties. "They took away all young girls, especially blondes," she said. "I smeared my face with mud and stuffed rags under my clothes to look fat and ugly."

Two crosses made of sticks were stuck in the dirt. Two men, civilians, Ms. Aleksandrovna said, had been shot and left for dead. Their neighbors buried them by a row of parked cars.

Kremlin spokesman Dmitry Peskov said specialists from the Russian Defense Ministry had detected "signs of video fraud and fakes."

In Ukraine's south, missiles struck the city of Odessa for a second consecutive day, according to Serhiy Bratchuk, a Ukrainian military spokesman.

The mayor of Mykolaiv, Oleksandr Senkevych, said Russian forces had also fired several missiles at the city. Over 30 people were killed in a missile strike on the regional administrative building in Mykolaiv last week, authorities said.

Ukrainian officials were bracing for a renewed Russian offensive in the east after Moscow drew troops back from the north and said it would concentrate on taking full control of the Donbas region. The U.K. Ministry of Defense said Russian troops, including mercenaries from the Wagner Group, were moving into the area.

Efforts to evacuate civilians from Mariupol foundered again on Monday. Mayor Vadym Boichenko said the Russian military had detained Red Cross representatives, thwarting their mission to open a safe passage for civilians to leave Mariupol. A Red Cross spokesman confirmed the team was being held.

About 130,000 people remain trapped in Mariupol, Mr. Boichenko said.

The European Commission, the EU's executive body, said Monday that it had set up a joint team with Ukrainian authorities to investigate war crimes in Ukraine, and the State Department said the U.S. was assisting the Ukrainian prosecutor general's war crimes unit in collecting, preserving, and analyzing evidence of atrocities there.

In mid-March, the U.S. government formally accused Russian forces in Ukraine of committing war crimes. At the time, Secretary of State Antony Blinken cited reports of attacks on civilian targets, including apartment buildings, schools and hospitals.

Andrew Restuccia in Washington, Matthew Dalton in Paris and Laurence Norman in Berlin contributed to this article.

[License this article from Dow Jones Reprint Service](#)

NS gcrim : Crime/Legal Action | gvexe : Executive Branch | gmurd : Murder/Manslaughter | gpol : Domestic Politics | grape : Sex Crimes | gvio : Military Action | gwar : War Crimes | nmajev : Major News Events | npag : Page One Stories | ntop : Top Wire News | gcat : Political/General News | gcns : National/Public Security | gpir : Politics/International Relations | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE ukrn : Ukraine | russ : Russia | fra : France | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | eurz : Europe | medz : Mediterranean | namz : North America | ussrz : CIS Countries | weurz : Western Europe

IPC EXE

PUB Dow Jones & Company, Inc.

AN Document J000000020220405ei450001n

SE Daily
 HD Crude Oil Prices Rise on Threat of New **Russia** Sanctions
 BY By Brian Swint
 WC 287 words
 PD 5 April 2022
 ET 17:42
 SN Barron's Online
 SC BON
 LA English
 CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
 LP

Crude extended gains Tuesday morning as the U.S. and Europe were expected to add to [sanctions on Russia](#) in response to mounting evidence of war crimes in Ukraine.

West Texas Intermediate futures rose 0.5% to \$103.83 a barrel, while Brent crude futures—the global benchmark—climbed 0.7% to \$108.32.

TD

Jake Sullivan, President Joe Biden's national security adviser, said he's working with Europe on new sanctions against Russia that could be announced as early as this week, after which prices jumped about \$2 a barrel.

Saudi Arabia [was also reported on Monday](#) to have raised crude prices for May delivery.

The rise in oil prices since Russia invaded Ukraine in February has been reflected at the pump the world over. That's adding strain to consumers by pushing inflation rates to levels not seen since the 1970s.

Escalating fuel prices can lift the prices of other things as well. For example, the cost of diesel, used mainly for trucking and shipping, shot up 63% in the first quarter in the U.S. That, in turn, is lifting food prices.

Oil company executives, for their part, will appear before Congress on Wednesday to justify the hikes and explain [they are not price gouging](#).

While their profits from extracting crude may be growing with prices at the highest in 14 years, they'll probably argue that the price at the pump merely reflects higher input prices and that there's little margin to be made once the oil has been refined into usable fuels.

Write to editors@barrons.com

[Crude Oil Prices Rise on Threat of New Russia Sanctions](#)

IN ifosfl : Fossil Fuels | i1 : Energy
 NS gesanc : International Sanctions | gpir : Politics/International Relations | m14 : Commodity Markets | m143 : Energy Markets | m15 : Derivative Securities | mcroil : Crude Oil Markets | gcat : Political/General News | gdip : International Relations | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter
 RE russ : Russia | usa : United States | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | ukrn : Ukraine | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe
 IPD Oil
 IPC N/DRV

PUB Dow Jones & Company, Inc.
AN Document BON0000020220405ei45000m9

WSJ Podcasts

CLM WSJ Podcast Minute Briefing
HD **Ukraine's** President Prepares to Address U.N. Security Council
WC 325 words
PD 5 April 2022
ET 15:23
SN WSJ Podcasts
SC WSJPOD
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Judge Ketanji Brown Jackson clears a procedural hurdle on the way to her Supreme Court confirmation. Plus, investment firm Disruptive Technology Solutions accuses Morgan Stanley of front-running a block trade. Luke Vargas hosts.

[Click here to listen to the podcast](#)

TD

Luke Vargas: Here is your Morning Brief for Tuesday, April 5th. I'm Luke Vargas for The Wall Street Journal.

Ukrainian president, Volodymyr Zelensky is expected to address the United Nations Security Council today, according to a spokesman for the UK Ambassador to the UN. The US Ambassador to the UN has said she would bring up alleged attacks on civilians in Ukraine's Kyiv region during the meeting. The Russian Defense Ministry has dismissed reports of the widespread killings of civilians in one Kyiv suburb, Bucha.

Judge Ketanji Brown Jackson has cleared a procedural hurdle in the US Senate on her way to confirmation as the first Black woman to serve on the Supreme Court. Last night, three Republicans joined all 50 democratic senators in voting to move her nomination forward. Judge Jackson's final confirmation vote in the Senate is expected either Thursday or Friday.

And we are exclusively reporting that investment firm, Disruptive Technology Solutions has accused Morgan Stanley and a senior executive of leaking information about a large sale of shares of Palantir Technologies in February, 2021, saddling the investment firm with millions of dollars in losses. A Morgan Stanley spokeswoman declined to comment on behalf of the firm and the senior executive.

Markets in Asia ended mostly up and European shares are mixed in early trading. US investors will be awaiting data on the US trade deficit and service sector activity due out later today.

We have a lot more coverage of the day's news on the WSJ What's News podcast. You can add it to your playlist on your smart speaker or listen and subscribe wherever you get your podcasts.

CO rumde : Russia Ministry of Defense | usasnt : United States Senate | dwitd : Morgan Stanley | palanc : Palantir Technologies, Inc. | unscou : United Nations Security Council | utdnat : United Nations
IN i3302 : Computers/Consumer Electronics | i330202 : Software | i3302021 : Applications Software | i831 : Financial Investment Services | i83102 : Security Brokering/Dealing | icomp : Computing | ientprp : Enterprise Management Software | ifinal : Financial Services | iinv : Investing/Securities | iknowms : Knowledge Management Software | itech : Technology
NS naudvl : Audio-visual Links | ntra : Transcripts | cdinn : Business/Disruptive Innovation | gpir : Politics/International Relations | ncolu : Columns | c12 : Corporate Crime/Legal Action | gcat : Political/General News | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpx : C&E Executive News Filter | nfcipn : C&E Industry News Filter | niwe : IWE Filter
RE ukrn : Ukraine | eurz : Europe | uk : United Kingdom | dvpcz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD	SYND
IPC	N/GEN
PUB	Dow Jones & Company, Inc.
AN	Document WSJPOD0020220405ei450005I

SE Daily
HD The Hidden War Tax Imposed by **Russia's** Invasion
BY By Leslie Lipschitz and Josh Felman
WC 1,399 words
PD 5 April 2022
ET 13:30
SN Barron's Online
SC BON
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

About the authors: Leslie Lipschitz, former director of the IMF Institute, has taught at Johns Hopkins University and Bowdoin College, been a guest scholar at the Brookings Institution, and an advisor at Investec Asset Management. Josh Felman was an assistant director at the IMF and is currently principal, JH Consulting.

[Russia's war](#) has caused prices of many commodities, including energy and food, to soar. As a result, living standards in Europe, the U.S., and many other countries are beginning to erode. According to the U.K. Office for Budget Responsibility, this year could see the [largest reduction](#) in British living standards since records began in 1956. The reductions in poorer countries could be even larger.

TD

In economic terms, the war is imposing a large terms-of-trade loss—that is, a jump in prices of imports relative to those of exports—on commodity importing countries. This loss is like a tax, one that is opaque and likely to lead to serious economic dislocations. How should governments respond?

Focusing on the European Union, which is particularly [dependent on Russian energy](#), one might start by assessing the size of the shock. Although the duration and denouement of the war and the sanctions imposed are unknowable, thinking through scenarios can be informative. If oil prices average \$125 per barrel in 2022 and natural gas prices double relative to 2021, energy import costs in the European Union could increase by around 1.5% of GDP. If one adds on higher prices for food and metals, the rise in import costs could amount to as much as 3% of GDP.

Such a shock would have a major impact on prices. To see this, consider a simple numerical example. Assume that GDP is 100, while import costs increase by 3. If producers and importers pass on the increase fully, then the costs for households will increase to 103. While the current 7.5% inflation in the euro area already reflects this shock in part, together with demand stimulus and ongoing supply constraints, a continuing terms-of-trade deterioration could push inflation into double digits.

But, ignoring prior inflation for the moment, here is the twist: Even as the cost of the products that households and firms purchase will increase to 103, GDP will remain at 100, since GDP measures the value added by domestic factors of production—and these haven't changed at all, at least initially. Thus, the terms-of-trade shock drives a wedge between consumer prices and the value-added prices applicable to producers. This difference between the cost of purchases (103) and what the country is earning (100) is like a tax on national income, with the revenue accruing to foreign exporters rather than domestic governments.

Who will pay this tax? To answer this question, let's extend our example. Suppose, quite realistically, that 100 in national income comprises labor income of 65 and capital income of 35. If the incidence of the tax falls entirely on business earnings—that is, workers are initially shielded entirely from the 3% price increase—wage income would rise by 3% to 67. Since value added has not changed, business earnings would fall to 33.

This analysis has two important implications.

First, the distribution of the cost increase (the "terms-of-trade" shock") between wages and earnings is important. Because the share of capital in national income is about half the size of the labor share, the detrimental effect on earnings is twice as large. In our numerical example, if the cost increase were paid entirely by businesses—perhaps because critical labor shortages militate against any cut in real wages—there would be a 6% drop in earnings. (At the opposite pole, if the "tax" were paid entirely by households, the drop in real income would amount to only 3%.) As we learned in the 1970s, the incidence of this "tax" is important. Obviously a 6% drop in earnings would have a significant impact on rates of return, investment, and employment. In all likelihood, the cost will eventually be shared between businesses and consumers, but how this end point is reached is consequential.

Second, businesses will initially try to sustain earnings by passing on higher costs into prices. This could become a game of "pass the parcel", with businesses and workers engaging in successive rounds of price and wage increases, each trying to pass the cost increase to the other.

Central banks will be tempted to respond by accommodating these developments. This strategy, however, would be as dangerous as it is alluring. In the 1970s, accommodative monetary policy led to stagflation, failing to prevent a jump in unemployment while facilitating ever-higher inflation. This inflation spiral was broken only by raising interest rates sharply, which generated a painful recession in the early 1980s. Far better, then, to pursue a firm monetary policy, which pushes back against the inevitable inflation pressures.

Meanwhile, governments will try to come up with schemes to sustain private sector living standards. But this will not work since the shock is a real phenomenon—like a drought or an earthquake—not something capable of being reversed by policy. In terms of our example, the problem is that households now need to spend 103 to maintain their standard of living, even as domestic output remains at 100.

Actually, the problem is even worse than depicted by the numerical example, because the rise in input costs will reduce output and the productivity of both labor and capital. Consider the effects on agriculture. Higher costs will elicit a cut in the use of fertilizers and gas for greenhouse heating, reducing output per worker and per unit capital in place. Of course, cost increases will differ substantially between different sectors, but for the economy as a whole productivity, employment, investment, and output will suffer.

It is possible for a nation to spend more than it earns for a while, by borrowing from abroad. But ultimately, spending needs to be brought into line with income. As a result, measures intended to compensate through fiscal largesse and/or monetary ease will not produce a lasting increase in output. Instead, they will elicit some combination of higher inflation, higher interest rates, and increased external debt.

It would be particularly ill-advised for governments to try to compensate for the increase in international prices by reducing domestic oil and gas taxes. Indeed, there is a good case for increasing taxes on energy imports from Russia. Russia is currently earning large "rents" from its oil and gas exports—that is, current prices are far above its production costs. As Ricardo Hausmann has argued in ["The Case for a Punitive Tax on Russian Oil"](#), in such circumstances, standard economic analysis tells us that if Europe and the U.S. were to impose a stiff tax on Russian energy imports, they could appropriate some of these rents for themselves. (In economic terms, the incidence of tax falls on producers when supply is inelastic but demand is relatively elastic.) Such a strategy would reduce Russian earnings at a lower cost for importing countries than a blanket ban on energy imports from Russia.

For policymakers, responsive to public concerns about energy prices, such a tax might be too daring: It is predicated on assumptions about price elasticities, and there is some risk of an even higher tax-inclusive price of gasoline in the short run. But policymakers should at least resist pressures to cut oil and gas taxes. Any such fiscal folly would benefit Russia by strengthening the demand for oil, while reducing incentives for alternative sources of energy.

Our focus in this commentary has been on Europe. But the key points are more general. By cutting economic ties with Russia, the liberal democracies have taken a principled stand for civilized international behavior. For many countries, this will entail restricted access to Russian energy and commodities. It would be folly not to accept that there is a cost involved, and that all citizens will need to share the burden of this cost.

Guest commentaries like this one are written by authors outside the Barron's and MarketWatch newsroom. They reflect the perspective and opinions of the authors. Submit commentary proposals and other feedback to ideas@barrons.com.

[The Hidden War Tax Imposed by Russia's Invasion](#)

RE russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | uk : United Kingdom | ussrz : CIS Countries | weurz : Western Europe | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe

IPD Commentary

IPC N/DJN

PUB Dow Jones & Company, Inc.

AN Document BON0000020220405ei450005I

CLM Global View
HD **Biden's Ugly Options in Ukraine**
BY By Walter Russell Mead
WC 825 words
PD 5 April 2022
SN The Wall Street Journal
SC J
PG A15
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

We are only six weeks into Vladimir Putin's war against Ukraine, but the conflict has already settled into a familiar pattern. Both sides often go into wars with a theory of victory, and it is only when both theories fail that the true shape of the conflict begins to appear. In the Second Punic War (218-201 B.C.), Hannibal thought that if he could get an army into Italy and win some conspicuous victories, the other Italian city-states, restless under Roman rule, would revolt and enable him to break Roman power for good. The Romans thought that their superior legions with their fighting spirit and discipline would quickly show Hannibal who was boss.

TD

Both sides discovered that their initial strategies did not work. The Romans were shocked by a series of disastrous military defeats and faced the greatest challenge in Roman history. Hannibal achieved his initial goals, getting his army over the Alps and winning a series of dramatic victories, still studied today by ambitious young military officers all over the world. But his strategy failed. Even after his overwhelming victory at Cannae, only a handful of Italian city-states went over to his side. Roman power survived, and the war dragged on.

World War I started out in much the same way. The French and the Germans had both planned what they hoped would be decisive attacks, the French over their eastern border and the Germans with the Schlieffen plan for an attack through Belgium that would capture Paris. Both offensives fell short, leaving the countries locked in a conflict that neither side knew how to win -- and neither was willing to lose.

Something similar seems to be happening with Mr. Putin's war. The original Russian plan was to break the Ukrainian state by quickly taking the capital and major cities such as Kharkiv. It failed. Ukraine hoped that the shock of military setbacks plus major economic sanctions would either force Mr. Putin to accept peace terms favorable to Ukraine or lead to his overthrow. That plan also seems to have failed, at least for now.

Now both sides are stuck with a war that neither knows how to win, and it is difficult to see the outlines of a compromise peace that both sides can accept. Ukraine cannot accept a peace that leaves it exposed to further Russian aggression and that involves further territorial sacrifice, and Mr. Putin cannot end the war without demonstrable gains at the expense of Ukraine. The logic of warfare now seems to lock the two sides into further, perhaps escalating military, economic and political conflict as each looks for some pathway to victory. Russia is refocusing its military efforts on the east and stepping up the level of violence on the battlefield and against civilians to terrorize Ukrainians into accepting Russian dominance. Ukraine is redoubling its appeal to Western countries for more military aid and tougher economic sanctions.

As the two sides stumble in search of a path to victory, the Biden administration has three ugly options from which to choose.

The first option, helping Ukraine win, is the most emotionally appealing and would certainly be the most morally justifiable and politically beneficial, but the risks and costs are high. Russia won't accept defeat before trying every tactic, however brutal, and perhaps every weapon, however murderous. To force Russia to accept failure in Ukraine, the Biden administration would likely have to shift to a wartime mentality, perhaps including the kind of nuclear brinkmanship not seen since the Cuban missile crisis of

1962. With China and Iran both committed to weakening American power by any available means, a confrontation with the revisionist powers spearheaded by Russia may prove to be the most arduous challenge faced by an American administration since the height of the Cold War.

But the other two options are also bad. A Russian victory would inflict a massive blow to American prestige and the health of the North Atlantic Treaty Organization, especially if the West were seen as forcing Ukraine to surrender to Russian demands. Freezing the conflict is also perilous, as this would presumably leave Russia holding even more Ukrainian territory than it did following the 2014 invasions of Crimea and the Donbas. It would be hard to spin this as anything but a partial victory for Russia -- and Mr. Putin would remain free to renew hostilities at a time of his choosing.

The failure to deter Mr. Putin's attack on Ukraine is more than a failure of the Biden administration. Donald Trump, Barack Obama and George W. Bush must share the blame. This failure may prove to be even costlier than failing to prevent the 9/11 attacks, and President Biden's place in history hangs on his ability to manage the consequences of this increasingly unspeakable and unpredictable war.

[License this article from Dow Jones Reprint Service](#)

NS gdip : International Relations | gvexe : Executive Branch | gvio : Military Action | ncolu : Columns | nedc : Commentaries/Opinions | gcat : Political/General News | gcns : National/Public Security | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter

RE ukrn : Ukraine | russ : Russia | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dypcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC EXE

PUB Dow Jones & Company, Inc.

AN Document J000000020220405ei4500015

HD **The Ukraine Crisis: Oligarch's Yacht Is Target Of U.S. Forfeiture**

BY By Saide Gurman and Eric Sylvers

WC 345 words

PD 5 April 2022

SN The Wall Street Journal

SC J

PG A6

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

U.S. and Spanish authorities seized a \$90 million super yacht in Spain that they said is owned by a sanctioned oligarch with close ties to Russian President Vladimir Putin, marking the first such seizure in the Biden administration's efforts to hunt down the luxury real estate, private jets, yachts and other assets of Russian elites stashed around the globe.

Unlike a handful of seizures of yachts and villas in Europe since Moscow invaded Ukraine, U.S. officials said Monday they would seek the yacht's forfeiture, alleging it represents the spoils of a crime. Governments have wide latitude to sanction individuals, subjecting their assets to potential freezes as long as the sanctions remain in effect. Such moves typically don't require proof of criminality. They can be challenged, but the process can take years.

TD

In the case of Monday's seizure, "we will now seek to have the vessel forfeited as the proceeds of a crime," Attorney General Merrick Garland said.

A filing in federal court in Washington says the 250-foot luxury yacht, named Tango, is owned by Viktor Vekselberg, one of Russia's richest men, who has invested in U.S. companies, real estate and other opportunities. He bought the yacht in 2011 but used shell companies to try to conceal his ownership and avoid financial oversight, an FBI agent wrote in the filing, an application for a warrant to seize the vessel.

U.S. authorities said they are investigating Mr. Vekselberg for tax fraud, money laundering and using fake documents and shell companies to avoid sanctions and hide his ownership of the Tango. Representatives for Mr. Vekselberg weren't reachable for comment.

Authorities from the U.S. Federal Bureau of Investigation, Department of Homeland Security and Spain's Civil Guard boarded the yacht and seized electronic devices and documents. The yacht was in a shipyard on the island of Mallorca, in the Mediterranean Sea.

[License this article from Dow Jones Reprint Service](#)

CO fbinv : Federal Bureau of Investigation

NS gdip : International Relations | gcrim : Crime/Legal Action | nmajev : Major News Events | ntop : Top Wire News | gcat : Political/General News | gpir : Politics/International Relations | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | spain : Spain | usa : United States | eurz : Europe | ukrn : Ukraine | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | medz : Mediterranean | namz : North America | ussrz : CIS Countries | weurz : Western Europe

IPC FBI

PUB Dow Jones & Company, Inc.

AN Document J000000020220405ei4500012

HD The **Ukraine Crisis: Berlin to Temporarily Control Gazprom Unit**

BY By Georgi Kantchev and Bojan Pancevski

WC 577 words

PD 5 April 2022

SN The Wall Street Journal

SC J

PG A6

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BERLIN -- The German government will temporarily take control of a key unit of Russian state-owned natural gas giant Gazprom PJSC in Germany in a bid to secure gas deliveries, as tensions grow between Russia and Europe over energy supplies.

Economy minister Robert Habeck said Monday that the Federal Network Agency would become a trustee of Gazprom Germania GmbH until Sept. 30. The move comes after Gazprom on Friday said that it was exiting its business in Germany without elaborating.

TD

"The arrangement of the trust administration serves to protect public safety," he said.

The move was triggered by Gazprom's failure to notify the government of a change of ownership of Gazprom Germania, as well as uncertainty as to who owns the assets, Mr. Habeck said. Gazprom didn't respond to a request for comment.

Gazprom Germania operates critical infrastructure in Germany, including gas storage, trading and transporting of natural gas.

Mr. Habeck said gas supply currently is guaranteed. Gazprom has said that exports to Europe are continuing in line with contracts.

Russia's Feb. 24 invasion of Ukraine and Europe's subsequent sanctions against Moscow have triggered a growing tussle between the two over oil and gas supplies. Last month, President Vladimir Putin said Russia would only receive rubles as payment for gas exports. Gas contracts between German and Russian companies are typically denominated in euros.

Germany and other European nations mostly have denounced the step, saying that they would continue to pay for the gas in euros or dollars. A decree signed by Mr. Putin last week outlined a plan whereby European customers would pay in euros or dollars to a Russian bank which would then purchase rubles to pay for the deliveries. The new rules would cover payments that have to be made later this month.

Germany has been heavily dependent on Moscow for energy, importing more than half of its gas and about a third of its oil from Russia last year. Consecutive German governments gradually increased the country's dependence on cheap energy imports from Russia.

Following Russia's invasion, the German government announced that it aimed to stop all gas imports from Russia by 2024 and end Russian oil imports by the end of the year. Just before the start of the war, Berlin halted the certification of the Nord Stream 2 undersea pipeline, which would have doubled the volume of Russian gas exported directly to Germany.

Last week, Berlin triggered the early-warning stage of a contingency plan that aims to insulate the country against any possible reduction in Russian gas deliveries. The final stage of the plan, which could kick off if gas supplies are interrupted, would see gas being rationed in the country.

A German government official said Gazprom's attempt to transfer the ownership of the company to a foreign entity without seeking permission from the authorities fell afoul of German laws. It remains

unclear why Gazprom transferred the ownership, and the company hasn't communicated its intention to the government, the official said.

Under German law, foreign acquisitions of strategic assets such as energy infrastructure must be approved by authorities if the buyer is a company from a non-EU third country.

Gazprom Germania will now be under state administration for six months until the legal situation is cleared, the German official said.

[License this article from Dow Jones Reprint Service](#)

CO fgvger : Federal Government of Germany | gazpgg : GAZPROM Germania GmbH | gzprm : Gazprom PJSC

IN i1 : Energy | ifosfl : Fossil Fuels | i13 : Crude Oil/Natural Gas Upstream Operations | i1300014 : Natural Gas Extraction | iextra : Natural Gas/Oil Extraction | iioil : Integrated Oil/Gas

NS c13 : Regulation/Government Policy | gpol : Domestic Politics | neqac : Equities Asset Class News | nmajev : Major News Events | ntop : Top Wire News | reqren : Suggested Reading Energy | ccat : Corporate/Industrial News | gcat : Political/General News | gpir : Politics/International Relations | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE russ : Russia | gfr : Germany | eurz : Europe | ukrn : Ukraine | asiaz : Asia | bric : BRICS Countries | dach : DACH Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | ussrz : CIS Countries | weurz : Western Europe

IPC ABO

PUB Dow Jones & Company, Inc.

AN Document J000000020220405ei4500010

HD **Civilian Volunteers Are Ukraine's Secret Weapon**

BY By Jillian Kay Melchior

WC 1,012 words

PD 5 April 2022

SN The Wall Street Journal

SC J

PG A17

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Lviv, Ukraine -- How has Ukraine stood its ground against Russia's larger force? Part of the answer is that the smaller country has a strong civil society. Russia has deliberately slaughtered Ukrainian civilians, including by bombing apartment buildings, medical facilities and shelters where children sought refuge. Ukrainians responded with volunteer efforts that have made important contributions to the country's defense.

When Russian troops were massing across the border, Ukrainian civilians met during weekends to learn how to administer battlefield first aid, how to handle a weapon and other basic wartime skills. Many have joined the fight as part of the Territorial Defense, where they are "a great help to the regular military," former Defense Minister Andriy Zagorodnyuk says. With only "very basic training," they have helped build barricades, patrol roads and territory, and even attack Russian convoys and capture enemy soldiers.

TD

The U.S. and Europe were slow to provide Ukraine with equipment to defend itself, and Ukrainian civilians have sought to compensate. The High Professional and Technical College in Vynohradiv usually produces electricians, plumbers and other skilled workers. But since war broke out, it has served as a small factory, churning out defensive equipment.

In early March, students welded together "hedgehogs" -- heavy barriers that look like toy jacks and can block tanks. The week I visited, teachers were recycling leaf springs from cars into plates for bulletproof vests. They researched how to make them online, then tested them for quality by shooting at them. The first three batches failed and were thrown away, but the latest model can block a bullet from standard Russian weapons.

When the test succeeded, the school's director, Volodymyr Gnatkivskiy, 58, said he felt "no emotions, just a feeling that it works. If it works, you should do it as much as possible." Teachers stacked the finished plates, each weighing some 22 pounds, in a tidy row in their warehouse.

Elsewhere, civilians have gathered to weave camouflage nets by hand for soldiers on the frontline. They cut short and long strips of fabric, which they call "butterflies" and "snakes" respectively, and tie the ribbons to nets. Each takes a day or longer to complete. In Uzhhorod, I saw mothers and their young children working on them in the town square. In Lviv, volunteers told me they bless each finished net by singing the national anthem over it.

"The front can't exist without its backside, without civil society," says Sofiya Filonenko, 47, who fled the eastern port city of Berdyansk on the first day of war. Now in Lviv, "I see that everybody is doing something, something useful. Everyone wants to be active. . . . I don't want to identify myself as a refugee. I'm not a victim. I think I'm actually not weak but strong, active, and I think of me as a volunteer, so I do everything I can to make our victory closer."

The war has displaced as many as 1 in 4 Ukrainians. In the early weeks, families in western Ukraine took in those forced to flee. Workers at schools, libraries, gymnasiums and other institutions converted their spaces into makeshift shelters. Internal refugees I interviewed said they fear becoming a burden, so they have thrown themselves into volunteering.

One of them is Serhii Hnylytskyi, 48, who fled Kharkiv with his wife and daughters. The women have continued to Germany, but with few exceptions Ukrainian men 18 to 60 are prohibited from leaving the country. Mr. Hnylytskyi volunteered in Lviv to help new arrivals from the east. Since our interview, he has returned to Kharkiv to help clear rubble. "Someone helped me, and I am helping someone else," he says. "That's the way it is."

In late March, Ukrainian celebrity chef Ievgen Klopotenko, 35, opened Inshi, his newest restaurant, in Lviv. There are two menus: one for paying customers and another with a "chef's dish for the people who cannot pay," he says. "You want to still feel human." Exhausted refugees can enjoy a thoughtfully prepared sit-down meal. Mr. Klopotenko says the restaurant will also enable him to create jobs and pay taxes to support the Ukrainian government.

As we speak, star-struck diners hug Mr. Klopotenko and take photos with him. He sees his fans as fellow foot soldiers: "We have two armies -- our military, and we are an army." Locals have donated ingredients and cash to support the free menu, and others stop in to buy extra desserts, asking the waiters to give them to someone in need.

The Ukrainian volunteers I interviewed said their civic work wards off despair and boosts national morale. Soldiers at the frontline can rest assured that someone is looking after their wives and children.

Today's volunteer movement began to form in 2014, after the pro-Russian then-President Viktor Yanukovich responded with brutality to young protesters gathering in Kyiv's Maidan Square to demand political and economic integration with Europe. The demonstrations swelled as violence galvanized the public.

Kyiv residents brought protesters food, fuel for fires, and tires to build barricades. Doctors and nurses feared injured protesters would be arrested if they showed up at hospitals, so they formed makeshift clinics. The protests culminated after Mr. Yanukovich fled to Russia in February 2014, but by then dozens had died after riot police opened fire into the crowd. In the weeks that followed, Vladimir Putin invaded eastern Ukraine and annexed Crimea.

By that point, Ukrainian civilians felt emboldened. Some Maidan alumni joined volunteer battalions to fight in the eastern provinces of Donetsk and Luhansk. Some donated money, bought medical and military equipment, and ferried it to the front line. Others focused their efforts on rooting out corruption and promoting democratic reform in Ukraine.

Ukrainians have spent the past eight years strengthening their ability to govern themselves, and a vibrant civil society is proving to be a significant advantage in the war against Russia.

Ms. Melchior is a Journal editorial page writer.

[License this article from Dow Jones Reprint Service](#)

NS	gvio : Military Action nedc : Commentaries/Opinions gcat : Political/General News gcns : National/Public Security grisk : Risk News ncat : Content Types nfact : Factiva Filters nfcpx : C&E Executive News Filter
RE	ukrn : Ukraine russ : Russia asiaz : Asia bric : BRICS Countries devgcoz : Emerging Market Countries dypcoz : Developing Economies eeurz : Central/Eastern Europe eurz : Europe ussrz : CIS Countries
IPC	IGV
PUB	Dow Jones & Company, Inc.
AN	Document J000000020220405ei450000y

HD The **Ukraine** Crisis: EU Pressured to Bolster Sanctions --- War-crime allegations intensify calls for the bloc to limit **Russia's** energy exports

BY By Laurence Norman and Bojan Pancevski

WC 631 words

PD 5 April 2022

SN The Wall Street Journal

SC J

PG A6

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BERLIN -- French President Emmanuel Macron's call Monday for sanctions banning imports of Russian oil and coal into the European Union following the recent allegations of atrocities in Ukraine is set to trigger the most divisive intra-EU clash yet about how to respond to Russia's invasion of its neighbor.

European governments, some of them divided internally on the issue, have so far tiptoed around energy imports, with proponents of some form of energy ban -- including Poland, the Baltic states, Sweden and the Netherlands -- accepting that opposition in other capitals remained too strong.

TD

The EU was preparing for a sanctions package this week that was set to avoid new energy sanctions, instead proposing moves intended to reinforce previous measures.

Yet, the emerging reports of potential war crimes committed in Bucha -- a town near Kyiv where the bodies of hundreds of people killed during the war were found over the weekend -- have shifted the debate about what the EU should do to stop funding Russia's war effort. That has pushed capitals that have so far trodden carefully on energy sanctions to be more openly supportive.

"What happened in Bucha requires a new round of sanctions," Mr. Macron said. "Already on coal and oil, which we know would be particularly painful, we can act."

Mr. Macron's call came as France and Germany became the latest European countries to expel dozens of Russian diplomats. Last week, four EU countries ousted 43 Russian envoys, the latest in a coordinated wave of expulsions aimed at weakening Russian intelligence networks in the bloc, according to diplomats involved in the decisions.

Berlin announced it would expel 40 Russian officials who must leave Germany within five days. A government official said they were intelligence workers spying in Germany.

Mr. Macron's government announced the expulsion of "numerous Russian officials" whose activities threaten national security. A French official said the total number expelled was about 35. The Lithuanian government also said Monday it was ordering home the Russian ambassador.

Moscow has said it would respond in kind to the expulsion of more than 180 Russian officials from EU countries since the invasion of Ukraine.

The European Commission had been expected to present a new sanctions package during the next couple of days, including banking and other targeted measures. However officials said Sunday they were reviewing the work in light of the reports from Ukraine to make the new sanctions package bolder.

European diplomats said there is a range of options being discussed. One is to present a separate package that could include oil and coal sanctions, which could be phased in. A second possibility is that European leaders could be called to discuss energy sanctions.

Among the ideas under consideration is the possibility of placing a significant tariff on Russian oil and coal imports in a bid to encourage member states to rapidly reduce their use.

Germany, Austria and Hungary's newly re-elected government have led the opposition to energy-import bans, although German officials have signaled wiggle room on oil and coal import bans. Berlin has presented a plan to phase out the use of Russian coal by the summer and Russian oil by the end of the year.

Germany's minister of the economy, Robert Habeck, reiterated the government's opposition to an immediate ban on Russian gas and oil imports because he said the German economy needs time to find alternative supplies.

"We are pursuing a strategy to make ourselves independent of Russian gas, coal, and oil, only not immediately," he said in a Sunday TV interview.

[License this article from Dow Jones Reprint Service](#)

CO euruno : European Union

IN i1 : Energy | i111 : Coal Mining | ibasicm : Basic Materials/Resources | ifosfl : Fossil Fuels | imet : Mining/Quarrying

NS gesanc : International Sanctions | gvexe : Executive Branch | gcat : Political/General News | e512 : Physical Trade | gdip : International Relations | gpol : Domestic Politics | gtrade : Trade Barriers/Restrictions | gvio : Military Action | gwar : War Crimes | nmajev : Major News Events | ntop : Top Wire News | reqren : Suggested Reading Energy | e51 : Trade/External Payments | ecat : Economic News | gcns : National/Public Security | gcrim : Crime/Legal Action | gpir : Politics/International Relations | grisk : Risk News | gvbod : Government Bodies | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE russ : Russia | ukrn : Ukraine | gfr : Germany | eurz : Europe | fra : France | hung : Hungary | asiaz : Asia | bric : BRICS Countries | dach : DACH Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | medz : Mediterranean | ussrz : CIS Countries | weurz : Western Europe

IPC NRG

PUB Dow Jones & Company, Inc.

AN Document J000000020220405ei450000x

HD The **Ukraine Crisis: Intelligence Sharing Marks New U.S. Front In Information War**

BY By Warren P. Strobel

WC 789 words

PD 5 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

WASHINGTON -- As Russian troops amassed at Ukraine's border in early December, White House officials pored over multiple versions of a highly classified map that detailed Moscow's burgeoning military presence.

The administration provided a version of the map and accompanying text to the Washington Post, which published it online Dec. 3, just days before a tense phone call between President Biden and Russian leader Vladimir Putin. The release of the map -- a blend of secrets gathered by U.S. spy agencies and commercially available satellite images -- kicked off a virtually unprecedented effort by the Biden administration to use U.S. intelligence to shape the battlefield of Europe's bloodiest conflict in decades.

TD

The new approach to public intelligence sharing has involved declassifying a cascade of secrets normally reserved for top policy makers: updates on Russian troop movements; detailed allegations that Moscow would stage a pretext for its invasion; even, last week, reports of growing tension between Mr. Putin and his generals. White House officials call the strategy "downgrade and share" -- with "downgrade" referring to lowering the classification level of U.S. documents or data.

U.S. officials say that although the tactic didn't prevent the Russian invasion of Ukraine, they have evidence the public deployment of intelligence has been effective in other ways. It did, they say, stymie Mr. Putin's plans to use a "false flag" operation, essentially a staged attack Moscow would blame on Ukraine, as a pretext for war, and might have delayed the invasion itself, giving Kyiv more time to prepare.

Citing those successes, some see "downgrade and share" as foreshadowing future uses of intelligence in international crises.

"I really think this is a harbinger," said Glenn Gerstell, former general counsel at the National Security Agency. "Future conflicts are going to be shaped, instigated and deterred by releases of information beforehand."

The plan to declassify and share intelligence dates to the fall of last year, when Mr. Biden signed off on it. His national security adviser, Jake Sullivan, was a prime architect and oversaw execution of the initiative, U.S. officials said, with support from Secretary of State Antony Blinken, CIA Director William Burns and Director of National Intelligence Avril Haines.

The initiative Mr. Biden approved in November, a senior official said, was an outgrowth of expanded U.S. intelligence-sharing with European allies. That trans-Atlantic effort was aimed at ensuring that Washington and its partners had a common picture of Russia's gathering military might around Ukraine, and at bolstering resolve to act, U.S. officials said.

In terms of convincing allies of the threat, however, the information sharing yielded mixed results. European allies, except Britain, greeted American predictions of an invasion with skepticism, U.S. officials said.

The Biden administration has also had to tread a fine line between warning of Russia's plans and being painted as too alarmist.

For example, one version of the map made public in early December had bright red arrows pointing from Russian military encampments into Ukraine, showing where troops would breach the border. Some officials looking at that depiction realized it might erroneously suggest a Russian invasion was imminent. It was decided, "No, we're not going to use that one," a senior U.S. official involved in the process said.

It was set aside in favor of a map that denoted the location of Russian units with circles, the official said.

U.S. officials declined to discuss some aspects of "downgrade and share," including the sources of the intelligence and details of the interaction between the White House and U.S. spy agencies.

Current and former intelligence officials suggested the declassified information is drawn mostly from communication intercepts, satellite images and other technical means. Current officials declined to say whether the CIA's human source network is involved.

"My sense is, it isn't, otherwise they wouldn't have done it" because of the risks to precious human spies, said Mark Lowenthal, a former CIA and State Department intelligence official.

The material prepared for release goes through standard declassification channels, a U.S. intelligence official said, rather than some special task force created to handle it. The latter might have raised concerns that the White House was manipulating or politicizing the intelligence flow.

Ms. Haines's office has coordinated with declassification experts across U.S. intelligence agencies to make declassification decisions, said Nicole de Haay, a spokeswoman for the Director of National Intelligence. "The intelligence community surged personnel and resources to support classification reviews," Ms. de Haay said.

Dustin Volz and Vivian Salama contributed to this article.

[License this article from Dow Jones Reprint Service](#)

NS gvexe : Executive Branch | gspy : Espionage | gcat : Political/General News | c1521 : Analysts' Comments/Recommendations | gdip : International Relations | gvio : Military Action | nmajev : Major News Events | ntop : Top Wire News | ccat : Corporate/Industrial News | gcns : National/Public Security | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfce : C&E Exclusion Filter | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | eurz : Europe | usa : United States | usdc : Washington DC | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | namz : North America | uss : Southern U.S. | ussrz : CIS Countries

IPC CIA

PUB Dow Jones & Company, Inc.

AN Document J000000020220405ei450000g

HD The **Ukraine Crisis: In Poland, Most Ukrainian Refugees Find Shelter in Private Residences**

BY By Ian Lovett, Natalia Ojewska and Eric Sylvers

WC 837 words

PD 5 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

WARSAW -- The living room in Taras Stetsenko's apartment is filled with bunk beds. There is no space to keep clothing. The refrigerator in the two-bedroom residence west of Warsaw can't hold enough food for eight relatives from Ukraine who have moved in.

"I think some more family will arrive," said the 41-year-old, who moved to Poland from Ukraine five years ago.

TD

More than four million Ukrainians have fled their country since Russia invaded over a month ago. But instead of large-scale refugee camps, the refugees mostly have found shelter in private homes. Hundreds of thousands of Poles, Western Europeans and, especially, Ukrainians in diaspora, have taken with refugee families.

This massive, informal network -- which also has offered food, transportation and, in some cases, jobs -- has eased the burden on public services, and smoothed the welcome for the refugees.

Still, a month into the war, local officials are wary of backlash, aware that the goodwill toward refugees -- and the invitations to stay at their homes -- eventually will run out. Donations to aid groups already have fallen considerably since the start of the war.

Of more than 300,000 refugees currently in Warsaw, only about 10,000 are staying in the temporary housing the city has set up at exhibition halls or warehouses; most have found their way into private residences, said Renata Kaznowska, the vice president of Warsaw.

The city, she said, couldn't have absorbed so many refugees without the thousands of volunteers who stepped up, but this impromptu system isn't sustainable. "You can always expect that some animosities could emerge," she said. "We assume that they might soon start to search for their own apartments."

In 2015, Poland refused to accept Syrian refugees. But early in the war, Polish Prime Minister Mateusz Morawiecki said the country would accept all Ukrainians who needed safe harbor. "We are ready to accept tens of thousands, hundreds of thousands," he told a German newspaper.

The reality has been far more -- 2.4 million Ukrainians have fled to Poland so far. Although there is no official count, aid groups estimate well over half of those refugees remain in the country. As many as two million Ukrainians were living in Poland before the war began, and many refugees have found shelter with family and friends.

Mr. Stetsenko's home is a microcosm of how Polish society has absorbed the influx of people. When the war broke out, he was living with his longtime girlfriend. "We need a bigger apartment," he thought.

Two Polish friends helped him find a place in Kalisz, several hours west of Warsaw. One of them, using money his daughter in the U.S. raised, provided blankets, carpets, mattresses, shelves and an oven. The other is charging only nominal rent.

Family members began arriving Feb. 27. Quarters are cramped, with 10 people -- including six children and Mr. Stetsenko's ex-wife -- in the two-bedroom apartment. For meals, they crowd around a small square table, surrounded by beds. There is only one bathroom. "The day begins with a line to the toilet," said Mr. Stetsenko, who works at a furniture factory.

There is also, for now, only one income for the entire household. Still, he insists the family can live this way as long as the war lasts: "Compared to Ukraine, we're in good condition."

Poles, too, are offering what they can to refugees. Thousands have signed up online to host Ukrainians, while others showed up at train stations to offer their pullout couches or summer country homes to those who had just arrived. Companies have converted unused office space into dormlike housing or classrooms for Ukrainian children to take Polish lessons.

Anna Stachowicz has turned her house into a way station. Since the war began, the mother of two has hosted 18 Ukrainians in her living room. It started by accident -- a friend asked if she could help a young couple on their way to Estonia. She took them in, and, after the first couple left, signed up as a host at the Warsaw train station.

Now, on the coffee table, she and her husband have set out a computer, the Wi-Fi password, coffee mugs and a basket with soap and toothbrushes. Most are eager to shower and sleep but hardly eat, then move on after a night or two.

"They are not hungry at all," Ms. Stachowicz, a 36-year-old Polish-language private tutor, said. "Their stomachs are in knots."

As the war drags into its second month, however, the need for permanent housing is growing. While many Ukrainians want to stay in Poland -- with its familiar Slavic language, large expat community and proximity to Ukraine -- more refugees are filtering across the continent to places with less competition for accommodation and jobs.

Anastasiia Morozova contributed to this article.

[License this article from Dow Jones Reprint Service](#)

NS	gimm : Human Migration nmajev : Major News Events ntop : Top Wire News gcat : Political/General News gpir : Politics/International Relations ndj : Dow Jones Top Stories redit : Selection of Top Stories/Trends/Analysis
RE	pol : Poland ukrn : Ukraine devgcoz : Emerging Market Countries dvpcoz : Developing Economies eecz : European Union Countries eeurz : Central/Eastern Europe eurz : Europe
IPC	NND
PUB	Dow Jones & Company, Inc.
AN	Document J000000020220405ei450000f

CLM Emerging Markets
HD Europe Refuses to Pay **Russia** Rubles for Gas
BY By Craig Mellow
WC 614 words
PD 4 April 2022
SN Barron's
SC B
PG 32
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

Vladimir Putin was rash enough to invade Ukraine. Could he double his bet by cutting Russian natural gas exports to Ukraine's supporters in Europe? It doesn't look like it, for the moment.

Russia's leader launched his latest stare-down with the West a week ago, announcing that "unfriendly states" would have to start paying for their gas in rubles, not euros or dollars. His unfriendly counterparts across the European Union duly refused.

TD

Putin's follow-through, when his March 31 deadline came, was ambiguous. Failure to pay henceforth in rubles will be "considered a breach of obligations with all the ensuing consequences," he told a televised ministers' meeting. Transcripts from a call with German Chancellor Olaf Scholz sounded more like compromise: Hard-currency payments could continue if they were funneled through Gazprombank (ticker: GZPR.Russia), [the financial arm](#) of Russia's state-owned export monopoly. April gas shipments are only paid for in May, giving brinkmanship another month.

Ruble payment is a curious red line for Putin to draw. [Gazprom](#) (GAZP.Russia) has been earning Russia \$340 million (€306 million) a day since the war started five weeks ago, energy consultant ICIS estimates. Moscow needs that cash. Two-thirds of its foreign reserves are frozen by sanctions, and the central bank reported that it has depleted \$39 billion of what's left since mid-February. "My first thought is: Why don't they want the hard currency?" says Aaron Hurd, senior currency portfolio manager at State Street Global Advisors.

Putin's presumed objective is to re-inject liquidity into the ruble, which sanctions have made all but untradable, despite the currency's bounce in recent days. European customers are bent on resisting for the same reason. "A free-falling ruble is part of the point of sanctions," says Samantha Gross, director of the energy security and climate initiative at the Brookings think tank.

Hopes that the U.S. could ease Russia's energy hammerlock on Europe flagged after President Joseph Biden's recent visit to the Continent. Biden promised an extra 15 billion cubic meters of liquefied natural gas this year, a 10th of what the EU buys from Russia. Some 12 BCM of this has already shipped, says Jonathan Stern, founder of the Gas Research Program at the Oxford Institute for Energy Studies.

LNG is no quick fix. Current U.S. projects could yield an export boom, starting in 2026, Stern calculates. Then they would need 15 years of sales contracts to pay off. Europe might not need the gas by then, if it hits its renewable energy targets.

Then there are Gazprom's contracts, which both sides have fulfilled since the 1970s. Europeans complain that Putin's ruble payment proposal would violate current agreements, which stipulate payment currency. But the EU's own target of slashing Russian gas imports by two-thirds would abrogate "take or pay" obligations, which will still cover 90 BCM annually in 2030, Stern says.

"There is no replacement for the Russian gas that Europe imports," concludes Anne-Sophie Carbeau, a global research scholar at Columbia University's Center for Global Energy Policy. "The implications for European industry would be disastrous."

The story could be different in the historical terms that Putin increasingly prefers, however. That's the way it looks in Germany, Gazprom's biggest and formerly most friendly customer, says Marcel Dirsus, a fellow at Kiel University's Institute for Security Policy. "There's more and more pressure for Germany to stop financing a hostile power," he says. "Zero dependency on Russia is not if, but when."

Email: editors@barrons.com

NS gpir : Politics/International Relations | ncolu : Columns | gcat : Political/General News | ncat : Content Types

RE ukrn : Ukraine | gfr : Germany | asiaz : Asia | easiaz : Eastern Asia | eecz : European Union Countries | eurz : Europe | russ : Russia | uk : United Kingdom | ussrz : CIS Countries | weurz : Western Europe | apacz : Asia Pacific | bric : BRICS Countries | dach : DACH Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe

IPD Barrons.com

IPC GAZP.RS

PUB Dow Jones & Company, Inc.

AN Document B000000020220401ei440002v

THE WALL STREET JOURNAL.

CLM National Security
SE Politics
HD **Release of [Ukraine](#) Intelligence Represents New Front in U.S. Information War With [Russia](#); To fight Kremlin, Biden authorized initiative to declassify and share information with the public and allies**
BY By Warren P. Strobel
WC 1,463 words
PD 4 April 2022
ET 19:47
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

WASHINGTON—As [Russian troops](#) amassed at Ukraine's border in early December, White House officials pored over multiple versions of a highly classified map that detailed Moscow's burgeoning military presence.

The administration provided a version of the map and accompanying text to the Washington Post, which published it online Dec. 3, [just days before a tense phone call](#) between President Biden and Russian leader Vladimir Putin. The release of the map—a blend of secrets gathered by U.S. spy agencies and commercially available satellite images—kicked off a virtually unprecedented effort by the Biden administration to use U.S. intelligence to shape the battlefield of Europe's bloodiest conflict in decades.

TD

The [new approach to public intelligence sharing](#) has involved declassifying a cascade of secrets normally reserved for top policy makers: updates on Russian troop movements; detailed allegations that Moscow would stage a pretext for its invasion; even, last week, reports of growing [tension between Mr. Putin and his generals](#). White House officials call the strategy "downgrade and share"—with "downgrade" referring to lowering the classification level of U.S. documents or data.

SHARE YOUR THOUGHTS

How effective was the Biden administration's campaign of releasing intelligence on Russia's invasion of Ukraine? Join the conversation below.

U.S. officials say that although the tactic didn't prevent the [Russian invasion of Ukraine](#), they have evidence the public deployment of intelligence has been effective in other ways. It did, they say, stymie Mr. Putin's plans to use a "false flag" operation, essentially a staged attack Moscow would blame on Ukraine, as a pretext for war, and might have delayed the invasion itself, giving Kyiv more time to prepare.

Citing those successes, some see "downgrade and share" as foreshadowing future uses of intelligence in international crises.

"I really think this is a harbinger," said Glenn Gerstell, former general counsel at the National Security Agency. "Future conflicts are going to be shaped, instigated and deterred by releases of information beforehand."

The plan to declassify and share intelligence dates to the fall of last year, when Mr. Biden signed off on it. His national security adviser, Jake Sullivan, was a prime architect and oversaw execution of the initiative, U.S. officials said, with support from Secretary of State Antony Blinken, CIA Director William Burns and Director of National Intelligence Avril Haines.

The initiative Mr. Biden approved in November, a senior official said, was an outgrowth of expanded U.S. intelligence-sharing with European allies. That trans-Atlantic effort was aimed at ensuring Washington and its partners had a common picture of Russia's gathering military might around Ukraine, and at bolstering resolve to act, U.S. officials said.

In terms of convincing allies of the threat, however, the information sharing yielded mixed results. European allies, except Britain, greeted American predictions of an invasion with skepticism, U.S. officials said. The chief of Germany's BND foreign intelligence service [was caught in Kyiv when the invasion began](#) and had to be evacuated overland.

And France, a senior European official said, thought Russia was using threats but wouldn't invade. France's military intelligence chief resigned last week.

The Biden administration has also had to tread a fine line between [warning of Russia's plans](#) and being painted as too alarmist.

For example, one version of the map made public in early December had bright red arrows pointing from Russian military encampments into Ukraine, showing where troops would breach the border. Some officials looking at that depiction realized it might erroneously suggest a Russian invasion was imminent. It was decided, "No, we're not going to use that one," a senior U.S. official involved in the process said.

It was set aside in favor of a map that denoted the location of Russian units with circles, the official said.

The support from senior intelligence leaders for sharing so much information publicly represents a major shift, a second senior U.S. official said. The official recalled how in 2014, Washington was unable to effectively counteract Moscow's information operations surrounding its annexation of Crimea and incursions into eastern Ukraine. "Getting the intelligence community to declassify anything, even for public messaging, was like pulling teeth," the official said.

While lawmakers on the House and Senate intelligence committees are regularly briefed privately on Russia intelligence, the White House hasn't given Congress a heads-up before the public releases, according to Sen. Mark Warner, Democratic chairman of the Senate Intelligence Committee.

Mr. Warner says he is an enthusiastic supporter of the policy. "It puts some of the intel leadership outside their comfort zone, but I think it's been very, very effective in terms of rallying support and keeping Putin off guard," he said.

The flurry of declassification moves has been a relief for some lawmakers, who have watched as the U.S. has been stung by Moscow's elaborate, multipronged disinformation operations, including during the 2016 presidential election. "My gosh, maybe the West is finally winning the information war," Mr. Warner said.

That didn't necessarily seem the case in early February, when the administration said Russia was planning [to stage a fake attack on its own forces](#) that it would blame on Ukraine, complete with a "very graphic propaganda video" depicting corpses and mourners played by actors. The allegation drew skepticism, demands for more evidence, and comparisons to the George W. Bush administration's manipulation of intelligence to justify the 2003 invasion of Iraq.

"We had a lot of, 'Why should we trust you after Iraq, after...'"—name your perceived intelligence failure," said the second senior U.S. official.

"The best antidote to that suspicion is that we have been proven right," the official said.

U.S. officials declined to discuss some aspects of "downgrade and share," including the sources of the intelligence and details of the interaction between the White House and U.S. spy agencies.

Current and former intelligence officials suggested the declassified information is drawn mostly from communication intercepts, satellite images and other technical means. Current officials declined to say whether the CIA's human source network is involved.

"My sense is, it isn't, otherwise they wouldn't have done it" because of the risks to precious human spies, said Mark Lowenthal, a former CIA and State Department intelligence official.

So far as is known, no sources of U.S. intelligence have been compromised as a result of the disclosure of sanitized spy reports, said one U.S. official with access to such information.

The material prepared for release goes through standard declassification channels, a U.S. intelligence official said, rather than some special task force created to handle it. The latter might have raised concerns that the White House was manipulating or politicizing the intelligence flow.

Ms. Haines's office has coordinated with declassification experts across U.S. intelligence agencies to make declassification decisions, said Nicole de Haay, a spokeswoman for the Director of National Intelligence. "The intelligence community surged personnel and resources to support classification reviews," Ms. de Haay said.

When information comes in and spy agencies object to releasing it, an intramural negotiation sometimes ensues, current and former officials said. White House officials will ask intelligence agency representatives if there's another way to present the information without jeopardizing sources and methods, the first senior official said.

"Sometimes the answer is yes, and sometimes the answer is no," the official said. "You want to have a conversation about what the concern is."

The process is made easier, the officials said, by the proliferation of commercial satellite imagery, videos, flight tracking and other data on social-media websites that has charted the Russian buildup and invasion. U.S. government releases often confirm and expand on open-source intelligence, giving it the patina of authority.

Mr. Lowenthal, who is also an intelligence historian, said that other than the Iraq example, U.S. presidents have usually released intelligence in the aftermath of an event, not before. President Ronald Reagan in 1983 sent his U.N. ambassador to the Security Council with tape of an intercepted conversation showing that Soviet pilots shot down a civilian Korean airliner without firing warning shots.

While there has been grumbling among some former CIA officers about the Biden administration approach, "I have no problem personally with them doing it," Mr. Lowenthal said. "Otherwise, why have the intelligence?"

Dustin Volz and Vivian Salama contributed to this article.

Write to Warren P. Strobel at Warren.Strobel@wsj.com

[Release of Ukraine Intelligence Represents New Front in U.S. Information War With Russia](#)

NS	gvexe : Executive Branch gspy : Espionage gvio : Military Action gcat : Political/General News gdip : International Relations gpir : Politics/International Relations gppl : Domestic Politics gvbod : Government Bodies ncolu : Columns gcns : National/Public Security grisk : Risk News ncat : Content Types
RE	russ : Russia ukrn : Ukraine asiaz : Asia easiaz : Eastern Asia eurz : Europe namz : North America uk : United Kingdom usa : United States usdc : Washington DC uss : Southern U.S. ussrz : CIS Countries apacz : Asia Pacific bric : BRICS Countries devgcoz : Emerging Market Countries dvpcoz : Developing Economies eeurz : Central/Eastern Europe weurz : Western Europe
IPD	WSJ
IPC	G/CIA
PUB	Dow Jones & Company, Inc.
AN	Document WSJO000020220404ei44001p5

CLM World News
SE World
HD **Europe Faces Pressure to Dial Up Sanctions on [Russia](#) Over [Ukraine](#) Deaths; EU leaders consider limits on Moscow's energy exports following allegations of war crimes in Bucha**
BY By Laurence Norman and Bojan Pancevski
WC 975 words
PD 5 April 2022
ET 00:37
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BERLIN—French President Emmanuel Macron's call Monday for sanctions banning imports of Russian oil and coal into the European Union following the weekend's [allegations of atrocities in Ukraine](#) is set to trigger the most divisive intra-EU clash yet over how to respond to Russia's invasion of its neighbor.

European governments, some of them divided internally on the issue, have so far [tiptoed around energy imports](#), with proponents of some form of energy ban—including Poland, the Baltic States, Sweden and the Netherlands—accepting that opposition in other capitals remained too strong.

TD

The EU was readying for this week a new sanctions package that was set to avoid any form of new energy sanctions, instead proposing measures intended to [reinforce sanctions decisions already taken](#) in previous weeks.

Yet the emerging reports of [potential war crimes](#) committed in Bucha—a town near Kyiv where the bodies of hundreds of people killed during the war were found over the weekend—has shifted the debate over what the EU should do to stop funding Russia's war effort. That has pushed capitals that have so far trodden carefully on energy sanctions to be more openly supportive.

"What happened in Bucha requires a new round of sanctions," Mr. Macron said. "Already on coal and oil, which we know would be particularly painful, we can act."

Mr. Macron's call came as France and Germany became the latest European countries to expel dozens of Russian diplomats. Last week, four EU countries expelled 43 Russian diplomats, the latest in a coordinated wave of expulsions aimed at weakening Russian intelligence networks in the bloc, according to diplomats involved in the decisions.

Germany announced it would expel 40 Russian officials who must leave Germany within five days. A government official said that the Russian diplomats were intelligence workers whose task was to spy in Germany.

Mr. Macron's government announced the expulsion of "numerous Russian officials" whose activities threaten national security. A French official said the total number expelled was around 35. The Lithuanian government also said Monday it was ordering home the Russian ambassador.

Monday's expulsion orders dwarf similar decisions taken by Paris and Berlin in the past to remove Russian diplomats. After the attempted poisoning of a former Russian spy in the U.K. in 2018, Paris and Berlin expelled only four diplomats each as part of a coordinated wave of western diplomatic reaction. Last December, Germany kicked out two Russian officials after a court ruled that Russia was involved in the killing of an opposition figure in Berlin.

Russia has said it would respond in kind to the expulsion of more than 180 Russian officials ordered out of EU countries since Moscow's invasion of Ukraine.

The European Commission had been expected to present a new sanctions package over the next couple of days, including banking and other targeted sanctions. However officials said Sunday they were reviewing the work in light of the reports from Ukraine to see how to make the new sanctions package bolder.

European diplomats said Monday there was now a range of options being discussed. One was to present a separate sanctions package that may include oil and coal sanctions, which could be phased in over time. A second possibility was that European heads of government could be called to discuss energy sanctions and what is possible.

Among the ideas under consideration is the possibility of placing a significant [tariff on Russian oil and coal imports](#) in a bid to encourage member states to rapidly reduce their use.

Germany, Austria and Hungary's newly re-elected government have so far led the opposition to energy-import bans, although German officials have repeatedly signaled wiggle room on oil and coal import bans. The government in Berlin has already presented a plan to [phase out the use](#) of Russian coal by the summer and Russian oil by the end of the year.

Germany's minister of the economy, Robert Habeck, reiterated the government's opposition to an immediate ban on Russian gas and oil imports because he said the German economy needs time to obtain alternative supplies.

"We are pursuing a strategy to make ourselves independent of Russian gas, coal, and oil, only not immediately," Mr. Habeck said in a television interview on Sunday evening.

Some smaller EU countries have taken unilateral steps to curtail purchases of energy from Russia. Lithuania this weekend stopped all energy imports from Russia and Poland is banning coal and oil imports.

Lithuania also announced Monday it was expelling the Russian ambassador, the latest in a list of expulsions of Russian diplomats from EU countries. It is also sending its ambassador in Ukraine back to Kyiv.

Ukrainian President Volodymyr Zelensky has used his frequent addresses to national parliaments and media to push for the West to do more to help his country fight Russia. Revelations over the weekend of mass graves, torture and executions could now make it harder for some countries to justify continuing to purchase oil and natural gas from Russia and complicate the peace talks currently under way between Kyiv and Moscow.

On Monday, the European Commission announced it had set up a Joint Investigative Team with Ukrainian authorities to investigate war crimes in Ukraine.

The Commission said the EU was ready to send investigative teams to help Ukrainian authorities gather and analyze evidence and that Europol and Eurojust, the EU's police and judicial agencies, could assist the work.

Write to Laurence Norman at laurence.norman@wsj.com and Bojan Pancevski at bojan.pancevski@wsj.com

[Europe Faces Pressure to Dial Up Sanctions on Russia Over Ukraine Deaths](#)

CO euruno : European Union

IN i1 : Energy

NS gesanc : International Sanctions | gdip : International Relations | gcat : Political/General News | gvexe : Executive Branch | e51 : Trade/External Payments | ecat : Economic News | gcrim : Crime/Legal Action | gpri : Politics/International Relations | gpol : Domestic Politics | gtrade : Trade Barriers/Restrictions | gvio : Military Action | gwar : War Crimes | ncolu : Columns | nmajev : Major News Events | gcns : National/Public Security | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | ndj : Dow Jones Top Stories | ntop : Top Wire News | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | gfr : Germany | asiaz : Asia | easiaz : Eastern Asia | eecz : European Union Countries | eurz : Europe | uk : United Kingdom | ussrz : CIS Countries | weurz : Western Europe | apacz : Asia Pacific | bric : BRICS Countries | dach : DACH Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eurz : Central/Eastern Europe

IPD Wires

IPC M/ENE

PUB Dow Jones & Company, Inc.
AN Document WSJO000020220404ei44002ut

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Ukraine War Drives Countries to Embrace Renewable Energy—but Not Yet; Many nations are speeding up plans to transition to green energy, while leaning even more on oil, gas and coal in the near term**
BY By Jenny Strasburg and Phred Dvorak
WC 2,004 words
PD 4 April 2022
ET 21:16
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russia's [invasion of Ukraine](#) has led countries to tear up their timelines to transition from fossil fuels. In their quest for more secure energy supplies, they are simultaneously rushing toward and away from oil, gas and coal.

For the near term, many countries are leaning even more on fossil fuels. They are in a race to lock up enough supply [from non-Russian sources](#), including more coal, to ensure that they can heat homes, power factories and transport goods over the next few years.

TD

At the same time, many, especially in Europe, are accelerating plans to switch to green energy such as wind and solar power. The goal is to meet climate targets as well as permanently reduce exposure to oil and gas supplies that are geopolitically volatile. Some are revisiting nuclear power.

"It has to be a twin track," said Louise Kingham, the U.K. business head for oil giant BP PLC.

The energy shock tied to Russia's war on Ukraine is testing nations' resolve to rapidly [reduce carbon emissions](#) to combat global warming, as more than 190 nations have pledged to do under the Paris agreement. The international pact aims to limit global temperature increases to below two degrees Celsius by the end of the century, compared with preindustrial levels.

The shock comes on top of [rising inflation](#), snarled supply chains and other problems related to the pandemic that already threatened the global economy. Prices of oil, gas and other vital commodities have surged further since the outbreak of war. While European leaders have been reluctant to place sanctions on the Russian energy supplies that the continent relies on, French President [Emmanuel Macron called for such a move](#) on Monday, citing evidence of [war crimes in Ukraine](#).

Some energy executives and advisers say the current crisis provides an overdue reality check on the challenge of replacing the fossil fuels that the world still heavily relies upon, and will likely need to meet demand for years to come.

"You can't get renewables on stream fast enough for the pace of sanctions," said Roberta Downey, a London-based partner with law firm Vinson & Elkins LLP who is focused on energy infrastructure.

Among those who say the turmoil could ultimately hasten the world's transition to cleaner energy is Larry Fink, chief executive officer of asset-management giant BlackRock Inc. "I believe that recent events will actually accelerate the shift toward greener sources of energy in many parts of the world," he wrote in his annual letter to shareholders.

The crisis is most urgent for Europe. For years, Germany and other countries chose inexpensive Russian supplies over imports from the U.S. and elsewhere. Russia recently provided around 40% of the gas that Europe uses to heat homes and make electricity.

The U.S. now plans to [boost liquefied natural gas shipments](#) to Europe, aiming to ship 50 billion or more cubic meters a year through at least 2030, to help meet the continent's demand.

"We're serious about decarbonizing while providing reliable energy that doesn't depend on foreign adversaries," U.S. Energy Secretary Jennifer Granholm recently told an energy conference in Houston. "That means we can walk and chew gum at the same time."

Weaning Europe off Russian supplies remains a monumental—and expensive—task. Divorcing the European Union from Russian gas imports would require additional annual spending of at least €170 billion (about \$187 billion) on renewable-energy production over six years, or about 1.3% of the bloc's gross domestic product, researchers at German insurer Allianz SE estimated. Even at that price, it rated renewables as the cheapest path to European energy self-reliance.

Days after Russia's invasion of Ukraine, German Chancellor Olaf Scholz reversed course on decades of national energy policy and said the country would build two new liquefied natural gas import terminals, boost stockpiles of the fuel and gradually shift energy purchases away from Russia. German officials have said they might prolong the use of coal-fired power plants, which the country had planned to shut down by 2030.

Germany's Federal Ministry for Economic Affairs and Climate Action proposed speeding up a range of green-energy plans, including expansions in land and offshore wind resources and solar-power projects. The country has moved up its goal to reach almost 100% renewable electricity by 2035—15 years ahead of its earlier target.

The war has triggered emotional pleas from European politicians and environmentalists who see Russia's aggression as the clearest reason yet to cut use of fossil fuels that financially support President Vladimir Putin's government.

"They don't produce solar panels or wind turbines," said Borislav Sandov, Bulgaria's deputy prime minister for climate and environmental policy, of Russia. "Instead they produce fossil fuels, which we have to phase out."

That has created new opportunities for companies and investors pitching green energy solutions, such as Australian billionaire Andrew Forrest, chairman of Fortescue Future Industries, the renewable-energy unit of miner Fortescue Metals Group Ltd.

The company said last week that it is teaming up with German energy group E.ON SE to [supply green hydrogen](#) to replace Russian gas, a multibillion-dollar effort to sate European energy needs with fuel made using water and Australian wind and solar power.

"The leaders I speak to say everything has changed," Mr. Forrest said. "What many economies around the world are looking at now is accelerating completely replacing Russian fossil fuels," he added.

In Asia, countries are more focused on limiting the economic impact of high fossil fuel prices. Japan, a top oil-and-gas importer, is shifting its energy policy toward security and affordability and away from climate, said Ryo Minami, deputy commissioner for international affairs at Japan's Ministry of Economy, Trade and Industry.

The country remains committed to the energy transition, he said, but "with oil prices so high and the troubles in Ukraine, the weight of economics and energy security is growing."

Companies from Japan, South Korea and elsewhere around Asia are now vying with European firms to buy U.S. liquefied natural gas supplies, said Dan Brouillette, president of LNG exporter and infrastructure developer Sempra Infrastructure and former U.S. energy secretary. India is taking advantage of the West's pullback from Russian oil to [buy from the country at a discount](#). Chinese officials are stressing the importance of ensuring there's enough domestic production of its mainstay fuel, coal.

Many countries are reconsidering sources of energy they had hoped to retire for safety reasons.

In Belgium, government officials plan to postpone longstanding plans to decommission two 1980s-era nuclear reactors by 2025. The country had planned to replace their electrical capacity

with natural-gas-fueled power, but officials said supply uncertainties now make that move too risky.

The reactors, called Doel 4 and Tihange 3, are operated by French utility Engie SA. Engie has said that extending the reactors' lives beyond 2025 "raises significant safety, regulatory and implementation constraints," according to a spokesman. He said that Engie is talking with the government about costs and other details related to prolonging the reactors' use.

Belgian officials are in discussions with Engie and aim to reach an agreement on extending the reactors' lives by June, according to a spokesman for the Belgian energy minister. The government is also planning to build two new gas-fired plants that it says can later be used with lower-carbon energy such as hydrogen. The spokesman said those plants can help supply power while the Doel and Tihange nuclear reactors get necessary upgrades.

In the Netherlands, government officials have debated whether to increase planned production from a natural-gas field earmarked to be shut off almost entirely this year. The Groningen field, one of the world's biggest natural-gas reserves, came under public fire after regulators and scientists linked production there to earthquakes that had damaged Dutch villages.

Dutch Prime Minister Mark Rutte said in February that the government had no plans to increase or prolong production at Groningen, but he and other officials have said those plans could be reconsidered if there's a crisis-level gas shortage.

"We don't think it's wise to use Groningen, because it's a safety hazard," said a spokeswoman for the Dutch State Supervision of Mines, which advises government ministers on risks related to domestic natural-gas extraction.

For the longer term, officials across Europe describe a new sense of urgency and greater public support for renewable investments. Germany's finance minister recently described renewables as "freedom energies."

In early March, the European Commission proposed measures to double the amount of biomethane produced from agricultural waste and other sources, and roughly triple the amount of hydrogen targeted by 2030, to reduce dependence on natural gas. The commission is proposing to double the pace of deploying heat pumps—electrical devices that can replace traditional gas furnaces—and speed up widespread installation of rooftop solar systems to generate more electricity without fossil fuels.

Adding to the complexity, higher commodity prices and supply-chain issues have raised the cost of wind and solar farms, which face lengthy regulatory approval processes, lawyers and investors said. In a recent research note, Deutsche Bank AG senior economist Eric Heymann cited skilled-labor and material shortages as well as community opposition to wind farms as some of the obstacles.

The U.K. plans to increase investment in solar projects and offshore wind power. Officials have discussed encouraging more onshore wind farms, which in some parts of the U.K. have faced public and political opposition.

SHARE YOUR THOUGHTS

What does the war in Ukraine mean for the transition to green energy? Join the conversation below.

At a March 14 meeting with executives of offshore oil and gas producers including BP and Shell PLC, British Prime Minister Boris Johnson discussed streamlining drilling licenses to encourage new investment and production in the North Sea, according to a government brief.

In addition, the U.K. has looked at extending the lifespans of coal-fired power stations slated to close in September, while still promising to drop coal for good in 2024.

Some of the proposals concern climate advocates, who oppose additional spending on fossil-fuel production.

"Energy stability in the future is not served by increased drilling," said Jill Duggan, executive director for Europe with the nonprofit Environmental Defense Fund. "It makes no sense for investors to think the immediate problem in Ukraine is a green light to invest in oil and gas."



A wind-turbine blade testing machine in an Offshore Renewable Energy Catapult test hall in Blyth, England, last year. PHOTO: Mary Turner for The Wall Street Journal

China, the world's largest greenhouse gas emitter, was already wary of shifting too quickly from coal, its mainstay fossil fuel, following widespread power outages last year. Government reports following the country's annual legislative session in March were full of references to energy security. That means "coal, coal, coal," said Michal Meidan, director of the China energy program at the Oxford Institute for Energy Studies.

Chinese officials are closely watching whether Europe mulls a slower phaseout of coal following the Ukraine invasion, said Yan Qin, an Oslo-based senior energy and carbon analyst at financial data provider Refinitiv. Ms. Qin said China contacts have asked her whether Europe is giving up on its green ambitions, to which she has answered, no.

"Exactly because fossil fuels are getting so costly now, it will only make a case to make green energy more competitive," she said.

Anna Hirtenstein contributed to this article.

Write to Jenny Strasburg at jenny.strasburg@wsj.com and Phred Dvorak at phred.dvorak@wsj.com

[Ukraine War Drives Countries to Embrace Renewable Energy—but Not Yet](#)

CO bp : BP PLC

IN i1 : Energy | i13 : Crude Oil/Natural Gas Upstream Operations | ifosfl : Fossil Fuels | iioil : Integrated Oil/Gas

NS gvexe : Executive Branch | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | genv : Natural Environment | gesanc : International Sanctions | gpri : Politics/International Relations | gsust : Sustainable Development/Sustainability | gtrade : Trade Barriers/Restrictions | ncolu : Columns | nimage : Images | nmajev : Major News Events | npda : DJ Exclusive Analysis - All | c11 : Corporate Strategy/Planning | cenvire : Corporate Environmental Responsibility | gcat : Political/General News | cesg : Environmental/Social/Governance | gdip : International Relations | gpol : Domestic Politics | gvbod : Government Bodies | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpi : C&E Industry News Filter | ntop : Top Wire News | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC ALV.XE

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220404ei44003s5

THE WALL STREET JOURNAL.

CLM Business
SE Business
HD **U.S. Seizes Yacht, Seeking Forfeiture and Ratcheting Up Pressure on Russian Oligarchs; Washington says it has moved on yacht belonging to Viktor Vekselberg, one of **Russia's** richest men**
BY By Sadie Gurman and Eric Sylvers
WC 661 words
PD 4 April 2022
ET 23:28
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

U.S. and Spanish authorities [seized a \\$90 million super yacht](#) in Spain that they said is owned by a sanctioned oligarch with close ties to Russian President Vladimir Putin, marking the first such seizure in the Biden administration's efforts to hunt down the luxury real estate, private jets, yachts and other assets of Russian elites stashed around the globe.

TD

Unlike a handful of seizures of yachts and villas in Europe since [Moscow invaded Ukraine](#), U.S. officials said Monday they would seek the yacht's forfeiture, alleging it represents the spoils of a crime. Governments have wide latitude to sanction individuals, subjecting their assets to potential freezes as long as the sanctions remain in effect. Such moves typically don't require proof of criminality. They can be challenged, but the process can take years.

In the case of Monday's seizure, "we will now seek to have the vessel forfeited as the proceeds of a crime," Attorney General Merrick Garland said in a videotaped statement.

A filing in federal court in Washington says the 250-foot luxury yacht, named Tango, is owned by Viktor Vekselberg, one of Russia's richest men, who has invested in American companies, real estate and other opportunities. He bought the yacht in 2011 but used shell companies to try to conceal his ownership and avoid financial oversight, an FBI agent wrote in the filing, an application for a warrant to seize the vessel.

U.S. authorities said they are investigating Mr. Vekselberg for tax fraud, money laundering and using fake documents and shell companies to avoid sanctions and hide his ownership of the Tango. Representatives for Mr. Vekselberg weren't immediately reachable for comment.

Authorities from the U.S. Federal Bureau of Investigation, Department of Homeland Security and Spain's Civil Guard boarded the yacht and seized computers, other electronic devices and documents. At the time of the seizure, the yacht was in a shipyard in Palma, the capital and largest city on the island of Mallorca, which is in the Mediterranean Sea about 135 miles south of Barcelona.

The U.S. Treasury Department sanctioned Mr. Vekselberg, founder of the Renova Group, in April 2018, but he and others working on his behalf continued to make payments through U.S. banks for the support and maintenance of the Tango, the court filing says. Those payments included one for a December 2020 stay at a luxury resort in the Maldives and mooring fees for the yacht, the Justice Department said.

While Mr. Vekselberg is sanctioned in the U.S., he isn't sanctioned in the European Union.

The move marks the first asset seizure by a Justice Department task force known as KleptoCapture, part of an international effort to raise the cost to the Kremlin and its supporters of pursuing the Ukraine invasion. The Justice Department also said separate seizure warrants target roughly \$625,000

connected to sanctioned Russian nationals. Western allies have been targeting senior Russian government officials.

The seizure of the Tango "makes clear that corrupt Russian oligarchs cannot evade sanctions to live a life of luxury as innocent Ukrainians are suffering," said Deputy Attorney General Lisa Monaco, whose office is overseeing the task force. FBI Director Christopher Wray added: "We will continue to use every lawful tool to go after designated Russian oligarchs' assets, however and wherever they hide them."

Since the start of the war in Ukraine, police in Spain, Italy, France and other European countries have been sequestering yachts, real estate and other assets owned by sanctioned Russians with connections to Mr. Putin.

Write to Sadie Gurman at sadie.gurman@wsj.com and Eric Sylvers at eric.sylvers@wsj.com

[U.S. Seizes Yacht, Seeking Forfeiture and Ratcheting Up Pressure on Russian Oligarchs](#)

CO fbinv : Federal Bureau of Investigation

NS gvbod : Government Bodies | gvjus : Justice Department | gcrim : Crime/Legal Action | ccat : Corporate/Industrial News | gpir : Politics/International Relations | ncolu : Columns | gcat : Political/General News | gpol : Domestic Politics | gvexe : Executive Branch | ncat : Content Types

RE russ : Russia | usa : United States | asiaz : Asia | easiaz : Eastern Asia | eecz : European Union Countries | eurz : Europe | namz : North America | spain : Spain | uk : United Kingdom | ukrn : Ukraine | ussrz : CIS Countries | weurz : Western Europe | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dypcoz : Developing Economies | eeurz : Central/Eastern Europe | medz : Mediterranean

IPD WSJ

IPC G/FBI

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220404ei44004s9

SE Daily
 HD **Exxon Says Russia Far East Exit May Cost \$4 Billion**
 BY By Brian Swint
 WC 248 words
 PD 4 April 2022
 ET 20:01
 SN Barron's Online
 SC BON
 LA English
 CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
 LP

Exxon Mobil, the biggest U.S. oil company, said Monday the cost of exiting a liquified natural gas project off the eastern coast of Russia could reach \$4 billion.

Exxon (ticker: XOM) warned that the impairment may run up to its the full book value, in an [SEC filing Monday morning](#). The move is part of Exxon's plans to [withdraw operations](#) from Russia following the invasion of Ukraine that were announced last month.

TD

The Sakhalin-1 project was designed to harvest the huge reserves of natural gas around the Russian island just north of Japan. Exxon has been working on it for years, agreeing to the production-sharing agreement in 1996 and drilling the first well in 2003.

Exxon operates the project and owns a 30% stake in it. Other owners are Rosneft, the Russian state oil company, Japan's SODECO and India's ONGC.

"In light of the ongoing situation in Ukraine and the resulting sanctions on Russia, the Company is proceeding with efforts to discontinue operations at the Sakhalin-1 project ("Sakhalin") and is developing steps to exit the venture," it said in a statement.

Exxon is due to post first-quarter earnings on Friday, April 29. The stock ticked 0.7% higher in premarket trading Monday and is close to 36% up year to date.

Write to editors@barrons.com

[Exxon Says Russia Far East Exit May Cost \\$4 Billion](#)

CO exxn : Exxon Mobil Corporation
 IN ifosfl : Fossil Fuels | i1 : Energy | i13 : Crude Oil/Natural Gas Upstream Operations | iioil : Integrated Oil/Gas
 NS ccat : Corporate/Industrial News
 RE russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | ukrn : Ukraine | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eurz : Central/Eastern Europe | weurz : Western Europe
 IPD Energy
 IPC 500312.BY
 PUB Dow Jones & Company, Inc.
 AN Document BON0000020220404ei440018h

THE WALL STREET JOURNAL.

CLM Music
SE Arts
HD **Zelensky Sends Message at Grammys: Remember [Ukraine](#); The Ukrainian president spoke in a prerecorded segment during the awards ceremony**
BY By Anne Steele
WC 326 words
PD 4 April 2022
ET 08:32
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Ukrainian President Volodymyr Zelensky addressed the crowd at [the Grammy Awards Sunday night](#) with an emotional message asking for [support for his country's war effort](#).

"What is more opposite to music? The silence of ruined cities and killed people," Mr. Zelensky said in a prerecorded speech just before John Legend's performance on the stage in Las Vegas. Mr. Legend debuted his new song, "Free," in tribute to Ukraine, and was joined by Ukrainian singer Mika Newton and poet Lyuba Yakimchuk.

TD

The screens behind them played images of Ukrainian civilians and refugees.

Mr. Zelensky, [the face of Ukraine's resistance](#) against invading Russian forces, has captured the world's eyes and ears dressing in ballistic vests and urging people to action with oration in posts to social media and a virtual address to the U.S. Congress from the center of Kyiv.

On music's biggest night, Mr. Zelensky appealed to the industry and described the decimation of the nation's cities and the loss of children's lives—he said over 400 children have been injured and 153 children died.

"Our children draw swooping rockets, not shooting stars," he said. "Our musicians wear body armor instead of tuxedos."

"We are fighting Russia, which brings horrible silence with its bombs," Mr. Zelensky said, encouraging listeners, "Fill the silence with your music! Fill it today. To tell our story."

"Tell the truth about this war on your social networks, on TV," he said. "Support us in any way you can. Any—but not silence."

While there were calls for Mr. Zelensky, who was an actor before becoming a wartime leader, to make an address at last week's Oscars, [he didn't appear on the show](#).

Write to Anne Steele at Anne.Steele@wsj.com

[Zelensky Sends Message at Grammys: Remember Ukraine](#)

NS gent : Arts/Entertainment | gmusic : Music | gvcng : Legislative Branch | ncolu : Columns | gcat : Political/General News | gpri : Politics/International Relations | gpol : Domestic Politics | gvbod : Government Bodies | ncat : Content Types
RE ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | russ : Russia | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eurz : Central/Eastern Europe | weurz : Western Europe

IPD	WSJ
IPC	G/CNG
PUB	Dow Jones & Company, Inc.
AN	Document WSJO000020220404ei440005I

SE WSJ Pro
HD **Tailwater Capital's Herring Sees Promise in 'Gasification' of the Economy; Edward Herring, a co-founder and managing partner at Tailwater Capital, said the [Russia-Ukraine](#) war reinforces the private-equity firm's conviction on the importance of natural gas in the transition to clean-energy sources**

BY By Luis Garcia

WC 598 words

PD 4 April 2022

ET 16:30

SN WSJ Pro Private Equity

SC RSTPROPE

LA English

CY Copyright © 2022, Dow Jones & Company, Inc.

LP

Private-equity firm Tailwater Capital is a big believer that natural gas will be critical for facilitating the economy's shift to clean-energy sources.

The Dallas-based investor, which [traditionally has backed pipeline operators](#), more recently has expanded into providers of other natural gas-related services. The firm [last year acquired NorTex Midstream Partners LLC](#), a Houston-based operator of underground systems where utilities and power generators can store natural gas and retrieve it when needed.

TD

Like many other private-equity firms focused on energy, Tailwater is also investing in businesses that cater to the clean-energy industry, such as lithium-ion battery recyclers. But the "gasification of the economy," as the firm calls the expanding role of natural gas as an energy source, remains among its core focuses, said Edward Herring, a Tailwater co-founder and managing partner.

Mr. Herring spoke to WSJ Pro Private Equity about how the Ukraine-Russia war can help change investors' view of natural gas, while reinforcing Tailwater's own investment strategy, as well as the conflict's possible implications for the U.S. natural-gas industry. Responses have been edited for space and clarity.

WSJ Pro: How do you see the Ukraine-Russia war and the resulting rise in commodity prices affecting U.S. energy markets?

Mr. Herring: I think the implications are very strong for the U.S. natural-gas industry. Over the past seven, eight years, the Gulf Coast has constructed [liquefied natural gas] infrastructure and now has the ability to take significant amounts of dry gas coming from the active basins in the U.S., liquefy [that gas] and ship it to Europe. We've got [roughly] 11 billion cubic feet a day of existing LNG export capacity in the Gulf Coast, [while] Europe imports about 18 bcf [of natural gas] a day from Russia. The spotlight is upon us now.

WSJ Pro: What about the implications for energy investors?

Mr. Herring: We believe at Tailwater that the path to a low-carbon economy needs to have natural gas as a major component. We call it the gasification of the economy. I absolutely believe that it is going to be something that investors will get more and more comfortable with over time. Whether the war in Ukraine and the implications on Europe are the catalyst, I don't know. But I do think it's shining a spotlight on energy security in [other] countries and we should take notice of that in America as well.

WSJ Pro: How is Tailwater addressing these opportunities in its own investment strategy?

Mr. Herring: We're putting our money where our mouth is—on the conviction of [natural] gas needing to be an integral part of the [energy] transition landscape. We [continue to] invest in midstream infrastructure, in companies that take dry gas molecules and get them into locations where they can be turned into electricity or where liquefaction and exportation can happen. We [also] think that gas

storage is going to be a more and more important part of our country's energy reliability. What we've done to take advantage of that was to acquire [one of] the largest independent gas storage companies in North Texas, for example. It's a growth area.

Write to Luis Garcia at luis.garcia@wsj.com

CO tlwtcp : Tailwater Capital LLC

IN i16 : Electricity/Gas Utilities | i1 : Energy | i1300006 : Pipeline Transportation | i8150203 : Private Equity | ibnk : Banking/Credit | ifinal : Financial Services | iinv : Investing/Securities | iutil : Utilities | iwealth : Private Banking/Wealth Management | i814 : Banking | i81502 : Trusts/Funds/Financial Vehicles | i831 : Financial Investment Services | ialtinv : Alternative Investments | ifosfl : Fossil Fuels | imidstr : Oil/Natural Gas Midstream Operations

NS gcrim : Crime/Legal Action | gcat : Political/General News

RE ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | russ : Russia | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgoz : Emerging Market Countries | dvpcoz : Developing Economies | eurz : Central/Eastern Europe | weurz : Western Europe

IPD Herring, Edward

IPC I/AMG

PUB Dow Jones & Company, Inc. - Enterprise WSJ

AN Document RSTPROPE20220404ei4400002

WSJ Podcasts

CLM WSJ Podcast Minute Briefing
HD **Ukraine** Alleges War Crimes Following Russian Retreats
WC 346 words
PD 4 April 2022
ET 15:31
SN WSJ Podcasts
SC WSJPOD
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Native American tribes reach a deal to boost U.S. hydroelectric power production. Plus, beverage-supplier Westrock Coffee plans to go public via a SPAC. Luke Vargas hosts.

[Click here to listen to the podcast](#)

TD

Luke Vargas: Here is your Morning Brief for Monday, April 4th. I'm Luke Vargas for the Wall Street Journal. Ukrainian officials and independent rights watchdogs say they are uncovering mounting evidence of war crimes perpetrated by Russian troops in areas from which they recently withdrew. In the Kyiv suburb of Bucha more than 100 civilians lay in mass graves. The Russian defense ministry has dismissed the reports calling them another provocation by the Ukrainian side. Moscow says no local residents suffered from violence while Bucha was under Russian control.

We are exclusively reporting that Native American tribes, environmentalists and power industry groups say they have reached a deal to boost hydroelectric power production in the US. The deal which still requires approval from Congress is the result of four years of talks between groups long at odds over issues including vanishing fish populations and changes to river ecosystems. The deal seeks to grant approvals to add hydroelectric power to some existing dams in as little as two years. It would also give tribes instead of the US Department of the Interior greater authority over protecting tribal cultural resources or fish passage.

And we can report that Westrock Coffee, which supplies brands like Walmart and McDonald's with coffee, tea and other beverage ingredients, is combining with a special purpose acquisition company and plans to go public with a valuation of roughly \$1.2 billion company officials say. The Arkansas based company says it accounts for 20 million cups of coffee daily.

Markets in Asia ended up and European shares are also up in early trading. We have a lot more coverage of the day's news on the WSJ What's News podcast. You can add it to your playlist on your smart speaker or listen and subscribe wherever you get your podcasts.

CO rumde : Russia Ministry of Defense | bigmac : McDonald's Corporation | wlmrt : Walmart Inc
IN i64 : Retail/Wholesale | i656 : Mixed Retailing | i6560011 : Shopping Malls/Superstores | i66 : Lodgings/Restaurants/Bars | i661 : Restaurants/Cafes/Fast Food Places | i6612 : Limited-Service Restaurants/Cafes | ilea : Leisure/Arts/Hospitality | iretail : Retail
NS naudvl : Audio-visual Links | ntra : Transcripts | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | gcrim : Crime/Legal Action | gvio : Military Action | gwar : War Crimes | ncolu : Columns | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpx : C&E Executive News Filter | nfcpin : C&E Industry News Filter | niwe : IWE Filter
RE ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | russ : Russia | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe
IPD SYND

IPC G/INR
PUB Dow Jones & Company, Inc.
AN Document WSJPOD0020220404ei440005I

HD Reports of Atrocities Stir Outrage --- **Ukraine** accuses **Russia** of war crimes after dozens of bodies found in Kyiv suburb

BY By Brett Forrest

WC 1,558 words

PD 4 April 2022

SN The Wall Street Journal

SC J

PG A1

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BUCHA, Ukraine -- More than 100 civilians lay buried in mass graves in this suburb of Kyiv after Russian troops withdrew last week, one of several regions in which Ukrainian officials and independent rights watchdogs said they are uncovering evidence of war crimes perpetrated by occupation forces.

When the Russian military forces abandoned Bucha, it left streets littered with bodies of civilians. Human Rights Watch released a report on Sunday documenting instances of rape and summary executions in Russian-occupied parts of Ukraine, including Bucha, as well as other alleged crimes.

TD

Ukrainians were finding "people with hands tied behind their back and decapitated . . . kids who were killed and tortured," President Volodymyr Zelensky of Ukraine said in an interview that aired Sunday on CBS. "As the father of two children and as a president, I think that these people, if they are put behind bars, this is one too little for what they have done."

Accounts of purported Russian atrocities set off an outcry from Western governments and added to the persistent pressure on the Biden administration and European allies to do more to tighten sanctions on Russia and step up weapons transfers for Ukraine. The reports could make it harder for some countries to justify continuing to purchase oil and natural gas from Russia and complicate the peace talks currently under way between Kyiv and Moscow.

Bucha's mayor on Sunday put the number of bodies buried in the mass graves at 118. On Saturday, Agence France-Presse had reported that the municipality said the number of casualties was more than 280.

"The amount of graves in courtyards, streets, parks and squares, we'll calculate in the morning more accurately," Mayor Anatoliy Fedoruk said. "The word 'crime' we've been hearing lately is too mild a description of what happened here."

Ukraine's prosecutor-general's office said Sunday that 410 bodies of civilians had been removed from the areas of the Kyiv region that had been retaken in recent days, and some 140 had been examined by forensic experts.

The Russian Defense Ministry dismissed the reports about Bucha, calling them "another provocation" by the Ukrainian side. Moscow said no local residents suffered from violence while Bucha was under Russian control.

Ukraine's Defense Ministry compared the emerging evidence of mass killings in Bucha and other areas near Kyiv that the Russian military occupied for more than five weeks to the 1995 Srebrenica massacre, in which Serb troops slaughtered more than 8,000 Bosnian Muslims.

"There needs to be accountability," U.S. Secretary of State Antony Blinken said on CNN Sunday. Mr. Blinken and European leaders said their governments would assist in gathering evidence for investigations into potential war crimes by Russia.

Under international law, warring parties can be prosecuted for intentionally killing civilians and prisoners of war, destroying private property or engaging in torture, sexual violence, looting or other banned acts.

Russian forces arrived in Bucha and other suburbs of Kyiv in the first days of the war that began Feb. 24, attempting a lightning attack on the Ukrainian capital. They got bogged down in fierce fighting with Ukrainian defenders.

After counterattacks disrupted their supply lines and threatened encirclement, Russian forces abandoned the region as part of a new strategy to refocus on eastern Ukraine.

On Saturday, Ukrainian soldiers raised the country's flag once again atop Bucha's City Hall, weary yet reveling in Russia's withdrawal. "The city is completely ours," said Andrei Verlaty, a deputy commander of Bucha's territorial defense brigade. "But it's still not completely safe." Retreating Russian troops had booby-trapped the building with trip-wired grenades, he said.

Shattered Russian tanks and armored vehicles, their metal orange from exposure and heat, littered the southwesterly approach to Bucha. Evidence of fighting was visible on the streets. Bullets had sprayed a red Renault that carried the white flag of truce on its antenna. The walls of a large warehouse were caved in, and cars were flattened like soda cans, crushed by tanks. The Garden Center mall was a charred husk.

On Bucha's west side, a man waved down Ukrainian troops in a minivan who followed him to a metal garage that was burned and smoldering. Inside among piles of ash lay half a woman's body, its torso carbonized. The man said the woman had taken refuge in her garage during the Russian occupation.

Vasily Shcherbakov, a Ukrainian unit commander in Bucha, said some 20 bodies of local civilians had been left near a glass factory in town. Russian troops had forbidden townspeople from laying these bodies to rest, he said. "Then they mined the corpses," he said, referring to booby traps. "This is a new one." He said he had lost count of the dead.

A truck towing a wagon stacked with bodies drove past a leg lying on the grass by the road, its foot wearing a black leather boot. A matching leg and boot lay 20 yards away. Further on was a torso and head. "The dogs have been eating them," a Ukrainian soldier said.

"We've found bodies stuffed down manholes," said a soldier standing by a shattered store called Happy Life. "They'd throw in a grenade."

Two Ukrainian soldiers said Russian forces had required townspeople to stay indoors, fearful they would run off to Irpin, south across the Bucha River, to share Russian positions. In that direction, scattered along Yablunska Street, four men were killed.

A bag of potatoes lay near the body of one man. Another man, with a goatee, had been riding a green bike, and his feet remained tangled in it. He'd lost his eyes to animals.

Military trucks swung onto the street Sunday afternoon, and Vitali Klitschko, the mayor of Kyiv, emerged from one of them, joined by his brother, Wladimir. The two former boxing heavyweight champions marched down the road with a phalanx of armed men, bearing witness to the crime.

"This will never stop as long as Putin is in charge," Wladimir said, his eyes reddening.

A man in a brown corduroy coat led the way to a discovery he had made in a below-ground pit at an auto-body shop. Supine on its stairs was a man in a white-gray striped sweater, his jaw hung open in a show of surprise. The front third of his skull and brain was no longer there. The man's right hand lay on the handbag that rested on his belly, as though he remained careful of its contents. On his hip, a bullet casing.

Locals gathered in the street to tell what they had seen and heard during Bucha's occupation. "Valentina Ivanovna was shot near that house," said an elderly woman, indicating an apartment stack. Neighbors pushed close and said they had heard Russians shooting, mostly at night when they hid in their homes.

Others said Russian troops worked from a base at 144 Yablunska St., where killings happened at night.

"There are six dead people in my yard," a woman said. "They were buried because we were not allowed to take them somewhere."

Onto a rise past a grassy basketball court, a row of bodies was visible in a hole in the ground through a slit in a concrete carapace, eight or nine torsos wrapped in plastic.

A man looking on said that he and others had found a woman dead behind her bullet-riddled apartment door.

Down the road from City Hall, behind St. Andrew's Church, a hole held a pile of bodies, thrown any which way. From the dirt tossed upon them appeared an elbow, a knee, the sole of a running shoe. One body was wrapped in a plastic shopping bag, white with red roses.

In one recently retaken village near Kyiv, authorities found the body of a Ukrainian photojournalist who went missing while working there nearly three weeks ago. Maksym Levin died after being shot twice by Russian forces, according to a statement from Ukraine's prosecutor general. Another photographer who was with him remains missing.

In Motyzhyn, another village near Kyiv, Ukrainian authorities said they found the bodies of the village head, Olha Sukhenko, her husband and her son, who were detained by Russian troops on March 23.

The incident is one of 2,500 that Ukraine's prosecutor general is using to build against Russian authorities for possible war crimes. The prosecutor has already identified 205 suspects, including members of the Russian military and political leadership.

Mr. Fedoruk, Bucha's mayor, said Sunday that his office was working with Ukrainian law enforcement to catalog what had happened there. "It is already possible to properly qualify the atrocities committed by the Russian military," he said.

In its report released Sunday, Human Rights Watch said it had documented several other instances of war crimes by the Russian military in occupied areas of the Chernihiv, Kharkiv and Kyiv regions between Feb. 27 and March 14. These included evidence of repeated rape and the summary execution of six men, as well as looting of civilian property, including food, clothing and firewood, the group said.

Mauro Orru and Isabel Coles contributed to this article.

[License this article from Dow Jones Reprint Service](#)

CO hrwny : Human Rights Watch

NS gcrim : Crime/Legal Action | gvio : Military Action | gdef : Armed Forces | gtortu : Torture | gwar : War Crimes | gmurd : Murder/Manslaughter | grape : Sex Crimes | nmajev : Major News Events | npag : Page One Stories | ntop : Top Wire News | gcat : Political/General News | gcns : National/Public Security | gcom : Society/Community | ghum : Human Rights/Civil Liberties | grisk : Risk News | ncat : Content Types | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE ukrn : Ukraine | russ : Russia | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220404ei440001f

HD World News: Global Tourism Recovery Hit By Ukraine War, China's Covid

BY By Jon Emont

WC 485 words

PD 4 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

The war in Ukraine is hitting global tourism just as the industry tries to recover from a two-year battering during the Covid-19 pandemic.

Western sanctions and corporate actions meant Russian credit cards didn't work, sending tourists scrambling for cash to pay restaurant and hotel bills. As the ruble crashed, Russian vacationers invited friends to share their luxury villas and split costs. Many cut their trips short to avoid being stranded when Aeroflot, Russia's largest airline, suspended nearly all international flights in early March. Those with hotel reservations canceled.

TD

In January and February, Thailand welcomed more visitors from Russia than from any other country. It was a boon for its tourism industry, which has struggled to get back on its feet. Covid-19 restrictions in China -- far and away Thailand's top source of visitors before the pandemic -- kept Chinese travelers from its temples and beach resorts.

The revival was already slowed by uneven travel barriers in Asia, including Japan and, most prominently, China, which prepandemic accounted for 17% of the world's international tourism expenditure, twice that of the U.S.

Now, sun-soaked Mediterranean countries such as Turkey, Cyprus and Egypt that catered to Russia's middle class, as well as Russian favorites in Asia including Thailand and Vietnam, expect little business from the country this year.

The impact goes beyond these destinations. The war has driven up oil prices, making travel everywhere more expensive. Because Western planes are banned from Russian airspace, some trips are taking much longer. A Finnish airline has revived a Cold War route to Japan that goes over the North Pole, adding three hours to the journey from Helsinki. Air tickets for international trips to Europe declined 7% in the two weeks ended March 9, compared with the two weeks prior, according to data from travel consulting firm ForwardKeys. It excluded Russia, Ukraine and Belarus from the analysis, suggesting foreign travelers are more hesitant about visiting Europe.

The war "is a significant blow to a still slow and uneven recovery," said Sandra Carvao, director of market intelligence and competitiveness at the United Nations World Tourism Organization.

Before the pandemic, Russians took 45 million trips abroad each year, shopping for jewelry and coats in Cyprus boutiques and lounging with beers on Vietnamese beaches. Many countries prized Russian tourists because they tend to travel for long stints.

In the Maldives, Russians made up 16% of arrivals in the first two months of 2022, more than any other country, and triple the Russian share in 2019. In February, three direct flights brought around 700 Russian tourists daily. The war has knocked that down to about 300, official data show.

"Tourism wants a healthy world, a peaceful world," Abdulla Mausoom, the archipelago's tourism minister, said.

[License this article from Dow Jones Reprint Service](#)

IN itourm : Tourism | ilea : Leisure/Arts/Hospitality

NS gsars : Novel Coronaviruses | gtour : Travel | gout : Outbreaks/Epidemics | nmajev : Major News Events | ntop : Top Wire News | gcat : Political/General News | gcold : Respiratory Tract Diseases | ghea : Health | glife : Living/Lifestyle | gmed : Medical Conditions | gspox : Infectious Diseases | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | china : China | cypr : Cyprus | egypt : Egypt | maldr : Maldives | thail : Thailand | turk : Turkey | vietn : Vietnam | africaz : Africa | apacz : Asia Pacific | asiaz : Asia | balkz : Balkan States | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | eecz : European Union Countries | eeurz : Central/Eastern Europe | eurz : Europe | indochz : Indo-China | meastz : Middle East | medz : Mediterranean | nafrz : North Africa | sasiaz : Southern Asia | seasiaz : Southeast Asia | ussrz : CIS Countries | wasiaz : Western Asia

IPC LEAH

PUB Dow Jones & Company, Inc.

AN Document J000000020220404ei440000n

THE WALL STREET JOURNAL.

CLM Turning Points
SE Life
HD **In a Pennsylvania Town, a Ukrainian Church and Its Russian Neighbor Navigate Wartime Tensions; Two churches on the same block outside Pittsburgh are negotiating the anxiety and outrage over [Russia's](#) invasion of [Ukraine](#)**
BY Clare Ansberry | Photographs by Ross Mantle for The Wall Street Journal
WC 1,165 words
PD 3 April 2022
ET 15:00
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

CARNEGIE, Pa.—Two century-old churches—one Russian and one Ukrainian—sit next to each other on a main street in this small community outside of Pittsburgh, their respective blue and gold domes visible from afar.

The pastors have always been friendly, but now [Russia's invasion of Ukraine](#) has called on them to work more closely to defuse tensions and maintain relations while their cultural homelands [are at war](#). Whatever the outcome, the two priests will continue to support each other, saying they share the same theology.

TD

"We're brothers and sisters. We're all Orthodox," says the Rev. George York, pastor of the Holy Virgin Russian Orthodox Church. The day after the invasion, he taped signs on his front door supporting Ukraine.

Next door at the Ukrainian church, his fellow priest Rev. John Charest agrees. "The conversation has to change. It's not Russia invading. It's Putin," says Father Charest, pastor of St. Peter & St. Paul Ukrainian Orthodox Church, referring to Russian President Vladimir Putin.

These two churches and their pastors are trying to navigate the anxiety and outrage related to the [war in Ukraine](#), a struggle mirrored in other communities with strong ethnic and cultural ties. Some churches are wondering whether they should drop the word "Russia" from their name. Others emphasize they are not politically aligned to any country. The Orthodox Church in America, which was originally founded as a mission of the Russian Orthodox Church, recently issued a statement condemning the war and "violence committed by Orthodox Christians against other Orthodox Christians."

Unlike the Roman Catholic Church, led by the pope, the Orthodox Church doesn't have a single global leader and has evolved into different independent national churches, resulting in Serbian, Ukrainian, Russian and Bulgarian Orthodox churches, says John Burgess, a theologian at the Pittsburgh Theological Seminary.

"That makes things tricky today," says Dr. Burgess. "If people retain a strong ethnic identity from the old country and political disputes rise up in the country, some of those ethnic attachments become even stronger."

Over the years, many members of the Orthodox Church in America have dropped Russia from their name to attract new members and be more American, says Scott Kenworthy, a professor of Comparative Religion at Miami University in Ohio. Churches in older communities, with stronger ethnic identities, tend to keep them. That doesn't mean, though, he says, that they "agree with or support what Russia does."

The neighboring churches in Carnegie used to be a single church a century ago but split over disagreements about leadership and authority in 1909. Many immigrant families, who came to work in

the local steel mills and railroad yards, were divided, with some staying at St. Peter & St. Paul and others going to Holy Virgin.

Over the years, the wounds largely healed and the churches helped each other out when hurricanes and storms flooded one church's basement. Pastors attended each other's summer picnics and held joint services after the Sept. 11 terrorist attack.

"We've tried to bridge those early divides," says Father York, 74 years old.

The bond was tested when [Russia invaded Ukraine](#). The next morning, Father York taped a statement on the front door of his church from his archbishop asking Mr. Putin to end military operations. He made other signs on his computer reading, "We are united in Prayer with Ukraine," with small blue crosses on top.

SHARE YOUR THOUGHTS

How can Ukrainians and Russians heal divisions brought about by the invasion? Join the conversation below.

"I had to put something up to show that we are not the bad guys," says Father York. He was still worried about vandals and asked the local police department to patrol the church and cemetery grounds and turned off the church answering machine to deter angry callers. He made posters of the Virgin Mary with the words "We are united in prayer for the peace of Ukraine," and made copies for his neighbor, Father Charest.

Father York doesn't consider his church as Russian. The early founders with closer ties to Russia have died. The following generations, while continuing beloved ethnic traditions, consider themselves Americans, and like most Americans, including those who identify as Russian-Americans, condemn the invasion. His treasurer is from Thailand and he has welcomed Asian-American converts. But the bronze historical marker designates it as a Russian Orthodox Church.

"I never really paid attention to that. All of a sudden, I am," he says.

He and Father Charest agreed to have a joint procession around their block on March 13 to celebrate the Sunday of Orthodoxy, which involves members carrying venerated icons. An unexpected snowstorm scuttled the plans. Still, the suggestion itself was important, says Rebecca Danchenko, who belongs to the Russian church but has relatives in the Ukrainian church.

"We're so close, being on the same block," says Ms. Danchenko. "It's not our war."

On a recent Tuesday evening, members of St. Peter & St. Paul Ukrainian Orthodox Church gather for a service, praying for peace and wearing yellow and blue buttons. Father Charest reads a psalm. "Lord, rescue me from my enemies; to You have I fled."

After the readings, Father Charest talks about grief and its stages and how they have special relevance now. Denial: "Can this be happening in this day and age?" And anger. "People have asked whether anger is a sin. There can be righteous anger," he says. "What is happening in Ukraine is unacceptable. You have a right to be angry."

Father Charest, 39, who is relatively new to the parish and community having arrived three years ago, has strong ties to Ukraine. He met his wife, Laryssa Charest, who is a first-generation American and whose parents are Ukrainian, in Ukraine, when both were working at an orphanage. The couple had been approved to adopt three Ukrainian children, who had been living with a foster family just outside Kyiv before the invasion and have safely fled the country.

For the past month, their church has been a collection site for Ukrainian relief efforts, its social hall filled with boxes of diapers, food and medical supplies. They are grateful and inspired by the support.

"I know people from the Russian parish have given me donations for Ukraine," says Father Charest. "We have a good relationship."

Write to Clare Ansberry at clare.ansberry@wsj.com

More From Turning Points

* [How Generational Differences Shape Our Views of Ukraine War](#)

* [Families Try Making Up After Pandemic Fights Over Vaccines, Masks and Tests](#)

* [Caring for Older Relatives Is So Expensive That Even AARP's Expert Filed for Bankruptcy](#)

[In a Pennsylvania Town, a Ukrainian Church and Its Russian Neighbor Navigate Wartime Tensions](#)

NS grel : Religion | gvexe : Executive Branch | gvio : Military Action | glife : Living/Lifestyle | gpir : Politics/International Relations | gpol : Domestic Politics | ncolu : Columns | gcat : Political/General News | gcns : National/Public Security | gcom : Society/Community | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | usa : United States | use : Northeast U.S. | uspa : Pennsylvania | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC N/DJN

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220403ei43000b6

THE WALL STREET JOURNAL.

CLM Finance
SE Markets
HD **The Investor Who's Sticking With [Russia](#); David Amaryan doubled down on Russian stocks when the market crashed. And he's not looking to get out anytime soon.**
BY By Julie Steinberg
WC 1,358 words
PD 3 April 2022
ET 16:30
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

Russian stocks crashed after Vladimir Putin waged war on Ukraine. That's when David Amaryan started buying.

Investors [were dumping anything Russian](#), and the hedge-fund manager was happy to take the other side of the trade. He snapped up shares of energy giants Rosneft, Lukoil and Gazprom. He bought banks—including Russia's largest lender, Sberbank—and some local retailers and mining companies.

TD

When Mr. Amaryan's buying spree ended, some 55% of his investment firm's \$250 million was in Russian stocks, up from 30% to 35% before the invasion.

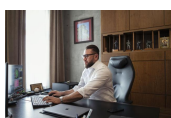
Bargain-hunting investors love to buy when everyone else is selling. That impulse has been consistently rewarded in the U.S. stock market, where the Dow industrials [have soared to 291 record closes](#) since 2008.

Russia is a different case altogether. Its leader is waging [a brutal war on Ukraine](#) that has claimed more than 1,000 civilian lives. Its financial infrastructure [has been severed from the West](#). Its stock market is an exchange in name only, with foreign investors barred from selling shares that have lost much of their value.

Big investors like Vanguard Group and Fidelity International are [waiting at the exit](#), hoping to get out without losing everything. But Mr. Amaryan has no plans to sell. He is convinced Russian stocks are still investible, despite their steep losses.

The dynamic offers a glimpse of a remade Russian market, [isolated from the world's money centers](#) and dominated by fortune-hunters like Mr. Amaryan who have decided the financial and political risks are worth the potential gains.

"We definitely don't have rose-tinted glasses on. Everything is difficult," Mr. Amaryan said. "But we are, compared to others, at the level where we feel we're ready to step in."



Expecting sanctions but not war, David Amaryan early this year cut down on the debt he was using to buy stocks. PHOTO: The Wall Street Journal

Mr. Amaryan, 41, straddles two worlds. His firm, Balchug Capital, is registered in Armenia, where he was born, but he lives and works in Moscow. Russian stocks accounted for up to 70% of Balchug's returns last year on average, a person familiar with the matter said. The firm has 11 employees in Moscow and five in Yerevan, Armenia, where Mr. Amaryan lived until he was 14.

Mr. Amaryan started his finance career on Wall Street. He left New York for Moscow in 2003 to join Citigroup Inc., where he advised ultra-high-net-worth clients. A stint followed at a prestigious Russian investment bank that was later swallowed by Sberbank.

He put down roots in Moscow, performing as a DJ in local clubs and founding a martial arts studio where he practices Brazilian jujitsu.

Mr. Amaryan launched his own firm, Copperstone Capital, in 2010. The firm ran into trouble in 2015, when the Securities and Exchange Commission accused Copperstone and other funds of trading on information gleaned from stolen, unpublished press releases. He paid a \$10 million settlement in 2016 but didn't admit wrongdoing.

Mr. Amaryan, who maintained his innocence during the proceedings, changed the firm's name to Balchug after the settlement. He was never banned from managing money.

The firm went big on Russian stocks after investors shunned the country for its [2014 invasion of Crimea](#). In 2019, some 80% of Balchug was invested in Russia, via local Russian stocks and securities trading in New York and London. Mr. Amaryan loaded up on oil and steel companies. The firm was up 46% that year, according to a person familiar with the matter.

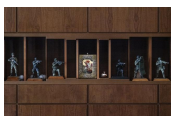
Balchug cut some of those positions to lock in gains when the pandemic hit.

By 2021, he was ready to get back into Russia. Commodity prices were high, and the firm had done well with Russian metals and mining companies. Some were paying 15% dividends at the time, and the entire market was trading at a 30% to 35% discount to other emerging markets.

Expecting sanctions but not war, Mr. Amaryan early this year cut down on the debt he was using to buy stocks, increased the firm's cash position to between 15% and 17% and pared some holdings of Russian and Western companies. Balchug used futures contracts to hedge the ruble and bought shares in a company that operates high-quality coal mines that operate in Russia but sell coal to China for U.S. dollars.

Mr. Amaryan was "quite confident" Russia wouldn't go to war with Ukraine, [he told the Financial Times in early February](#). "If there was going to be a war, people would be acting in a different way," he said. "Everybody is quite calm."

A friend woke Mr. Amaryan at 5 a.m. on Feb. 24, telling him to flip on the news. Mr. Putin declared that Russia was [sending troops into Ukraine](#). "That was a shock," he said. "I knew from that point on it was going to be a difficult period."



Toy soldiers on a shelf in David Amaryan's office. The war in Ukraine brings back memories for him of a childhood marked by military skirmishes. PHOTO: The Wall Street Journal

His first thoughts turned to how to protect his firm and his clients—spread across Russia, the U.K., the European Union and the United Arab Emirates—in case sanctions were imposed. He moved more of the firm's money to Western banks outside Russia, where most of it now resides.

A day after the invasion, Mr. Amaryan started buying again.

He couldn't believe Russia's blue-chip companies would go bankrupt, despite their steep fall. He checked with clients to ensure they didn't have any moral qualms about the buying. They told him to do his job and make money, he said.

SHARE YOUR THOUGHTS

Should foreigners be investing in the Russian stock market right now? Why or why not?

"The biggest oil companies and biggest banks cannot be worth a few hundred million dollars," Mr. Amaryan said, referring to Russian companies' precipitous decline on foreign exchanges.

The war in Ukraine brings back memories of a childhood in Armenia marked by military skirmishes.

"When you manage a hedge fund in the best of times, you try not to let emotions get in the way and create some biases," he said. "It's more difficult at times like this."

But Mr. Amaryan said he is optimistic. "Even the worst things in the world have a beginning and an end," he tells his clients and employees. He said he hasn't gotten any redemption requests.

While he waits for the market to recover, Mr. Amaryan is looking at U.S. and European tech companies, and bargain-hunting among Chinese stocks.

He expects conditions in Russia to be tough for the next six to 12 months. Still, he is open to adding to his Russian holdings—at the right price.



David Amaryan believes Russia's relationship with China will help ease the sting of Western sanctions. PHOTO: The Wall Street Journal

When the [market cracked open in late March](#), Mr. Amaryan held back. He said he is waiting for foreign investors to sell, which could provide a better entry point. Prices would have to fall at least 20% to 30% before he thinks about buying more, Mr. Amaryan said, assuming the situation in Ukraine doesn't worsen.

Longer term, he thinks [Russia's relationship with China](#) will help ease the sting of Western sanctions. He ticks off oil, gas, wheat, grain, nickel, palladium and fertilizer as exports that solidify the country's standing as a vital trading partner.

"We have had many examples in our recent history when people thought that was the end of the world. It never is," Mr. Amaryan said. "And if, God forbid, things get much worse, none of us is going to care about the stock market anyway."

Write to Julie Steinberg at julie.steinberg@wsj.com

[The Investor Who's Sticking With Russia](#)

IN	i8150211 : Mutual Funds iinv : Investing/Securities i81502 : Trusts/Funds/Financial Vehicles ifinal : Financial Services
NS	c13 : Regulation/Government Policy ccat : Corporate/Industrial News e51 : Trade/External Payments ecat : Economic News gesanc : International Sanctions gpir : Politics/International Relations gtrade : Trade Barriers/Restrictions m11 : Equity Markets ncolu : Columns nimage : Images nmajev : Major News Events npda : DJ Exclusive Analysis - All gcat : Political/General News gvio : Military Action reqris : Suggested Reading Investing/Securities gcns : National/Public Security gdip : International Relations grisk : Risk News mcat : Commodity/Financial Market News ncat : Content Types ndj : Dow Jones Top Stories nfact : Factiva Filters nfce : C&E Exclusion Filter nfcpin : C&E Industry News Filter ntop : Top Wire News redit : Selection of Top Stories/Trends/Analysis reqr : Suggested Reading Industry News
RE	ukrn : Ukraine asiaz : Asia easiaz : Eastern Asia eurz : Europe russ : Russia uk : United Kingdom ussz : CIS Countries apacz : Asia Pacific bric : BRICS Countries devgcoz : Emerging Market Countries dvpcos : Developing Economies eeurz : Central/Eastern Europe weurz : Western Europe
IPD	Wires

IPC	G/SEC
PUB	Dow Jones & Company, Inc.
AN	Document WSJO000020220403ei43000m9

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Hungary's Viktor Orban Wins Another Term in Office; [Russia's](#) invasion of [Ukraine](#) overshadowed Sunday's election**
BY By Drew Hinshaw and Ian Lovett
WC 1,334 words
PD 4 April 2022
ET 04:19
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BUDAPEST—Hungarian Prime Minister Viktor Orban, the closest thing Russian President Vladimir Putin has to a friend in the club of European Union leaders, won a fifth term in power Sunday in an election that became a referendum on his promise to block support for Ukraine in its [war with Russia](#).

With 90% of the vote processed, Mr. Orban had won a majority, according to official results, and the coalition led by his nationalist Fidesz party was on track to win 135 of 199 seats in parliament.

TD

His opponent, a staunchly conservative small-town mayor, Peter Marki-Zay, failed to win even his own district.

Mr. Orban's victory gives him four more years in power and sets up some enormous fights for Europe. Even as western leaders expressed shock Sunday over alleged war crimes committed by Russian troops outside Kyiv, the Hungarian's victory was likely to exacerbate disagreements in the Western alliance over how much voters should be asked to sacrifice for Ukraine—and will help dim the chances for further sanctions, especially on energy.

Beyond Ukraine, the legitimacy of Mr. Orban's victory itself hung in the balance Sunday, with election monitors from the Organization for Security and Cooperation in Europe saying they would discuss their findings Monday. The intergovernmental security group took the rare step of dispatching 316 observers on Sunday; it found the last election, in 2018, free but not fair, citing restricted media freedoms and state funding for Mr. Orban's ruling party.

In Brussels, the EU has been weighing whether to cut funding for Hungary. European lawmakers have argued that Mr. Orban has used his majority in parliament to rewrite election laws, redraw voting districts, and permit mail-in ballots without identity verification from communities that favor him.

Mr. Orban, who has governed Hungary for half of its postcommunist history, said Sunday that he relished the fight ahead.

"We won a huge victory," he said. "A victory so big that it can be seen even from the moon, but it can surely be seen from Brussels."

A small number of deflated opposition supporters stood in the cold to hear their candidate complain that the election wasn't fair: "We do not contest their victory but we do contest that the elections were free and democratic," said Mr. Marki-Zay.

The question for the U.S.-led NATO alliance, which includes Hungary, is whether Mr. Orban, the EU's longest-serving head of government, is an outlier or a sign of dissent to come.

Mr. Orban's campaign has put him at odds not only with the majority of governments in the West, but also with Ukrainian President Volodymyr Zelensky—who in a videoconference at the end of March,

compared [Mr. Orban's hesitation to help Ukraine](#) with the world's inaction during the mass murder of Jews by Hungarian fascists during World War II.

Mr. Orban is "a man who doesn't seem to fully understand what is going on and what is being experienced, not only in Ukraine, but throughout Europe," Mr. Zelensky said in a second video recorded overnight Saturday, saying Mr. Orban is dishonest and "is almost the only one in Europe who openly supports Putin."

At home, however, Mr. Orban's message found an audience. A survey conducted last week found that nearly half his voters consider Russia's invasion of Ukraine legitimate.

"Control of the media clearly works," said Dalibor Rohac, a resident scholar at the American Enterprise Institute. "Especially juxtaposed with Russian war crimes, Orban's Hungary is becoming a real sore on the EU and the trans-Atlantic alliance, especially if it plays a role in derailing more forceful action against Moscow."

Mr. Marki-Zay argued he would be a more constructive member of the North Atlantic Treaty Organization, yet would also oppose any sanctions on Russian gas. But he struggled to get airtime for that message in a country where nearly all the largest TV and radio stations have been bought up by Mr. Orban's political allies.

"We firmly and completely stand together with the NATO and EU efforts, but we have some red lines," said government spokesman Zoltan Kovacs.

Frustrated, the opposition resorted to hiring sound trucks to drive around the country blaring assurances that if elected, they won't drag Hungary into a war with Russia.

"He's blaming the opposition, that we will send untrained kids to war to die in Ukraine: That's the propaganda machine's lies," said Mr. Marki-Zay. "Whereas, of course, I said the same thing that he says: that Hungary can only be protected by NATO, and that we have to be a faithful and loyal member of the Western community."

Mr. Orban has long extended an open hand to Mr. Putin, denouncing sanctions against Moscow for which he has consistently, if begrudgingly, voted.

That balancing act is becoming difficult.

Within NATO, Mr. Orban has been sidelined as the alliance's largest militaries focus their cooperation on Hungary's neighbors, including Poland, Romania, or Slovakia. The Obama administration froze Mr. Orban out of high-level meetings. The Trump administration limited presidential meetings, denouncing Mr. Orban's multibillion-dollar telecom and infrastructure deals with China. President Biden pointedly [didn't invite the Hungarian leader](#) to a summit for democracies last December.

SHARE YOUR THOUGHTS

What does the war in Ukraine mean for Hungary? Join the conversation below.

In Europe, Mr. Orban's closest allies—nationalist leaders of Poland and Slovenia that once considered him a like-minded conservative—now speak bitterly of his friendship with Russia. Last week, Polish, Slovak and Czech defense ministers said they wouldn't attend a conference in Hungary, with the latter writing on Twitter, "Hungarian politicians now find cheap Russian oil [more important than Ukrainian blood](#)."

The EU [has begun withholding funds](#) for Hungary, on the grounds that the money could be lost to corruption—and is under pressure from EU lawmakers [to further slash funding](#) if Mr. Orban's time in power continues.

For all the trouble his relationship with Russia has caused with the EU, Mr. Orban's outreach hasn't won him a reliable friendship in Moscow, said former Hungarian government officials and Western diplomats in Russia and Europe.

In February, as the U.S. warned an attack on Ukraine was imminent, Mr. Orban flew to Moscow to meet Mr. Putin, pursuing new gas deals and reassuring his voters that the Russian president had no intentions to invade Ukraine.

"You can bet your life on it that Putin said the very opposite to him, he was never going to attack," said a former Hungarian official who was close to Mr. Orban. "This big friendship was not worth enough for the Russians to be honest with them or even hint that this attack is coming."

Some Hungarian voters, however, have a different view.

"The fact is Hungary currently can't live without Russian energy," said Andras, a voter for Mr. Orban's populist conservative Fidesz party who declined to give his last name. "So, if our prime minister says we need to protect our interests and our population, it's not only fine, but also a good decision."

On Tuesday, Kevin Martin Jenei, 22, stood outside a Lidl supermarket in Budapest, handing out leaflets for the opposition coalition, struggling to excite voters about the unlikely possibility for an upset.

"The government has this narrative that the left wants to join the war," Mr. Jenei said. "It's not true, of course."

And yet, Mr. Jenei added, he agreed with Mr. Orban's policy of not sending weapons to Ukraine: Hungary's relationship with Russia, he explained, had helped keep gas prices low.

Write to Drew Hinshaw at drew.hinshaw@wsj.com and Ian Lovett at ian.lovett@wsj.com

[Hungary's Viktor Orban Wins Another Term in Office](#)

CO euruno : European Union

IN i1 : Energy

NS gvexe : Executive Branch | gcat : Political/General News | gpol : Domestic Politics | gvote : Elections | gpir : Politics/International Relations | gvio : Military Action | gvote1 : National/Presidential Elections | ncolu : Columns | gcns : National/Public Security | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types

RE ukrn : Ukraine | hung : Hungary | asiaz : Asia | easiaz : Eastern Asia | eecz : European Union Countries | eurz : Europe | russ : Russia | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | namz : North America | weurz : Western Europe

IPD Wires

IPC N/CMR

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220403ei43000gp

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Tourism Recovery Faces Double Whammy of [Russia's War](#), China's Covid Policies; Global travel industry is blindsided by invasion of [Ukraine](#) as it tries to emerge from two years of pandemic losses**
BY By Jon Emont
WC 1,054 words
PD 3 April 2022
ET 19:30
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

In January and February, Thailand welcomed more visitors from Russia than from any other country. It was a boon for its tourism industry, which has struggled to get back on its feet. [Covid-19 restrictions in China](#)—far and away Thailand's top source of visitors before the pandemic—have kept Chinese travelers from its temples and beach resorts.

[Russia's invasion of Ukraine](#) caused turmoil.

TD

Western sanctions and corporate actions meant Russian credit cards didn't work, sending tourists scrambling for cash to pay restaurant and hotel bills. As the ruble crashed, Russian vacationers invited friends to share their luxury villas and split costs. Many cut their trips short [to avoid being stranded](#) when Aeroflot, Russia's largest airline, suspended nearly all international flights in early March. Those with hotel reservations canceled.

The war in Ukraine is hitting global tourism just as the industry tries to recover from a two-year battering during the pandemic. The revival was already slowed by uneven travel barriers in Asia, including Japan and, most prominently, China, which prepandemic accounted for 17% of the world's international tourism expenditure, twice that of the U.S. Now, sun-soaked Mediterranean countries such as Turkey, Cyprus and Egypt that catered to Russia's middle class, as well as Russian favorites in Asia including Thailand and Vietnam, expect little business from the country this year.

The impact goes beyond these destinations. The war [has driven up oil prices](#), making travel everywhere more expensive. Because Western planes are banned from Russian airspace, [some trips are taking much longer](#). A Finnish airline has revived a Cold War route to Japan that goes over the North Pole, adding three hours to the journey from Helsinki. Air tickets for international trips to Europe declined 7% in the two weeks ended March 9, compared with the two weeks prior, according to data from travel consulting firm ForwardKeys. It excluded Russia, Ukraine and Belarus from the analysis, suggesting that [foreign travelers are more hesitant](#) about going to Europe.

The war "is a significant blow to a still slow and uneven recovery," said Sandra Carvao, director of market intelligence and competitiveness at the United Nations World Tourism Organization.

Before the pandemic, Russians took 45 million trips abroad each year, shopping for jewelry and coats in Cyprus boutiques and lounging with beer on Vietnamese beaches. Many countries prized Russian tourists because they tend to travel for long stints. In Vietnam, Russians spend more than visitors from any other major market, in part because they stay, on average, for more than two weeks.

"There is no other nationality or other tourists who could come in to fill these villas," said Ramon Ferrari, a Swiss resident of Thailand who rents high-end vacation homes on the country's tropical Phuket Island to a clientele that, in the months before the war, skewed 70% Russian. He said visitors from China, Japan and Hong Kong are still missing, and there aren't enough tourists from other wealthy countries visiting Phuket.

In 2019, China accounted for more than a quarter of Thailand's 40 million tourist arrivals. During the first two months of 2022, 8,000 Chinese tourists visited Thailand—fewer than the number from Sweden. Local business owners hope that an end to major travel restrictions in Australia and Singapore will provide a boost, but the overall recovery remains uncertain.

SHARE YOUR THOUGHTS

How is the war in Ukraine making you rethink your travel plans? Join the conversation below.

"We're still not seeing broad, mass tourism anywhere near the numbers we'd expect," said Bill Barnett, managing director of C9 Hotelworks, a Thailand-based hospitality consulting firm.

Hotel owners in Cyprus, where Russians usually represent a fifth of tourists, are bracing for the worst. The European Union has banned Russian aircraft from flying to the EU, including Cyprus.

Thanos Michaelides, chief executive of Thanos Hotels & Resorts, a luxury hotel group on the Mediterranean island, said Russians typically make up around 30% of his guests but have stopped booking for the summer. Even if the war were to end in the coming weeks, a weakened ruble would likely prevent many Russians from taking lavish vacations, he said. Mr. Michaelides is using digital advertising to draw potential German and French travelers, though he says it will be difficult to fully replace his lost Russian patrons.

In the Maldives, Russians made up 16% of arrivals in the first two months of 2022, more than any other country, and triple the Russian share in 2019. In February, three direct flights brought around 700 Russian tourists to the island daily. The war has knocked that down to about 300, according to official data.

"Tourism wants a healthy world, a peaceful world," Abdulla Mausoom, the archipelago's tourism minister, said in an interview. "We were hit really bad because Russia and Ukraine together is nearly 20% of our market share."

On the Indonesian island of Bali, where the government dropped mandatory quarantine requirements for tourists in early March, local business owners say they have yet to see a significant pickup in visitors. Around 20,000 overseas passengers have flown into Bali's international airport this year, roughly 1.5% of total international visitor arrivals in the first three months of 2019. Ketut Purna, a Balinese business owner with two spas on the island, said he is feeling the absence of Russian tourists. "If they stay in Bali for 15 days, at least they go to the spa for more than 10 days," he said.

Denis Kondratev, a model and fitness trainer from St. Petersburg, Russia, who has lived in Bali for two years, said he pays for purchases by [converting rubles into cryptocurrency](#), which some vendors in Bali will exchange for Indonesian rupiahs. Instead of planning short trips, he said, some Russians are looking to relocate rather than living in Russia.

"Now it's not a question of vacation," he said. "It's a question of expat living."

Write to Jon Emont at jonathan.emont@wsj.com

[Tourism Recovery Faces Double Whammy of Russia's War, China's Covid Policies](#)

IN ilea : Leisure/Arts/Hospitality | itourm : Tourism

NS gtour : Travel | gsars : Novel Coronaviruses | gvio : Military Action | gout : Outbreaks/Epidemics | ghea : Health | glife : Living/Lifestyle | ncolu : Columns | gcat : Political/General News | reqlea : Suggested Reading Leisure/Arts | gcns : National/Public Security | gcolu : Respiratory Tract Diseases | gmed : Medical Conditions | grisk : Risk News | gspox : Infectious Diseases | ncat : Content Types | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | china : China | easiaz : Eastern Asia | eurz : Europe | seasiaz : Southeast Asia | thail : Thailand | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC AFLT.MZ

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220403ei430015p

HD **REVIEW --- Putin Targeted Ukraine for Years. Why Didn't the West Stop Him? --- Washington and the European Union vacillated between engagement and deterrence. Meanwhile, the Russian leader became more isolated and more obsessed.**

BY By Michael R. Gordon, Bojan Pancevski, Noemie Bisserbe and Marcus Walker

WC 4,308 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG C1

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

In early November, months before the war began, CIA Director William Burns visited Moscow to deliver a warning: The U.S. believed Russian President Vladimir Putin was preparing to invade Ukraine. If he went ahead, he would face crippling sanctions from a united West.

The American spy chief was connected on a secure Kremlin phone with Mr. Putin, who was in the Black Sea resort of Sochi, isolated from all but a few confidants. The Russian leader made no effort to deny Mr. Burns' charge. Instead, he calmly recited a list of grievances about how the U.S. had for years ignored Russian security concerns.

TD

As for Ukraine, Mr. Putin told Mr. Burns, it wasn't a real country.

After returning to Washington, the CIA chief advised President Biden that Mr. Putin hadn't yet made an irrevocable decision, but was strongly disposed to invade. With European nations heavily dependent on Russian energy, the Russian military modernized, Germany going through a change of governments and the U.S. increasingly focused on a rising China, Mr. Putin gave every sign of seeing this winter as his best opportunity to bring Ukraine back under Moscow's control.

Over the next three months, Washington struggled to persuade its European allies to mount a unified front. The U.S. itself was trying to balance two aims: talking Mr. Putin down while avoiding actions that he might treat as a provocation; and arming Ukraine to make an invasion as costly as possible.

In the end, the West managed neither to deter Mr. Putin from invading Ukraine nor reassure him that Ukraine's increasing westward orientation didn't threaten the Kremlin.

By now, this had become a well-established pattern. For nearly two decades, the U.S. and the European Union vacillated over how to deal with the Russian leader as he resorted to increasingly aggressive steps to reassert Moscow's dominion over Ukraine and other former Soviet republics.

A look back at the history of the Russian-Western tensions, based on interviews with more than 30 past and present policy makers in the U.S., EU, Ukraine and Russia, shows how Western security policies angered Moscow without deterring it. It also shows how Mr. Putin consistently viewed Ukraine as existential for his project of restoring Russian greatness. The biggest question thrown up by this history is why the West failed to see the danger earlier.

Washington, under both Democratic and Republican presidents, and its allies at first hoped to integrate Mr. Putin into the post-Cold War order. When Mr. Putin balked, the U.S. and its European partners had little appetite for returning to the strategy of containment the West imposed against the Soviet Union. Germany, Europe's biggest economy, led the EU's big bet on peace through commerce, developing a dependence on Russian oil and gas that Berlin is now under international pressure to reverse.

The North Atlantic Treaty Organization made a statement in 2008 that Ukraine and Georgia would one day join, and over nearly 14 years never followed through on membership. The EU drew up a trade deal with Ukraine without factoring in Russia's strong-arm response. Western policies didn't change decisively in reaction to limited Russian invasions of Georgia and Ukraine, encouraging Mr. Putin to

believe that a full-blown campaign to conquer Ukraine wouldn't meet with determined resistance -- either internationally or in Ukraine, a country whose independence he said repeatedly was a regrettable accident of history.

The roots of the war lie in Russia's deep ambivalence about its place in the world after the end of the Soviet Union. A diminished Russia needed cooperation with the West to modernize its economy, but it never reconciled itself to the loss of control over neighbors in Europe's east.

No neighbor was as important to Russia's sense of its own destiny as Ukraine. The czars' takeover of the territories of today's Ukraine in the 17th and 18th centuries was crucial to Russia's emergence as a major European empire. Collapsing Russian empires lost Ukraine to independence movements amid defeat in World War I and again in 1991, when Ukrainians voted overwhelmingly for independence.

After the chaotic 1990s, the security-service veterans around Mr. Putin who took over Russia's government complained bitterly about what they saw as the West's encroachment on Moscow's traditional sphere of influence in Central and Eastern Europe. An array of newly democratic countries that had been Moscow's satellites or former Soviet republics joined NATO and the EU, seeing membership of both institutions as the best guarantee of their sovereignty against a revival of Russian imperial ambitions.

Viewed from elsewhere in Europe, NATO's eastward enlargement didn't threaten Russia's security. NATO membership is at core a promise to collectively defend a member that comes under attack. Russia retained a massive nuclear arsenal and the biggest conventional forces in Europe.

Mr. Putin thought of Russian security interests more broadly, linking the preservation of Moscow's influence in adjacent countries with his goals of reviving Russia's global power and cementing his authoritarian rule at home.

The link became clear in Ukraine's 2004 presidential election. Mr. Putin let the U.S. know in advance who should win.

When White House national security adviser Condoleezza Rice visited Mr. Putin at his dacha outside Moscow in May that year, the Russian leader introduced her to Ukrainian presidential contender Viktor Yanukovich. Ms. Rice concluded that Mr. Putin had arranged the surprise encounter to signal his close interest in the election's outcome, she recalled in a recent interview.

Mr. Yanukovich's initial election victory was marred by allegations of fraud and voter intimidation, triggering weeks of street protests and strikes that were dubbed the Orange Revolution. Ukraine's supreme court ordered a new vote, which pro-Western candidate Viktor Yushchenko won.

The Kremlin saw the Orange Revolution as U.S.-sponsored destabilization aimed at pulling Ukraine out of Moscow's orbit -- and as a prelude to a similar campaign in Russia itself.

To ease Moscow's concerns, the Bush administration outlined the limited financial support it had given to Ukrainian media and nongovernmental organizations in the name of promoting democratic values. It totaled \$14 million. The White House thought the modest sum was consistent with Mr. Bush's "freedom agenda" of supporting democracy but hardly enough to change the course of history.

The gesture only confirmed Russian suspicions. "They were impressed at the result that they thought we got for \$14 million," recalled Tom Graham, the senior director for Russia on Mr. Bush's National Security Council.

Three months after losing Ukraine's government to a pro-Western president, Mr. Putin decried the breakup of the Soviet Union as "the greatest geopolitical catastrophe of the century."

Mr. Putin showed another face to Western European interlocutors, however, encouraging them to believe that he wanted Russia to be part of the wider European family. Soon after becoming president, he wowed Germany's Parliament with a speech promising to build a strong Russian democracy and work with the West. Speaking in fluent German, perfected while he was a KGB officer in the former East Germany, he declared: "The Cold War is over."

He charmed politicians and business leaders around Europe and opened pathways for lucrative trade. European leaders called Russia a "strategic partner." German Chancellor Gerhard Schroder and Italian Premier Silvio Berlusconi were among those who considered him a close friend.

Perceptions changed in January 2007, when Mr. Putin vented his growing frustrations about the West at the annual Munich Security Conference. In a long and icy speech, he denounced the U.S. for trying to

rule a unipolar world by force, accused NATO of breaking promises by expanding into Europe's east, and called the West hypocritical for lecturing Russia about democracy.

In Ukraine, President Yushchenko was struggling to fulfill the hopes of the Orange Revolution that the country could become a prosperous Western-style democracy. Fractious politics, endemic corruption and economic stagnation sapped his popularity.

Mr. Yushchenko sought to anchor Ukraine's place in the West. At the World Economic Forum in Davos in January 2008, he met with Ms. Rice, by then the U.S. Secretary of State, and implored her for a path to enter NATO. The procedure for joining the alliance was called a Membership Action Plan, or MAP.

"I need a MAP. We need to give the Ukrainian people a strategic focus on the way ahead. We really need this," Mr. Yushchenko said, Ms. Rice recalled.

When the request was debated in the National Security Council, Mr. Bush said NATO should be open to all countries that qualify and want to join.

A NATO summit was set for April 2008 in Bucharest, in the vast Palace of the Parliament built for Romania's former Communist dictator Nicolae Ceausescu. The alliance's summits are usually well scripted in advance. Try as it might, the White House couldn't overcome German and French resistance to offering a MAP to Ukraine and Georgia.

Berlin and Paris pointed to unsolved territorial conflicts in Georgia, low public support for NATO in Ukraine, and the weakness of democracy and the rule of law in both.

Ms. Merkel, remembering Mr. Putin's speech in Munich, believed he would see NATO invitations as a direct and deliberate threat to him, according to Christoph Heusgen, her chief diplomatic adviser at the time. She was also convinced Ukraine and Georgia would bring NATO no benefits as members, Mr. Heusgen said.

Ms. Merkel told Mr. Putin in advance that NATO wouldn't invite Ukraine and Georgia to join, because the alliance was split on the issue, but the Russian leader remained nervous, Mr. Heusgen recalled.

Over dinner in Bucharest, Mr. Bush made his case for giving Ukraine and Georgia a MAP -- to no avail. The next day, Ms. Rice and national security adviser Stephen Hadley tried to find a compromise with their German and French counterparts.

Ms. Rice, a Soviet and Russia expert, said Mr. Putin wanted to use Ukraine, Belarus and Georgia to rebuild Russia's global power, and that extending the shield of NATO membership could be the last chance to stop him. German and French officials were skeptical, believing Russia's economy was too weak and dependent on Western technology to become a serious threat again.

A compromise statement was negotiated.

"We agreed today that these countries will become members of NATO," it read. But it didn't say when. And there was no MAP.

Many of Ukraine's supporters were heartened. But some officials in Bucharest feared it was the worst of both worlds. NATO had just painted a target on the backs of Ukraine and Georgia without giving them any protection.

"The fact is we rejected Ukraine's application and, yes, we left Ukraine in a gray zone," Radoslaw Sikorski, Poland's foreign minister at the time, said in an interview.

Mr. Putin joined the summit the next day. He spoke behind closed doors and made clear his disdain for NATO's move, describing Ukraine as a "made-up" country.

In public comments that day, he also questioned whether Crimea had been properly transferred from Russia to Ukraine during the Soviet era. Daniel Fried, who was the top State Department official on Europe, and Mariusz Handzlik, then the national security adviser to Poland's president, jumped to their feet in shock. It was an early sign that Mr. Putin wouldn't let the status quo stand.

Four months later, the Russian army invaded Georgia, exploiting a conflict between Georgia's government and Russian-backed separatists. Russia didn't take Tbilisi, the Georgian capital, but it showed it had no qualms about intervening in neighboring countries that wanted to join NATO.

Mr. Putin's fears of a Ukrainian-style popular revolution infecting Russia were heightened by a wave of demonstrations in Russian cities beginning in 2011, when tens of thousands took to the streets to protest against the lack of democracy. "For fair elections" was the protesters' slogan.

Mr. Putin believed the protests were a U.S.-sponsored effort to overthrow him, said Ivan Krastev, a Bulgarian political scientist who later attended a dinner hosted by Mr. Putin in Sochi. The Russian president told his guests that people didn't take to the streets spontaneously but rather were incited by the U.S. Embassy, Mr. Krastev said. "He really believes it."

The Kremlin organized large countermarches, which were billed as "anti-Orange demonstrations."

The concurrent Arab Spring protests, which toppled several authoritarian rulers in the Middle East, further heightened Mr. Putin's fear, said Mr. Heusgen, the adviser to Ms. Merkel.

"He then became a fervent nationalist," said Mr. Heusgen. "His great anxiety was that Ukraine could become economically and politically successful and that the Russians would eventually ask themselves 'Why are our brothers doing so well, while our situation remains dire?' "

Ukraine hung in the balance again.

Mr. Yushchenko slumped to 5% of the vote in Ukraine's 2010 presidential elections. Mr. Yanukovych won -- fairly this time, said international observers -- after campaigning for friendly relations with the West and also Russia. He found it was difficult to have both.

Mr. Yanukovych negotiated a free-trade agreement with the EU. At the same time, however, he was under pressure from Mr. Putin to join a customs union with Russia, Belarus and Kazakhstan. EU officials said Kyiv couldn't do both, because the customs rules would clash.

The EU, following its standard playbook on trade and governance, demanded Ukraine revamp its judiciary and improve the rule of law as a precondition for a trade deal.

In November 2013, Kyiv abruptly suspended talks with the EU, citing Russian pressure. Mr. Putin called the draft EU-Ukraine deal a "major threat" to Russia's economy.

Antigovernment protests spread across Ukraine that winter. The largest were on Kyiv's central Independence Square, known locally as the Maidan. To the protesters, the EU association agreement was more than a trade deal: It expressed hopes of reorienting Ukraine toward the more democratic and prosperous part of Europe.

Clashes with riot police became frequent. In February 2014, police killed dozens of protesters in one day, sparking defections among Mr. Yanukovych's political allies.

On Feb. 21, a group of EU foreign ministers brokered a power-sharing deal between Ukraine's government and parliamentary opposition aimed at defusing the crisis. But the massive crowd on the Maidan booed the agreement and demanded Mr. Yanukovych's resignation. Riot police melted away from central Kyiv as they sensed power, and political cover, slipping away.

The beleaguered Mr. Yanukovych sat in his office with Colonel General Sergei Beseda of Russia's FSB, successor to the KGB, who had been dispatched by Mr. Putin to help quell the revolt. Gen. Beseda told Mr. Yanukovych that armed protesters were planning to kill him and his family, and that he should deploy the army and crush them, according to Ukrainian intelligence officers familiar with the conversation.

Instead, Mr. Yanukovych soon fled from Kyiv in a helicopter.

Mr. Putin held an all-night meeting with his security chiefs, in which they discussed the extraction of Mr. Yanukovych to Russia -- and also the annexation of Crimea, the Russian leader later recounted. Mr. Yanukovych, who is believed to be living in exile, couldn't be reached for comment.

Within days, Russian troops without insignia occupied the Crimean Peninsula, which Moscow had affirmed as Ukrainian territory in three treaties in the 1990s. Crimea's regional parliament, in a session held at gunpoint, voted to secede from Ukraine.

Russia also fomented and armed a separatist rebellion in the eastern Donbas region, Ukraine's industrial heartland. When Ukrainian forces took back much of the rebel-held territory that summer, Russian regular troops intervened and dealt Ukraine's poorly equipped army a bloody defeat.

Mr. Putin's show of military force backfired politically. He had won control of Crimea and part of Donbas, but he was losing Ukraine.

The country had long been deeply divided along regional, linguistic and generational lines. If young educated people in western Ukraine dreamed of Europe, older people and workers in eastern regions were more likely to speak mother-tongue Russian and look to Russia as the country's natural partner.

Those divisions manifested themselves during Ukraine's bitterly fought elections and during the Orange and Maidan revolutions. But they receded after 2014. Many Russophone Ukrainians fled from repression and economic collapse in separatist-run Donbas. Even eastern Ukraine came to fear Russian influence. Mr. Putin was doing what Ukrainian politicians had struggled with: uniting a nation.

Ms. Merkel took the lead in Western efforts to talk Mr. Putin out of his course. Mr. Putin frequently lied to her face about the activities of Russian troops in Crimea and Donbas, aides to the chancellor said.

At a conversation at the Hilton Hotel in Brisbane, Australia, during a G-20 summit in late 2014, Ms. Merkel realized that Mr. Putin had entered a state of mind that would never allow for reconciliation with the West, according to a former aide.

The conversation was about Ukraine, but Mr. Putin launched into a tirade against the decadence of democracies, whose decay of values, he said, was exemplified by the spread of "gay culture."

Despite having few illusions about Mr. Putin, Ms. Merkel continued to support commercial cooperation with Russia. On her watch, Germany became increasingly dependent on Russian oil and gas and built controversial gas pipelines from Russia that bypassed Ukraine and Europe's east. Ms. Merkel's policy reflected a consensus in Berlin that mutually beneficial trade with the EU would tame Russian geopolitical ambitions.

The U.S. and some NATO allies, meanwhile, began a multiyear program to train and equip Ukraine's armed forces, which had proved no match for Russia's in Donbas.

The level of military support was limited because the Obama administration figured that Russia would retain a considerable military advantage over Ukraine and it didn't want to provoke Moscow.

President Trump expanded the aid to include Javelin antitank missiles, but delayed it in 2019 while he pressed Ukraine's new president, Volodymyr Zelensky, to look for information the White House hoped to use against Democratic presidential hopeful Joe Biden and Mr. Biden's son, an act for which he was impeached.

Mr. Zelensky, a former comic and political outsider, had won a landslide election victory in 2019 on a promise to clean up corruption and end the war in Donbas. But he aroused Mr. Putin's scorn at their first and so far only meeting, a December 2019 summit in Paris.

Eventually, Messrs. Putin and Zelensky agreed on a new ceasefire and to exchange prisoners. Many present thought the Russian leader loathed his new Ukrainian counterpart, a senior French official who was present said.

French President Emmanuel Macron sought a rapprochement with Mr. Putin, even suggesting he could be a partner for Europe in managing China. He invited Mr. Putin to the Palace of Versailles and to his summer residence in the Fort of Bregancon on the French Riviera. Their conversations were mostly cordial and businesslike, according to French officials.

But in telephone conversations from 2020 onwards, Mr. Macron noticed changes in Mr. Putin. The Russian leader was rigorously isolating himself during the Covid-19 pandemic, requiring even close aides to quarantine themselves before they could meet him.

The man on the phone with Mr. Macron was different from the one he had hosted in Paris and the Riviera. "He tended to talk in circles, rewriting history," recalled an aide to Mr. Macron.

In early 2021, Mr. Biden became the latest U.S. president who wanted to focus his foreign policy on the strategic competition with China, only to become entangled in events elsewhere.

The U.S. no longer saw Europe as a primary focus. Mr. Biden wanted neither a "reset" of relations with Mr. Putin, like President Obama had declared in 2009, nor to roll back Russia's power. The NSC cast the aim as a "stable, predictable relationship." It was a modest goal that would soon be tested by Mr. Putin's bid to rewrite the ending of the Cold War.

Russia positioned tens of thousands of troops around Ukraine's eastern border as part of a spring military exercise.

In April, the White House considered a \$60 million package of weapons for Ukraine. But after Russia ended its military exercise the administration deferred a decision to set a positive tone for a June summit between Mr. Biden and Mr. Putin in Geneva.

When Mr. Zelensky met with Mr. Biden in Washington in September, the U.S. finally announced the \$60 million in military support, which included Javelins, small arms and ammunition. The aid was in line with

the modest assistance the Obama and Trump administrations had supplied over the years, which provided Ukraine with lethal weaponry but didn't include air defense, antiship missiles, tanks, fighter aircraft or drones that could carry out attacks.

Soon afterward, U.S. intelligence agencies learned that Russia was planning a military mobilization around Ukraine that was vastly greater than its spring exercise.

U.S. national security officials discussed the highly classified intelligence at a meeting in the White House on Oct. 27. Director of National Intelligence Avril Haines warned that Russian forces could be ready to attack by the end of January 2022.

The gathering decided to send Mr. Burns on his mission to Moscow.

Work began on a new \$200 million package in military assistance from U.S. stocks. The White House, however, initially held off authorizing the package, calculating that it wouldn't be enough to deter Mr. Putin from invading if his mind was made up, and might even provoke him to attack.

Efforts to dissuade Mr. Putin from ordering an invasion were faltering. When Karen Donfried, the top State Department official for Europe and Russia, visited Moscow in mid-December, Russian Deputy Foreign Minister Sergei Ryabkov handed her two fully drafted treaties: one with the U.S. and one with NATO.

The proposed treaties called for a wholesale revision of Europe's post-Cold War security arrangements. NATO would withdraw all nonlocal forces from its Eastern European members, and the alliance would shut its door to former Soviet republics.

The draft treaties were soon posted on a Russian government website, which added to U.S. concerns that the demands were diplomatic camouflage for a military decision it had already taken.

On Dec. 27, Mr. Biden gave the go-ahead to begin sending more military assistance for Ukraine, including Javelin antitank missiles, mortars, grenade launchers, small arms and ammunition.

Three days later, Mr. Biden spoke on the phone with Mr. Putin and said the U.S. had no plan to station offensive missiles in Ukraine and urged Russia to de-escalate. The two leaders were on different wavelengths. Mr. Biden was talking about confidence-building measures. Mr. Putin was talking about effectively rolling back the West.

In mid-January, Mr. Burns made a secret trip to Kyiv to see Mr. Zelensky. The U.S. now had even more information about Russia's plan of attack, including that it involved a rapid strike toward Kyiv from Belarus. The CIA director provided a vital piece of intelligence that helped Ukraine significantly in the first days of the war: He warned that Russian forces planned to seize Antonov Airport in Hostomel, near the Ukrainian capital, and use it to fly in troops for a push to take Kyiv and decapitate the government.

European leaders made last-ditch attempts to talk Mr. Putin down. Mr. Macron visited the Kremlin on Feb. 7, where he was made to sit at the far end of a 20-foot table from the socially isolating Russian dictator.

Mr. Macron found Mr. Putin even more difficult to talk to than previously, according to French officials. The six-hour conversation went round in circles as Mr. Putin gave long lectures about the historical unity of Russia and Ukraine and the West's record of hypocrisy, while the French president tried to bring the conversation back to the present day and how to avoid a war.

U.S. and European leaders held a video call. "I think the last person who could still do something is you, Joe. Are you ready to meet Putin?" Mr. Macron said to Mr. Biden. The U.S. president agreed and asked Mr. Macron to pass the message to Mr. Putin.

Mr. Macron spent the night of Feb. 20 alternately on the phone with Mr. Putin and Mr. Biden.

The Frenchman was still talking with Mr. Putin at 3 a.m. Moscow time, negotiating the wording of a press release announcing the plan for a U.S.-Russian summit.

But the next day, Mr. Putin called Mr. Macron back. The summit was off.

Mr. Putin said he had decided to recognize the independence of separatist enclaves in eastern Ukraine. He said fascists had seized power in Kyiv, while NATO hadn't responded to his security concerns and was planning to deploy nuclear missiles in Ukraine.

"We are not going to see each other for a while, but I really appreciate the frankness of our discussions," Mr. Putin told Mr. Macron. "I hope we can talk again one day."

James Marson and Warren Strobel contributed to this article.

(See related letters: "Letters to the Editor: Is It Russia's Czar or the West's Chauvinism?" -- WSJ Apr. 9, 2022)

[License this article from Dow Jones Reprint Service](#)

CO nato : North Atlantic Treaty Organization | euruno : European Union

NS gvexe : Executive Branch | gcat : Political/General News | gcns : National/Public Security | gdip : International Relations | gspy : Espionage | gvio : Military Action | nmajev : Major News Events | ntop : Top Wire News | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | bucha : Bucharest | crimea : Crimea | eurz : Europe | fra : France | grgia : Georgia | usa : United States | usdc : Washington DC | asiaz : Asia | balkz : Balkan States | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | medz : Mediterranean | namz : North America | rom : Romania | uss : Southern U.S. | ussrz : CIS Countries | wasiaz : Western Asia | weurz : Western Europe

IPC EXE

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei4200010

THE WALL STREET JOURNAL.

CLM Business
SE Business
HD **China's Bet on Sending Its Exports Through [Russia](#) Hits Setback; [Ukraine](#) war threatens to hold up billions of dollars worth of Chinese products bound for Europe on Silk Road rail corridor**
BY By Costas Paris
WC 1,128 words
PD 2 April 2022
ET 19:30
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Sanctions [imposed on Russia](#) are disrupting China's ambitions to move more exports to Europe, a setback for the \$4 trillion effort championed by Chinese leader Xi Jinping to cement his country as the [world's pre-eminent trading partner](#).

TD

Although the European Union has yet to officially ban imports passing through Russia, inbound rail-cargo shipments have all but frozen, according to freight forwarders. Moving shipping containers from China along a 7,500-mile corridor that runs through Russia and extends to the United Kingdom [is a vital part of Belt and Road](#), a yearslong undertaking that includes investments to connect China to Europe by land and sea.

SHARE YOUR THOUGHTS

What does the Russian war on Ukraine mean for China's trade relationship with the West? Join the conversation below.

After [Russia's invasion of Ukraine](#), some freight forwarders that move Chinese goods are looking to Kazakhstan and Georgia for rail-cargo shipments.

"Many customers from Europe and China have reoriented their shipments from rail to ships," said Andreea Brinza, vice president of the Romanian Institute for the Study of the Asia-Pacific, a think tank. "The situation is very fluid, so there are risks regarding rail shipping, and things can change quickly for the worse."

The principal rail links along what is known as the Silk Road rail corridor to Europe from Russia pass through Belarus and Poland. The port of St. Petersburg in western Russia is another link, with trains moving Chinese cargo through Siberia before the goods are placed on container vessels destined for Europe.

China's Belt and Road initiative was announced by Mr. Xi in 2013, and Beijing has since signed deals to move its exports with 140 countries. The investments mainly involve long-term port leases, along with developing rail and road networks and power stations.

China's trade with those countries reached \$1.83 trillion last year, a 24% increase from the year earlier, according to the Chinese Commerce Ministry.

Big shipping and logistics players like A.P. Moeller-Maersk A/S, Hapag-Lloyd AG and freight forwarder DB Schenker have suspended operations to and from Russia. The inland port of Duisburg in Germany, a Silk Road hub, warned in March that marine insurers would likely stop covering shipments from Belarus and Russia.

The rail network gained favor with cargo owners and freight forwarders during the Covid-19 pandemic as an alternative to ocean transport because ports around the world [closed or curtailed operations](#) to

stop the spread of the virus. Scores of laden [ships got stuck for weeks](#) outside Chinese, European and American ports causing delivery delays that stretched for months.

Overall, logistics players moved around \$82 billion worth of Chinese exports into the EU by rail in 2021, a 10-fold increase since 2016, according to EU and Chinese customs data. That is about 10% of the total \$828 billion annual trade between China and Europe, where most of the cargo is moved by ships.

"It's faster and costs less to send Chinese exports to Europe on trains, but now very little is moving," said George Xiradakis, managing director of Athens-based XRTC Business Consultants and an adviser to China Development Bank. "It's a painful setback for the Belt and Road initiative."

At the port of Duisburg, often a first stop in Europe for locomotives with Chinese exports, dozens of trains arrive weekly stuffed with clothes, sports equipment and electronics from manufacturing centers in Wuhan and Chongqing. On their way back East, the trains move German cars, French wine, Scotch whisky, as well as high-end clothing and accessories from Milan.

"Trains are still coming with cargo that left before or during the Russian attack. But over the next few weeks, we expect less," a spokesman at the port said this week "There will be a negative impact."

The Ukraine war could also shift some sentiment on projects in Europe aimed at helping Chinese cargo move about the continent. Germany's port of Duisburg said it would stop all business activity in Belarus and plans to sell its 39% stake in the Eurasian Rail Gateway Co., which planned to build a container terminal at a logistics complex outside Minsk. China has invested around \$2 billion since 2015 in the complex called the Great Stone Industrial Park, near Minsk.

The invasion put Chinese companies with a global reach in an awkward position, as they have to abide by sanctions by cutting off or scaling back business ties with Russia even though Beijing said it [won't take part in the U.S.-led sanctions](#).

Export volume shipped on trains from China's Dalian port to Europe has sharply reduced since March as shipping demand and willingness decreased, according to an official with Dalian Port Company Ltd. cited by the state-run Securities Times. Before the Ukraine war, the shipments delivered on China-Europe freight trains from Dalian rose 69% on year in the January-February period, according to data released earlier by Dalian Port, the port operator.

Shandong Yuma Sun-Shading Technology Corp. Ltd. said at the end of March that the company's exports to Ukraine, Russia and other neighboring countries were reduced last month because of the fighting in Ukraine and logistics bottlenecks. The listed firm, which manufactures and sells roller blinds, drapes and curtains, said product deliveries to those countries slowed significantly in March, but it expects business to be back to normal after the war ends.

To boost Russia's reach in global trade, President Vladimir Putin in 2018 ordered state monopoly Russian Railways to substantially grow container traffic. Moscow expects container flows to increase to 3.6 million boxes by 2035, which if achieved, would boost Russia's capacity share in overall Asia-to-Europe cargo movement to 15% from around 5% currently.

If Russia is completely taken out of the train routes that move cargo from China, then containers would have to travel longer distances through the Caspian Sea and the Caucasus region and enter Europe through Romania or Bulgaria. The rerouting would likely result in higher costs and more complicated logistics that could substantially cut train volumes, industry participants say.

FourKites, a Chicago-based maritime data provider that tracks container shipments, said that if the volume transported by rail was transferred to ships, it would mean an increase in sea freight volume by up to 8%.

Grace Zhu contributed to this article.

Write to Costas Paris at costas.paris@wsj.com

[China's Bet on Sending Its Exports Through Russia Hits Setback](#)

IN i763 : Port/Harbor Operations | iship : Water Transport/Shipping | itsp : Transportation/Logistics
NS gtrade : Trade Barriers/Restrictions | e512 : Physical Trade | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gesanc : International Sanctions | gpri : Politics/International Relations | ncolu : Columns | nmajev : Major News Events | npda : DJ Exclusive Analysis - All | gcat : Political/General News | reqrts : Suggested Reading Transportation/Shipping | gdip : International Relations | ncat : Content Types | ndj : Dow Jones Top

Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | ntop : Top Wire News | reedit :
 Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE china : China | russ : Russia | asiaz : Asia | byelrs : Belarus | dalian : Dalian | easiaz : Eastern Asia |
 eurz : Europe | uk : United Kingdom | ukrn : Ukraine | ussrz : CIS Countries | liaon : Liaoning | apacz :
 Asia Pacific | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries |
 dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC DBU.YY

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220402ei42001ba

THE WALL STREET JOURNAL.

CLM Essay
SE Life
HD **Chechnya's Brutal Lesson for Ukraine; Russia has shown itself willing to pay a steep human price for objectives that may be unobtainable**
BY By Thomas de Waal
WC 1,279 words
PD 2 April 2022
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

In March 1995, I stood at the edge of a southern Russian city, Grozny. The sky was dove blue with the promise of spring, but the air was thickly mingled with dust. High black columns of smoke rose from the center, and I could hear the occasional thump of artillery in the distance. The Russian army had just captured the city from Chechen rebels by means of total destruction, reducing high-rise apartment blocks to rubble. They called it a "liberation."

People, many of them elderly Russian-speaking pensioners, began emerging from cellars. The world that they knew had been erased. A line of shabby buses was waiting to evacuate them from the city. Hours earlier I had visited a family holding a wake for an old Chechen man, a veteran of World War II, who lay in his front room with a red gash on his head. He had been knocked down and killed outside his house by an armored car driven by drunken soldiers.

TD

The brutality of Vladimir Putin's war in Ukraine carries terrible echoes of Russia's war in Chechnya. Boris Yeltsin launched that conflict in 1994 and paused it in 1996; Mr. Putin prosecuted its second phase from 1999 through 2009. By 1996, as many as 50,000 people had already lost their lives in a republic of little more than one million. A large and once prosperous city lay in ruins. Chechnya was devastated, wounded, radicalized—and has never recovered from the trauma. In today's Mariupol and Kharkiv, mainly Russian-speaking Ukrainian cities destroyed by Russian power, we see the ghosts of that conflict and seem condemned to relearn its lessons.

The circumstances are far from identical. Chechnya is small and was always recognized as being part of Russia, even when the rebellious Chechen leader, Dzhokhar Dudayev, declared its independence from Moscow in 1991. Ukraine, on the other hand, has been a functioning, peaceful sovereign state for 30 years. It could be faulted for corruption and poor governance, but it posed no threat except to Mr. Putin's fantasies of history.

Nonetheless, Russia entered both wars with similar assumptions. Mr. Putin's inner circle, we are told, believed that Ukrainian President Volodymyr Zelensky and his government would be toppled in three days. In 1994, Yeltsin's defense minister Pavel Grachev boasted that Chechnya could be captured "in two hours with one parachute regiment." In both places, Plan A failed, and the Russian government's Plan B was total and indiscriminate warfare.

Leveling cities and brutalizing civilians served to stoke moral outrage, however, and to rally resistance. Ordinary Chechens, horrified by the Russian invasion, joined in solidarity behind the once-unpopular Dudayev, fighting on for almost two years until Moscow suspended its campaign.

The Kremlin's miscalculation in Ukraine was even more profound. Perhaps Mr. Putin expected to replicate his swift takeover of Crimea in 2014, but special conditions always applied to Crimea, a region with a large Russian population and close ties to Russia. The operation there was bloodless, making it easy for even doubters to basically acquiesce.

But in Ukraine as a whole, millions of those who speak Russian as a first language also have a civic Ukrainian identity—one that propels them to resist the invasion as strongly as any of their fellow

citizens. Russia's brand of warfare has delivered the clinching argument: If there were Quislings ready to serve the invaders in Ukraine, they are now vastly outnumbered by outraged patriots.

Russia never paid a price for its total war in Chechnya. Western leaders gave priority to a good relationship with Moscow over their commitment to human rights. In Moscow in 1996, Bill Clinton bizarrely compared Yeltsin's war for Chechnya to the U.S. Civil War, citing "the proposition that Abraham Lincoln gave his life for, that no state had a right to withdraw from our Union." In 2000, Tony Blair's spokesman described Mr. Putin's war as one to put down "a terrorist insurrection."

If a smaller country, one without a UN Security Council veto, had prosecuted such a brutal war, its leaders would surely have been forced to stand trial in The Hague, as Bosnia's war criminals did. But Moscow got a pass, and its way of war—evidenced not only in Chechnya and Ukraine but in the civilian neighborhoods of Aleppo that the Russian air force razed in 2016—has remained remarkably consistent.

The tactics likely originate in a kind of false memory of the Red Army's victory over Adolf Hitler in 1945, through total warfare, the pulverization of Berlin and the loss of millions of lives. For a generation of ordinary Russians, the unspeakable losses of that war were an argument for peace at all costs. But the Russian elite—Mr. Putin most recently—instead drew the lesson that the end justified the apocalyptic means.

In his speeches, Mr. Putin has described modern Ukraine as an "anti-Russia," implying that its conquest will reprise the Soviet victory over Nazism in 1945. The opposite is true of course—if anything, Mr. Putin is closer to repeating the Nazi invasion of Ukraine in 1941—and one wonders if the Russian president realizes how badly he is tarnishing the legacy he invokes.

Mr. Putin ultimately subjugated Chechnya by installing a militant Chechen warlord and giving him far more power than Dudayev (a secularist and former Soviet general) had ever asked for, so long as the Russian flag flew over Grozny. By a great irony, the son of that warlord, Ramzan Kadyrov, Chechnya's leader since 2006, now pledges personal loyalty to Putin, if not so much to the Russian state, and is reported to be leading units of Chechens to fight against Ukraine. Meanwhile, other exiled Chechens, veterans of the wars of the 1990s, are fighting for Ukraine against Russia, as Chechnya's cycle of violence continues outside its borders.

Chechnya's lessons for Ukraine are grim. They tell us that the Russian leadership is likely prepared to pay a huge human toll to attain impossible objectives. A full Russian occupation of a country of 40 million people is simply unachievable, and Ukrainian resistance will surely prevail in the end. But as one Ukrainian officer reportedly told a Russian journalist, Ukraine's tragedy is that "they measure time in days and weeks, and we do so in human lives."

Back in 1996, there were some limits to the Russian public's tolerance for mass death, however. Yeltsin was forced to sue for peace in Chechnya in large part because the war had become so unpopular and because so many young soldiers were dying. Mr. Putin can reassure himself that Russia is a very different country now, with the mostly free media and political opposition of the 1990s firmly removed. Yet the scale of the war in Ukraine in 2022 and its cost to Russia are also far greater.

Sooner or later, the truth about the war will begin to break through the walls of silence in Russia. And maybe today's public, like that of the 1990s, will have doubts about why this war is being waged in its name. The sooner the Russian public starts asking those questions, the greater the chance of arresting the conflict before its human cost becomes even greater than Chechnya's.

Thomas de Waal is a senior fellow at Carnegie Europe and co-author with Carlotta Gall of "Chechnya: Calamity in the Caucasus."

[Chechnya's Brutal Lesson for Ukraine](#)

NS	gvex : Executive Branch gcat : Political/General News gpir : Politics/International Relations gvio : Military Action ncat : Content Types ncolu : Columns gcns : National/Public Security gppl : Domestic Politics grisk : Risk News gvbod : Government Bodies
RE	russ : Russia chechn : Chechen Republic asiaz : Asia china : China crimea : Crimea easiaz : Eastern Asia eurz : Europe uk : United Kingdom ukrn : Ukraine ussrz : CIS Countries apacz : Asia Pacific bric : BRICS Countries chinaz : Greater China devgcoz : Emerging Market Countries dvpcosz : Developing Economies eeurz : Central/Eastern Europe runcf : North Caucasian Federal District weurz : Western Europe
IPD	Wires
IPC	N/DJN

PUB Dow Jones & Company, Inc.
AN Document WSJO000020220402ei420005p

HD **EXCHANGE --- Banking & Finance: ESG Fund Squeezed by Ukraine Conflict --- BlackRock, JPMorgan product had large allocations in Russian and Ukrainian bonds**

BY By Matt Wirz

WC 910 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG B10

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russia's invasion of Ukraine is exposing the tradeoffs in a hot Wall Street product meant to encourage good governance.

Environmental, social and governance, or ESG, funds have become a top trend, promising to boost returns while bettering the world by avoiding countries prone to pollution, corruption, and even war. The strategy backfired on two of its biggest advocates -- JPMorgan Chase & Co. and BlackRock Inc -- when Russia invaded Ukraine and returns in one of their ESG strategies lagged behind more conventional funds.

TD

Investors who bought a \$1.9 billion BlackRock emerging-markets bond fund that tracks a JP Morgan ESG index have lost 4.74% since the invasion began, compared to a 3.78% loss for investors in its traditional emerging-markets fund. The ESG fund underperformed because it had relatively large allocations to Russian and Ukrainian government bonds.

The overexposure traces back to data JPMorgan buys from ESG scoring companies like Sustainalytics and to its index methodology, people familiar with the product said. JPMorgan, a self-styled leader on sustainability in finance, announced this month that it will cut Russia from its indexes.

"It becomes a question of whether the index owners are allocating capital appropriately," said Fergus McCormick, the head of sovereign research at the Emerging Markets Investors Alliance, a nonprofit promoting good governance. "We had a lot of signals that some investors and analyst were taking the Russia risk seriously, but the industry as a whole was lulled into complacency."

Money managers are rolling out sustainable investing in virtually every market from stocks and bonds to commodities and private equity, leaving regulators and investors to grapple with what qualifies for the label and what it even means.

Analysts and investors that don't employ ESG strategies were also blindsided by Russia's attack and the extent of the West's retaliation. Advocates of sustainable investing have touted it as a way to reduce reputational and political risk for their clients by accounting for factors like carbon footprint, civil liberties and access to education.

"Bond investors' main ESG focus is on mitigating downside risk," BlackRock has said in promotional materials for its funds.

JPMorgan had about 3.2% of its ESG emerging-markets bond index in Russian bonds and 2.1% in Ukraine in February, a person familiar with the matter said. Its conventional bond index was 2.7% invested in Russia and 1.8% in Ukraine. Both countries are known for corruption and weak governance.

JPMorgan and BlackRock unveiled the ESG index and ETF four years ago, proposing to combine data and ESG scores with ethical factors and exclusions.

The fund grew slowly until 2020, when ESG entered the mainstream and the fund's assets swelled to \$1.7 billion from about \$600 million, according to data from Morningstar Inc. That same year, the World Bank found an income bias in "sovereign" ESG scoring in a study of ESG data companies, including those used by JPMorgan.

"Sovereign ESG scores aren't measuring how sustainable countries are," said Teal Emery, a consultant on ESG issues for banks and money managers who participated in the study. "For sovereigns, it's very high related to how wealthy a country is, which correlates highly to more per-capita carbon emissions."

JPMorgan has recently been working with its data providers to adjust the issue, people familiar with the matter said.

Government ESG scores assigned by six data providers have a high correlation to national income, creating a bias, according to the World Bank's report of the study. Sustainalytics, which JPMorgan uses for its index, "has the highest correlation with national income," according to the report.

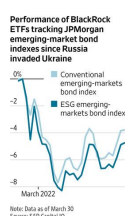
Russia had a higher weighting in JPMorgan's ESG index because it excluded about 20%-25% of the countries in the conventional index for failing to meet minimum ESG scores, boosting allocations to countries that made the cut. Angola, India and Nigeria are barred from the ESG index, while its weightings of wealthy countries like Chile, Panama and Saudi Arabia are much higher than in the conventional index, an emerging-markets hedge-fund manager said.

Sustainalytics develops its government ratings by measuring national wealth, which includes natural resources, human capital and institutional capital, said Valiant Ip, the firm's director for ESG products. "We believe strongly in the robustness of our country risk framework because it takes into account the wealth aspect of a country and also a country's ability to manage its wealth in an effective and sustainable manner," he said.

There is an inherent contradiction in the current marketing of government ESG products as both a way to reduce risk and to do good, said Phil Torres, an emerging-markets bond fund manager at Aegon Asset Management.

Clients interested in ESG "are hoping for an investment vehicle that does well by the world, whereas ESG as a concept and most vendors of ESG data and ratings go at it from the other end," Mr. Torres said.

Aegon is developing an alternative sustainable investing model for emerging-markets bonds that focuses on finding countries that might have low ESG scores today but are doing the most to improve, according to Mr. Torres. The new product will invest in governments with proven good governance and track records of providing basic health and welfare needs, he said.



[License this article from Dow Jones Reprint Service](#)

CO blaman : BlackRock Inc. | cnyc : JPMorgan Chase & Co.

IN iresinv : Sustainable Investment | ibnk : Banking/Credit | i814 : Banking | i81402 : Commercial Banking | i8150211 : Mutual Funds | iinv : Investing/Securities | i81502 : Trusts/Funds/Financial Vehicles | ialtin : Alternative Investments | ifinal : Financial Services | i831 : Financial Investment Services | i83107 : Portfolio/Fund/Asset Management | iibnk : Integrated Banks

NS cesg : Environmental/Social/Governance | c181 : Acquisitions/Mergers/Shareholdings | gcorp : Corruption | neqac : Equities Asset Class News | nfiac : Fixed Income Asset Class News | nimage : Images | nmajev : Major News Events | ntop : Top Wire News | c12 : Corporate Crime/Legal Action | reqrb : Suggested Reading Banking/Credit | reqris : Suggested Reading Investing/Securities | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | gcat :

Political/General News | gcrim : Crime/Legal Action | gfin : Financial Crime | ncat : Content Types |
ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpx : C&E Executive News Filter | nfcpx :
C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading
Industry News

RE russ : Russia | ukrn : Ukraine | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz :
Emerging Market Countries | dvpcz : Developing Economies | eeurz : Central/Eastern Europe | eurz :
Europe | namz : North America | ussrz : CIS Countries

IPC ABO

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei4200018

HD The Ukraine Crisis: Russia Seeks To Bolster Trade Ties With India

BY By Shan Li

WC 607 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG A9

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

NEW DELHI -- Foreign Minister Sergei Lavrov said Russia appreciates India's stance on the Ukraine invasion and is ready to cooperate on trade, as countries on both sides of the Ukraine war have ramped up efforts to pull New Delhi closer.

"We will be ready to supply to India any goods which India wants to buy," he said after meeting with his Indian counterpart in New Delhi on Friday.

TD

India has been caught in the middle of the clash between Moscow and the U.S. and its allies over the Ukraine war. New Delhi, which has longstanding defense ties to Russia, has remained firmly on the sidelines amid a flurry of condemnations from Western democracies. India is one of the few major powers to avoid publicly denouncing Russia's invasion and has abstained from multiple resolutions in the United Nations related to the war.

Mr. Lavrov is one in a string of top foreign officials who have been dispatched to woo the Indian government since the conflict began in late February. He arrived in New Delhi a day after Indian officials met with British Foreign Secretary Liz Truss and U.S. deputy national security adviser for international economics Daleep Singh.

Mr. Lavrov said the longstanding ties between Russia and India have outlasted "many difficult times in the past."

"We appreciate that India is taking this situation in the entirety of facts, not just in a one-sided way," he said before a closed-door meeting with the Indian foreign minister, Subrahmanyam Jaishankar.

An increasingly isolated Moscow is trying to trade with Beijing and New Delhi in an effort to weather Western sanctions designed to slow its economic growth and undermine the Kremlin's ability to project power. In recent days, India has bought millions of barrels of Russian crude oil at a hefty discount and could purchase more supplies in the weeks ahead.

India's ties to Russia have strained its relationships with Western partners. The leaders of the U.S., Australia and Japan -- which together with India make up a security partnership called the Quadrilateral Security Dialogue, or the Quad -- have acted in concert to roll out sanctions and other punishments intended to isolate Russia. But India, which has counted on Russia as its main arms supplier for decades, has been trying to keep intact its relationship with Moscow, as well as its deepening ties with the U.S. and its allies.

Analysts say India can't afford to anger Moscow, especially as its military remains in a standoff with China over parts of its shared 2,000-mile border.

Western leaders have urged India to take a tougher stand on Moscow, while acknowledging its unique position. Mr. Singh, the envoy from the U.S., said Thursday that the U.S. isn't going to set a limit on India's energy purchases from Russia but doesn't want to see a "rapid acceleration" of imports.

But the divisions between India and the West were evident during a discussion between Ms. Truss, the British foreign minister, and Mr. Jaishankar at a panel in New Delhi on Thursday.

Ms. Truss said the U.K. is moving toward ending its reliance on Russian oil by the end of this year, but every country had to make that decision for itself.

Mr. Jaishankar noted that Europe had purchased 15% more Russian oil and gas in March compared with the month before. He said the backlash against India's purchase of Russian oil looks "almost like a campaign."

[License this article from Dow Jones Reprint Service](#)

CO uafor : Ukraine Ministry of Foreign Affairs

NS gdip : International Relations | gcat : Political/General News | c13 : Regulation/Government Policy | e512 : Physical Trade | gesanc : International Sanctions | gtrade : Trade Barriers/Restrictions | nmajev : Major News Events | ntop : Top Wire News | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gpri : Politics/International Relations | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcipin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis

RE india : India | ndelh : New Delhi | russ : Russia | ukrn : Ukraine | delhi : Delhi | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | indsubz : Indian Subcontinent | sasiaz : Southern Asia | ussrz : CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei420002c

HD The Ukraine Crisis: Western Nations, Allies Join U.S. in Releasing Oil Reserves

BY By Matthew Dalton and Will Horner

WC 696 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

PARIS -- Western nations and their allies agreed to release oil from their reserves, joining the U.S. in trying to tame oil prices that have soared in the wake of Russia's invasion of Ukraine.

The International Energy Agency -- whose members include the U.S., most of Europe, Canada, Mexico, Japan and South Korea -- said it would announce the amount of the release early next week. The IEA said its members have 1.5 billion barrels of oil in reserve.

TD

The move aims to further cushion the West as it moves to stop importing oil from Russia, the world's second-largest exporter of crude oil after Saudi Arabia and the third-largest producer. The Biden administration on Thursday ordered the release of 180 million barrels of oil from U.S. reserves over six months, the largest-ever planned drawdown of the nation's emergency energy stocks.

The U.S., Europe and their allies are looking to replace Russian oil with supplies from other sources, mainly in the U.S. and the Persian Gulf. But the Biden administration says it will take months for U.S. oil producers to increase production. President Biden on Thursday urged oil companies to invest more quickly in new production using the big profits they have earned in recent months because of high prices. The Organization of the Petroleum Exporting Countries has refused repeated entreaties from Western officials to boost production.

Oil prices have nearly doubled during the past year as energy markets have struggled to meet strong demand from economies reopening after Covid-19 lockdowns. Prices rose further as Russia massed troops along Ukraine's border and soared following the invasion on Feb. 24, hitting their highest level since 2008.

The surge has sent gasoline prices in the U.S. and parts of Europe to record highs.

Russia's invasion of Ukraine and the Western sanctions targeting Moscow in response have triggered what the IEA has described as the biggest supply crisis in decades.

IEA nations on March 1 tried to bring down prices by announcing the release of 60 million barrels of their reserves onto the market. Prices instead rose over the following week as traders feared continued escalation of the war in Ukraine. Last year, Russia exported 4.7 million barrels of crude oil a day, according to the IEA.

While releasing oil from reserves should drive prices down in the short term, analysts are skeptical that the releases can have a lasting effect. The move might even raise prices at a later date when Western nations buy oil to replenish their depleted reserves, analysts say.

"We do not regard it as a long-term solution to the global energy crisis, and it will not fix the structural imbalances in the oil market," said Mark Haefele, chief investment officer at UBS Global Wealth Management, in a note to clients.

Russia has struggled to find buyers for its crude cargoes. Western banks, shipping firms and oil traders have shunned Russian oil, fearful of the reputational risks. The U.S. has banned Russian oil imports outright, while the U.K. has said they would phase them out. India has stepped in to buy large quantities of discounted Russian crude.

The decision to tap oil reserves came after Western governments couldn't persuade OPEC nations to boost production, analysts said. On Thursday, OPEC, Russia and Russia-allied nations -- a group dubbed OPEC+ -- stuck to a production plan backed by Moscow that will add a modest 432,000 barrels a day to the market, rejecting calls from oil-consuming countries to do more.

"It is a reflection of the fact that the initial diplomatic outreach has failed," said Joel Hancock, lead energy analyst at Natixis.

Both Saudi Arabia and the United Arab Emirates have sizable spare oil capacity, but as members of OPEC they are bound by the cartel's collective output agreements. The two Gulf states have been unwilling to increase supply at the risk of irking their Russian ally in OPEC+.

[License this article from Dow Jones Reprint Service](#)

CO inenag : International Energy Agency | opexpc : Organization of the Petroleum Exporting Countries

IN ifosfl : Fossil Fuels | i1 : Energy

NS ecat : Economic News | gvio : Military Action | c314 : Pricing | nmajev : Major News Events | ntop : Top Wire News | m143 : Energy Markets | reqren : Suggested Reading Energy | c31 : Marketing | ccat : Corporate/Industrial News | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | m14 : Commodity Markets | mcat : Commodity/Financial Market News | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE russ : Russia | ukrn : Ukraine | cana : Canada | eurz : Europe | jap : Japan | mex : Mexico | saarab : Saudi Arabia | uae : United Arab Emirates | usa : United States | apacz : Asia Pacific | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dypcoz : Developing Economies | easiaz : Eastern Asia | eeurz : Central/Eastern Europe | gulfstz : Persian Gulf Region | lamz : Latin America | meastz : Middle East | namz : North America | ussrz : CIS Countries | wasiaz : Western Asia

IPC NRG

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei420002d

HD The Ukraine Crisis: Sanctions Sting Russian Economy

BY By Paul Hannon

WC 543 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russia's factories cut production and jobs in March after the U.S. and its allies adopted some of the most severe economic sanctions ever taken against a country following Moscow's invasion of Ukraine, a new survey showed Friday.

The survey of purchasing managers at Russian manufacturing companies conducted by data firm S&P Global also recorded sharp rises in prices and a big decline in new orders. Western sanctions have effectively severed Russia from international finance and barred it from importing key technologies.

TD

The firm contacted 250 manufacturing companies in Russia via an online form, asking them whether output had risen or fallen since the previous month. It also asked about employment, orders, stocks and other indicators of activity. The survey is the first internationally comparable barometer of economic activity since the Feb. 24 invasion of Ukraine.

S&P Global said its purchasing managers index for Russia's manufacturing sector compiled from the answers to the survey had fallen to 44.1 in March from 48.6 in February. This suggests Russian factories recorded their largest drop in activity since May 2020. A reading below 50 indicates that activity is declining.

The poll noted rising costs as manufacturers struggled to find needed parts, which they passed on to their customers through higher prices.

The firm's survey of U.S. manufacturers pointed to a pickup in activity during March, while its eurozone survey indicated activity grew at a slower pace than in February. Its survey of Chinese factories showed a drop in activity following fresh lockdowns to contain outbreaks of the Covid-19 virus.

The Russian survey suggests Western sanctions and the mass exodus of Western businesses from the country are having their intended effect. According to the Yale School of Management, almost 500 international businesses have closed or suspended operations in Russia since the invasion of Ukraine.

"While our sanctions have had a significant impact on the Russian economy, the actions of these companies have also had a profound impact -- here will be a long lasting impact on the Russian economy," Deputy Treasury Secretary Wally Adeyemo said Tuesday.

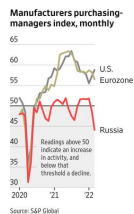
Sanctions and the decisions made by Western companies have deprived many Russian factories of the parts they need to make their products. In early March, car maker AvtoVAZ halted production of its Lada automobiles, placing thousands of workers on leave.

Such a stoppage was once unthinkable. During Soviet times, AvtoVAZ erected a giant factory on the banks of the Volga River that was capable of nurturing a homegrown supply chain.

Today, the company is owned by French car maker Renault SA and the plant relies on a Renault factory in Romania for subassembly and components.

Economists expect Russia to suffer its deepest economic contraction since the early 1990s, when the collapse of the Soviet Union led to steep falls in manufacturing that lasted several years.

The European Bank for Reconstruction and Development on Thursday said it expects Russia's economy to contract by 10% this year and then experience a period of stagnation as a result of an exodus of well-educated workers, and the loss of access to Western technologies under current sanctions.



[License this article from Dow Jones Reprint Service](#)

NS ecat : Economic News | gtrade : Trade Barriers/Restrictions | credun : Lay-offs/Redundancies | gvio : Military Action | c314 : Pricing | gesanc : International Sanctions | nimage : Images | nmajev : Major News Events | npred : Economic Predictions/Forecasts | nsur : Surveys/Polls | ntop : Top Wire News | c31 : Marketing | c42 : Labor/Personnel | ccat : Corporate/Industrial News | e51 : Trade/External Payments | gcat : Political/General News | gcns : National/Public Security | gdip : International Relations | gpir : Politics/International Relations | grisk : Risk News | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC PIC

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei420002e

HD **Kremlin Accuses Ukraine Of Strike In Russia --- Kyiv hasn't claimed credit for oil depot raid; aid groups struggle to make way to Mariupol**

BY By Brett Forrest

WC 984 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG A1

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

KYIV, Ukraine -- Ukrainian attack helicopters executed a low-flying predawn raid on Russian territory, Russian officials said, eluding air defenses to strike an oil depot as peace talks over the war resumed.

Security-camera footage released by Russian state-owned media channel RIA Novosti appeared to show several missiles firing at the depot and setting off explosions. Vyacheslav Gladkov, the regional governor of Belgorod, where the attack took place close to the Ukrainian border, wrote on social media that two Ukrainian helicopters carried out the operation.

TD

Ukrainian officials didn't claim responsibility for the attack. "I can neither confirm nor reject the claim that Ukraine was involved in this simply because I do not possess all the military information," Ukrainian Foreign Minister Dmytro Kuleba said.

Kremlin spokesman Dmitry Peskov warned that the strike on the oil depot risked undermining diplomatic efforts to end the war.

If confirmed, the Belgorod raid would be Kyiv's second helicopter operation in as many days, following an attempt to penetrate Russian air defenses around the besieged city of Mariupol, along Ukraine's Azov Sea coast.

Ukraine flew two Mi-8 transport helicopters on a mission to evacuate members of the Azov battalion that has allowed the city to remain in Ukrainian control despite near-constant Russian bombardment of civilian sites.

Mariupol remained a locus of tension. On Thursday, Russia said it would allow civilians to evacuate Mariupol via a humanitarian corridor.

Kyrylo Tymoshenko, the deputy head of Ukrainian President Volodymyr Zelensky's office, said that 3,000 people were able to leave Mariupol on Friday. But thousands more civilians remain trapped there, officials said.

"We do not see a real desire of the Russians and their satellites to allow Mariupol residents to evacuate to the territory controlled by Ukraine," Petro Andriushchenko, an adviser to the mayor of Mariupol, said on social media.

A team from the International Committee of the Red Cross heading to Mariupol to assist in civilian evacuations was unable to make it to the city on Friday and would try again on Saturday, the group said.

United Nations relief convoys have also failed to reach the city.

"We are continuing our dialogue with both parties to the conflict with the aim of urgently, immediately and consistently negotiating and facilitating the delivery of critical humanitarian assistance to the people who have been hardest-hit by this ongoing war," a U.N. spokesman said.

The battle for the Ukrainian south continued to affect civilians left on the Russian side of the front. A Ukrainian deputy prime minister, Iryna Vereshchuk, said at a Thursday evening briefing that Russian forces had stolen several tons of food and medicine from humanitarian-aid buses that had arrived recently in Melitopol, 110 miles west of Mariupol.

A southern-region security chief lost his general's rank, Mr. Zelensky said. Serhiy Kryvoruchko had led Ukraine's security service office in the Kherson region, where Russia seized the capital earlier in the war with little military opposition.

Mr. Zelensky also stripped the rank from Brig. Gen. Andriy Naumov, the former head of internal security at the Security Service of Ukraine, who is believed to have fled the country shortly before the war began.

"I do not have time to deal with all the traitors," Mr. Zelensky said. "But gradually they will all be punished."

The moves came despite Ukraine's continued territorial gains. Ukraine said Friday it had retaken the town of Ivankiv, along an important crossroads northwest of Kyiv. The British Ministry of Defense said Ukraine had freed a critical supply route between Chernihiv and the capital.

The Ukrainian Defense Ministry said Russian forces were pulling back from areas north of Kyiv toward the Belarusian border, partially in civilian vehicles.

Russia had partially withdrawn forces from central and northern Ukraine, Mr. Zelensky said, diverting them to the country's east and south, and he singled out Kharkiv and Mariupol as potential targets of renewed attacks.

"In the east of our country, the situation remains extremely difficult. The Russian militaries are being accumulated in Donbas, in the Kharkiv direction. They are preparing for new powerful blows," Mr. Zelensky said in his nightly video address to the nation.

"We are preparing for even more active defense. We use all opportunities -- both internal and external. Necessarily. I emphasize once again: hard battles lie ahead."

Meanwhile, Western officials aren't convinced Russia has given up on efforts to take Kyiv.

Russia said it would draw down attacks around Kyiv and Chernihiv and shift focus to air and ground operations in Donbas as a goodwill gesture to facilitate peace talks.

Russian negotiator Vladimir Medinsky, an aide to President Vladimir Putin, wrote on social media that the latest round of talks were under way. "Our positions on Crimea and Donbas remain unchanged," he said.

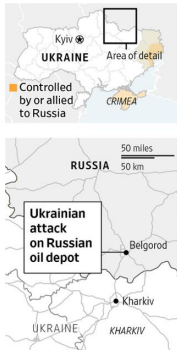
Russian Foreign Minister Sergei Lavrov at a press briefing said Moscow supported the talks. "Negotiations must continue," Mr. Lavrov said.

Meanwhile, senior Ukrainian officials on Friday confirmed the second prisoner exchange of the war, conducted in the Ukrainian city of Zaporizhzhia. Mr. Tymoshenko said on social media that 86 captive Ukrainian service members had been repatriated. He didn't mention the number of Russian prisoners exchanged in the swap.

European Parliament President Roberta Metsola met with Mr. Zelensky on Friday in Kyiv. Mr. Zelensky called her visit "an important step in supporting our state and all our people."

In Washington, White House press secretary Jen Psaki said the U.S. is providing Ukraine with equipment to protect itself against a Russian chemical or biological attack. The U.S. has expressed concerns that Moscow will resort to the use of such weapons.

Mauro Orru and Yaroslav Trofimov contributed to this article.



[License this article from Dow Jones Reprint Service](#)

NS gdev : Development/Humanitarian Aid | gvio : Military Action | nimage : Images | nmajev : Major News Events | npag : Page One Stories | ntop : Top Wire News | gcat : Political/General News | gcns : National/Public Security | gdip : International Relations | gpir : Politics/International Relations | grisk : Risk News | ncat : Content Types | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE ukrn : Ukraine | russ : Russia | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC PIC

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei420002y

THE WALL STREET JOURNAL.

CLM U.S. News
SE US
HD **In Brooklyn's 'Little Odessa,' Russian-American Neighbors Stand With [Ukraine](#); Pro-[Ukraine](#) signs dot one of the largest Russian and Ukrainian communities in U.S.**
BY By Ben Chapman | Photographs by Mark Abramson for the Wall Street Journal
WC 648 words
PD 2 April 2022
ET 20:30
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BROOKLYN, N.Y.—The conversation on the street, in stores and in restaurants in Brooklyn's "Little Odessa" neighborhood is in Russian. Storefronts and cars are festooned with blue-and-yellow Ukrainian flags.

In one of the largest Russian and Ukrainian communities in America, most people oppose Russian President Vladimir Putin and [Russia's invasion of Ukraine](#), residents and community leaders say, and many visibly show their support for Ukraine.

TD

Bobby Rakhman, co-owner of a Brighton Beach grocery specializing in foods from the former Soviet Union, said some of the clientele—which is mainly Russian-speaking immigrants and people with roots in post-Soviet countries—had expressed discomfort with the business's name, Taste of Russia, since [the Ukraine war began](#).

So in March, Mr. Rakhman, a 51-year-old Odessa native, changed the name to International Food, discarding the old moniker which had been in place for more than three decades. The difference, he said, has been appreciated by shoppers.

"'International Food' is basically a neutral name," he said.

SHARE YOUR THOUGHTS

Will the people of Ukraine and Russia eventually be able to mend relations? Why or why not? Join the conversation below.

The area of south Brooklyn centered in the neighborhood of Brighton Beach earned the nickname "Little Odessa" after thousands of Soviet Jews arrived there from Ukraine in the 1970s.

Living there are immigrants from Kyiv, Moscow, and other cities in the former Soviet Union. Stores sell Eastern European goods, and many signs are in Russian. About 600,000 Russian Americans live in New York City, according to the advertising firm Ameredia.

Samantha Shokin, 32, whose parents came to New York from Ukraine and Lithuania and met in Brooklyn, handed out fliers for a pro-Ukraine march staged in Brighton Beach. She said the March 19 protest organized by RUSA LGBTQ+, a gay-rights advocacy group for Russian-speaking Americans, drew about 200 people. The march wound along Brighton Beach's seaside boardwalk and past homes with Ukrainian flags in their windows, Ms. Shokin said.

"The vast majority of people are on the side of Ukraine," she said. "People want to distance themselves from Russian and even Russian-speaking culture....All of this has become a million times more complicated because of the war."

In one of the area's most visible confrontations over the war, a resident of Gravesend, a neighborhood adjacent to Brighton Beach, was assaulted March 15 while unfurling a flag supporting Ukraine's

pro-Russian separatists in his front yard, according to the New York City Police Department. A suspect was arrested that day and charged with a hate crime, an NYPD spokesman said.

Dmytro Druzenko, a worker at Galaxy Tire Shop in Brighton Beach, said days after the war began, employees at his business hung a sign with a picture of Mr. Putin and a Russian-language insult on their busy, corner storefront.

Days later, the sign was gone. Workers put up another sign. Within days, it was gone, too, snatched away during the night.

Mr. Druzenko said he hadn't expected to be bothered by Putin supporters in a neighborhood where most residents are united against the war. He said Galaxy employees had since rehung their anti-Putin posters, this time placing them high on the side of the building so they can't be reached by vandals.

On Tuesday, Russian-speaking customers in cars bearing blue-and-yellow Ukrainian flags pulled up to be serviced. "They understand," Mr. Druzenko said.

Elisa Cho contributed to this article

Write to Ben Chapman at Ben.Chapman@wsj.com

[In Brooklyn's 'Little Odessa,' Russian-American Neighbors Stand With Ukraine](#)

NS gvexe : Executive Branch | gpir : Politics/International Relations | ncolu : Columns | gcat : Political/General News | gpol : Domestic Politics | gvbod : Government Bodies | ncat : Content Types

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | nyc : New York City | uk : United Kingdom | usa : United States | use : Northeast U.S. | usny : New York State | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC N/DJN

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220402ei42001md

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **On NATO's Front Line, [Russia's](#) Threat Draws New Allied Forces; Military base on Romania's Black Sea coast is bustling with troops from U.S., France and Belgium as part of new defensive reinforcements**
BY By Noemie Bisserbe
WC 811 words
PD 2 April 2022
ET 18:33
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

MIHAIL KOGĂLNICEANU, Romania—Until recently, the military base here near the Black Sea was little more than a stopover. Now it is at the front line of NATO's defense against Russia.

U.S. troops have for years used the aging compound's airstrip as a transit point for supplying operations in Afghanistan, but in recent weeks American and allied militaries have deployed more than 1,800 personnel, hundreds of vehicles and other military equipment to the wind-swept fields.

TD

They are here because one of the cornerstones of the North Atlantic Treaty Organization states that an attack on one of its 30 members represents an attack on all. Since [Russia invaded Ukraine](#) in February, fears have increased that the conflict could spread beyond Ukraine's borders.

"We're here to send a message to Russia: Don't set one foot across the border," said Col. Vincent Minguet, the commander of a new NATO force that includes about 500 French and 300 Belgian troops.

The Mihail Kogălniceanu base is now part of a new front line for NATO in Romania, which shares a 400-mile-long border with Ukraine. The troops are part of four new battle groups recently deployed by NATO in Romania, Bulgaria, Hungary and Slovakia. They are there to complement the forces that NATO sent to Poland and the Baltic countries after [Russia seized Crimea](#) from Ukraine in 2014.

The battle groups' mission is to reinforce NATO's eastern defenses and deter Russian aggression. Romania, Hungary and Slovakia share a land border with Ukraine, while Bulgaria has access to the Black Sea.

"President Putin's invasion of Ukraine has changed our security environment for the long term," NATO Secretary-General Jens Stoltenberg said last month after an extraordinary summit of national leaders in Brussels. "It is a new normal and NATO is responding."

Russia's invasion has prompted the alliance to place an unprecedented number of troops, planes and vehicles on alert. The alliance has deployed 40,000 troops on its eastern flank, along with significant air and naval assets. Mr. Stoltenberg has noted that Russian President Vladimir Putin has said he wants NATO pushed back from its eastern positions, but the invasion has instead [brought a greater number of alliance troops to his doorstep](#).

French President Emmanuel Macron, who in 2019 [declared NATO was experiencing a "brain death"](#), has said the alliance has been jolted back into life. "I think NATO just received an electric shock," Mr. Macron said at the summit in Brussels last month.

The Mihail Kogălniceanu base is evidence of that. Every day, helicopters and jet fighters fly overhead and tanks roll across empty fields as part of regular military exercises.

The base is now home to about 3,000 soldiers, including around 1,900 Americans, some of whom have recently been deployed from Germany. The base includes a post office, a theater and stores. "It's a city," said Marcus Fichtl, a U.S. Army spokesman who is currently based in Romania.

More soldiers are expected to arrive in the coming months, according to U.S. and French officials.

Last week, NATO started deploying troops in other parts of Romania as part of large-scale military exercises, said Col. Minguet. Eventually, some troops could be stationed in other military bases across the country, he added.

In the nearby town of Mihail Kogălniceanu, locals are divided over the soldiers' arrival. For many, Russia has long been a very distant threat. But its invasion of neighboring Ukraine has raised fears of an imminent attack on Romanian soil.

SHARE YOUR THOUGHTS

How do you think NATO might be transformed by the war in Ukraine? Join the conversation below.

Ramona Codrin, who owns a local grocery store, said she welcomes NATO's protection. "If the base wasn't here, the danger would be bigger," she said.

But others disagree. Vasile Diaconescu, a 28-year-old delivery man, said the new military presence adds fuel to the fire. "We are a target now," he said. "Why do they come here to disturb us?"

In March, a French soldier was about to get in his car and drive to the ski slopes in the Alps when he received an urgent message. He had recently returned from Africa's Sahel region, where French-led troops have spent nearly a decade battling Islamist terrorist groups, and have started to withdraw. There would be no skiing this year as he was needed in Romania.

"We're here to stay," he said.

Write to Noemie Bisserbe at noemie.bisserbe@wsj.com

[On NATO's Front Line, Russia's Threat Draws New Allied Forces](#)

CO nato : North Atlantic Treaty Organization

NS gdef : Armed Forces | gpir : Politics/International Relations | gvio : Military Action | ncolu : Columns | nmajev : Major News Events | npda : DJ Exclusive Analysis - All | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | ntop : Top Wire News | redit : Selection of Top Stories/Trends/Analysis

RE rom : Romania | ukrn : Ukraine | russ : Russia | asiaz : Asia | belg : Belgium | bul : Bulgaria | easiaz : Eastern Asia | eecz : European Union Countries | eurz : Europe | fra : France | hung : Hungary | slvak : Slovakia | uk : United Kingdom | ussrz : CIS Countries | weurz : Western Europe | apacz : Asia Pacific | balkz : Balkan States | benluxz : Benelux Countries | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | medz : Mediterranean

IPD Wires

IPC N/CMR

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220402ei420015p

THE WALL STREET JOURNAL.

CLM Health News
SE Health
HD **Ukraine War and Other Crises Threaten Polio Eradication, Health Experts Say; Ukraine had to halt a major vaccination campaign when the war began, while Malawi had its first case in three decades**
BY By Brianna Abbott and Betsy McKay
WC 1,196 words
PD 2 April 2022
ET 17:30
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russia's invasion of Ukraine and other global crises are threatening to set back a costly, decadeslong push to [eradicate polio](#), health experts say.

In Ukraine, where a polio outbreak was detected in the fall, health authorities were forced to halt a nationwide vaccination campaign after the war began in late February. They worry now that deteriorating conditions could give polio and other infectious diseases a chance to flourish.

TD

At the same time, a case of polio in Malawi is jeopardizing an important milestone in Africa. The World Health Organization declared in 2020 that the virus had been eliminated there.

[These flare-ups](#), along with other difficulties brought on by the Covid-19 pandemic, are raising new hurdles to global health leaders' [latest goal of stopping polio cases](#) by the end of 2023.

While there has been major progress in beating back polio over the past year in places that have long been holdouts, the virus has reappeared in countries where authorities hoped they had conquered it.

"We are at the brink of eradication," said Zulfiqar Bhutta, founding director of the Institute for Global Health and Development at the Aga Khan University in Karachi, Pakistan. "I am very keen to see the end of polio, which I think is quite in jeopardy, unfortunately, because of what is happening in various areas, including Ukraine."



In Ukraine, health authorities were forced to halt a nationwide polio vaccination campaign after the war began in late February. PHOTO: Manu Brabo for The Wall Street Journal

Health authorities are concerned because vaccination rates against polio are low in parts of Ukraine and some surrounding countries—below 50% in some regions of Ukraine in 2021, according to the U.S. Centers for Disease Control and Prevention. A four-month pause in

vaccination campaigns in 2020 in Ukraine due to the Covid-19 pandemic likely helped lead to the polio cases, according to the CDC.

The outbreak in Ukraine is a setback, but doesn't endanger the global eradication goal, said Jose Hagan, team lead in the vaccine-preventable disease and immunizations program at the WHO's Regional Office for Europe. The WHO is working with the Ukrainian government and local healthcare providers to maintain routine vaccination services for polio and other diseases in areas away from the centers of conflict, he said.

SHARE YOUR THOUGHTS

What steps should be taken to bolster polio vaccinations in war-torn areas? Join the conversation below.

WHO and Unicef teams are also conducting more disease surveillance, looking more intensively for children who may have been infected with polio and paralyzed, and for evidence of the virus spreading in communities, said Melissa Corkum, a senior program specialist in polio at Unicef. "Where you have a sudden emergency, a war and large scale population mobility into multiple countries where there are gaps in population immunity, that is a huge concern," she said.

Polio is a highly infectious virus, transmitted mostly through feces, that infects primarily young children. Most develop few or no symptoms, but the virus can infect the brain or spinal cord, causing paralysis and sometimes death.

Because the goal is to eradicate polio, any new case is important, said Ms. Corkum. "One case is a public health emergency in any country."

Two forms of the virus currently cause outbreaks, and there is no difference in the illness they cause, according to the CDC. Wild poliovirus—the source of the case in Malawi—is found in nature. The outbreak in Ukraine is caused by vaccine-derived poliovirus, a mutated form of a strain used in an oral polio vaccine.

That oral vaccine relies on a weakened, live virus that inoculated children then shed in feces. In places that lack adequate sanitation, the weakened virus sometimes mutates to resemble a wild virus and infects children who are not fully immunized.

Medical experts hoped that 2020 [would be the last year for wild polio cases](#), after decades of mass-vaccination drives wiped it out in most of the world. Just two countries—Afghanistan and Pakistan—have never eliminated it, and they are close. Five cases were detected in the two countries in 2021, and only one case has been found in Afghanistan this year, according to data from the Global Polio Eradication Initiative, or GPEI, a partnership of six organizations leading the eradication push.

But a door-to-door vaccination campaign launched last fall in Afghanistan was halted in two provinces in late February after eight polio workers were killed. The campaign aims to reach three million children who are in previously inaccessible areas now opened up to health workers by the Taliban, said Carol Pandak, director of the PolioPlus program at Rotary International, a humanitarian service organization and GPEI partner.

Last year's conflict also led to major disruptions to health services and an exodus of health workers in the country, WHO Director-General Tedros Adhanom Ghebreyesus said in late March.

Immunization officials launched a campaign last month to vaccinate 23 million children in Africa after a 3-year-old girl was infected with wild polio and paralyzed in Malawi. It was the first wild polio case in the country in three decades; the virus was imported from Pakistan, according to a genetic analysis.

Vaccine-derived polio has become a major battle over the past four years, causing outbreaks in more than 40 countries since 2018, among populations with low polio vaccination rates, according to GPEI data.

There were fewer outbreaks in 2021 than 2020, and a new oral polio vaccine to target the vaccine-derived virus is helping to prevent new cases. Clinical trials have shown that the weakened virus in the new vaccine is significantly less likely to mutate and become harmful, the GPEI has said.

Still, the pandemic and other obstacles are making it harder to stop the virus. Covid-19 vaccines are given priority for distribution, and less cargo space is available for polio vaccines, according to Ms. Corkum. "It has changed the speed of our response," she said.

In Ukraine, health authorities began inoculating children under age 6 against vaccine-derived polio in February, after a 17-month-old girl and a 2-year-old boy in the western part of the country were infected and paralyzed. Nineteen other children who had been in contact with the young girl tested positive but didn't develop symptoms.

The Russian invasion forced them to stop just over three weeks later. The interruption leaves approximately 100,000 children susceptible to polio, and the number of children missing immunizations against polio and other diseases is growing as the war stretches on, according to Dr. Hagan of the WHO's Regional Office for Europe.

"The bottom line is war and polio eradication don't go together," Dr. Bhutta said.

Write to Brianna Abbott at brianna.abbott@wsj.com and Betsy McKay at betsy.mckay@wsj.com

[Ukraine War and Other Crises Threaten Polio Eradication, Health Experts Say](#)

IN i257 : Pharmaceuticals | i951 : Healthcare/Life Sciences

NS gimmu : Immunizations | gout : Outbreaks/Epidemics | gvhhs : Health/Social Services Department | gsars : Novel Coronaviruses | gglobe : Global/World Issues | ghea : Health | ncolu : Columns | nimage : Images | gcat : Political/General News | gcol : Respiratory Tract Diseases | gmed : Medical Conditions | gpir : Politics/International Relations | gpol : Domestic Politics | gspox : Infectious Diseases | gtrea : Medical Treatments/Procedures | gvbod : Government Bodies | gvexe : Executive Branch | ncat : Content Types

RE ukrn : Ukraine | malaw : Malawi | eurz : Europe | meastz : Middle East | uk : United Kingdom | africaz : Africa | asiaz : Asia | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | souafrz : Southern Africa | wasiaz : Western Asia | weurz : Western Europe

IPD Wires

IPC I/DRG

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220402ei42000um

HD **The Ukraine Crisis: Logistics Woes Hinder Russia's Military --- Invading forces lack supplies, triggering shortages of food, fuel and ammunition**

BY By Stephen Fidler and Thomas Grove

WC 1,020 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG A6

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russia's army has suffered serious losses as it has battled fierce Ukrainian resistance. Behind the front lines, a less visible failure in supplying and maintaining the troops in the field has critically hobbled Moscow's invasion plans, according to Western intelligence assessments.

Russia's weaknesses in logistics -- the tail of support and services that enable combat forces to live, move, communicate and fight -- were evident just days after the invasion was launched on Feb. 24. They have continued weeks into the campaign, according to Western officials and private military analysts.

TD

After failing to rapidly capture the Ukrainian capital, Kyiv, and oust the government of President Volodymyr Zelensky, Russia now says it will focus its military efforts on what it calls its primary objective, the "liberation of the Donbas" area in the country's east.

While analysts warn that their understanding of the invasion is incomplete, the evidence for shortcomings in Russian logistics is evident in verified social-media footage of stalled Russian convoys and broken-down tanks, some confirmed by commercial satellite photographs. Russian forces have struggled with the transport of fuel and ammunition as well as food and clothing for soldiers at the front.

"We continue to see indications that the Russians did not properly plan for logistics and sustainment," Pentagon spokesman John Kirby said in late March. "We know that they continue to have fuel issues across their force, and that they are still struggling with food."

Russian towns near the border with Ukraine have organized drives to deliver food, clothes, socks and footwear to soldiers who have been on operations or exercises for months, while individual volunteers have coordinated over Russian social-media site VK to collect and distribute food and clothing.

Russia's military doesn't seem to have overcome many of the logistical problems suffered by the Red Army, analysts say. Over history, logistical problems have undermined many military campaigns, with armies facing tight budgets sometimes skimping on logistics to focus on new weapons and fighting forces.

In Ukraine, Russia began the war by mounting a complex multipronged offensive using land, air and seaborne forces. It quickly lost steam.

"The last time the Russian army did something this big was the occupation of Czechoslovakia in 1968 where there wasn't an active enemy," said Ben Barry, senior fellow for land warfare at the International Institute for Strategic Studies.

Mr. Barry said more than 170,000 Russian troops are estimated to have been committed to Ukraine in about 130 units, known as battalion tactical groups. When the U.S. and its allies invaded Iraq in 2003, similar numbers of U.S. troops were committed in fewer than 50 BTGs. The reason for the difference: the large proportion of the U.S. force being used for logistics and the transportation of fuel, ammunition, water and food.

Phillips O'Brien, professor of strategic studies at the University of St. Andrews in Scotland, said military experts may have been deceived by the "lavish logistical system" employed by the U.S. in the past three decades. "What the U.S. has done has made people immune to looking at the reality of logistics and just assuming it will get done," he said.

He said the complexity of the Russian operation compounded problems. "What they were actually trying to do was logistically bonkers. They were trying to support five or six different axes of advance in a hugely spread-out arch."

One of the biggest problems is the absence of an effective coordinated logistical command, which forces units from Russia's eastern, southern and central military districts to compete with one another to secure supply lines.

"That means that the three operational commanders are relying on themselves for supply and competing between themselves for resources," said Mark Galeotti, senior associate fellow at the Royal United Services Institute, a London-based security think tank.

He said Russia's announced plans to focus fighting on the east, if realized, would help Moscow pivot away from the tenuous lines that have been stretched out to support the assault on Kyiv and focus more on Donbas to ease logistical problems.

Almost all outside experts have concluded that Russia's initial war plan -- a lightning strike by airborne units into Kyiv that would quickly decapitate the government -- wouldn't have needed such elaborate supply lines.

"They [invaded] profoundly unready for sustained offensive operations," said Scott Boston, a defense analyst at the Rand Corp. Some units ran out of fuel on day three of the campaign.

The Ukrainian defense also harassed stretched Russian supply lines from the side and rear. Many military analysts suspect this was part of Ukraine's battle plan and no accident, though some Ukrainian units may have been left behind by Russia's rapid advance and decided on their own to harass vulnerable supply and fuel trucks.

After its first lightning strike failed, Russia switched to one of its old standbys: using artillery. Most Russian artillery strikes use unguided weapons that can exact a huge human toll when attacking cities -- without necessarily achieving any useful strategic objective.

They also create an onerous demand on logistics. Artillery ammunition is enormously heavy, and some big Russian systems can consume tons of it rapidly. A rocket launcher such as the self-propelled BM-27 Uragan can fire its 16 barrels in minutes. "To refuel it, you basically require a lorry just as big to carry the same number of rockets," said Mr. Barry.

Even a shell for a 152mm howitzer weighs about 100 pounds. Each gun will carry about 50 rounds, and a brigade several thousand, Mr. Boston said.

He said the Russian military gives priority to logistics bringing ammunition to artillery units.

"The demand for bringing the artillery in means you now have a competing demand for logistics. They're obviously not the same trucks as the fuel trucks but you obviously have to get it there," Mr. Boston said.

[License this article from Dow Jones Reprint Service](#)

IN icargo : Freight Transport/Logistics | itsp : Transportation/Logistics

NS gdef : Armed Forces | gvio : Military Action | gweap : Weapons Programs | nmajev : Major News Events | ntop : Top Wire News | reqrts : Suggested Reading Transportation/Shipping | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE russ : Russia | ukrn : Ukraine | boston : Boston | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | usa : United States | use : Northeast U.S. | usma : Massachusetts | usnew : New England | ussrz : CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei420002h

HD The **Ukraine Crisis: China Resists EU's Call to Press Moscow To End **Ukraine** War**

BY By Laurence Norman in Berlin and Lingling Wei in New York

WC 694 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG A6

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

European Union and Chinese leaders clashed over the conflict in Ukraine in a video-call summit, with Europe pressing Beijing to work actively to end the war and not to support Russia economically or militarily.

European officials had set up Friday's summit -- the first since 2020 -- as a key moment in the bloc's relationship with China, warning that Beijing's refusal to condemn Russia's invasion of Ukraine and the possibility of active support from China to Russia could create lasting damage to bilateral ties.

TD

After a two-hour conversation with Chinese Premier Li Keqiang and a video call of less than an hour with President Xi Jinping, European Commission President Ursula von der Leyen made it clear Beijing had offered no assurances to Brussels about its stance on Ukraine.

During a news conference after the call, Ms. von der Leyen said: "We exchanged very clearly opposing views. . . . China has an influence on Russia. And therefore we expect China to take its responsibility to end this war" by pushing Russia toward a peaceful solution.

Ms. von der Leyen warned that China would suffer "major reputational damage" among the European public and business community if it stayed on the fence or sided with Moscow over Ukraine.

China's official Xinhua News Agency issued a summary of the virtual meeting between Mr. Xi and the EU leaders even while the call was still happening, the latest example of Beijing seeking to shape the narrative at a time of mounting questions about its political alignment with Russia during the invasion of Ukraine. A big question is whether Beijing would go beyond its political support for Moscow to provide it with any substantial assistance.

During the meeting, according to Xinhua, Mr. Xi underscored the need for China and the EU to increase communication on their relations and on major issues including the Ukraine war, saying both sides should "play a constructive role in adding stabilizing factors to a turbulent world."

The Chinese leader also urged the EU to "form its own perception of China, adopt an independent China policy, and work with China for the steady and sustained growth of China-EU relations."

Those remarks reflected growing worries among the Chinese leadership that Europe is following the U.S. in adopting an increasingly hardened policy toward China. With its relations with Washington shakier than in decades, Beijing is trying to salvage its ties with Brussels in a bid to keep the bloc as a buffer against heightened competition with the U.S.

A senior EU official briefed on the call said that while Mr. Li stressed the importance to China of a peaceful outcome of the conflict and called on the EU and China to work together to stabilize the global economy, Beijing made it clear this was primarily a European problem.

However, a second European official said China's leaders did say they were doing more behind the scenes to press for an end to the conflict than was visible. They provided no details, the official said.

European officials said that as a permanent United Nations Security Council member and a country with close political ties to Russia, Beijing has a responsibility to defuse the conflict, which they said not only poses a major threat to global order but undermines global peace and security.

"China supports the EU in playing a primary role, and supports dialogue among Europe, Russia, the U.S. and NATO for a balanced, effective and sustainable security framework in Europe," Mr. Xi said, according to Xinhua.

Beijing has continued to oppose Western sanctions on Russia. During Friday's meeting, Mr. Xi called on the international community to "keep creating favorable conditions and environment" for peace talks "rather than add fuel to the fire and aggravate tensions."

Europe's relationship with China has grown rocky in recent years, with economic tensions eroding trust and clashes over Hong Kong, human rights and the handling of the pandemic creating tensions.

[License this article from Dow Jones Reprint Service](#)

CO euruno : European Union

NS gdip : International Relations | gvexe : Executive Branch | gcat : Political/General News | gvio : Military Action | nmajev : Major News Events | ntop : Top Wire News | gcns : National/Public Security | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE china : China | russ : Russia | eurz : Europe | ukrn : Ukraine | apacz : Asia Pacific | asiaz : Asia | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | eeurz : Central/Eastern Europe | ussrz : CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei420002g

HD The Ukraine Crisis: U.N. Agency Will Aid Chernobyl Plant

BY By Laurence Norman

WC 608 words

PD 2 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

The United Nations atomic energy chief will lead an assistance and support mission to the Chernobyl nuclear plant in coming days, the start of increased International Atomic Energy Agency oversight of Ukraine's nuclear facilities, Rafael Grossi said.

Mr. Grossi, the director-general of the IAEA, returned to Vienna on Friday after a three-day trip in Ukraine and Russia to pave the way for increased agency assistance to secure the safety of Ukraine's nuclear facilities amid the Russian invasion.

TD

"I will head an IAEAorg assistance and support mission to the Chornobyl Nuclear Power Plant as soon as possible. It will be the first in a series of such nuclear safety and security missions to #Ukraine," he said on Twitter.

Russian forces transferred control of the Chernobyl nuclear power plant back to Ukrainian authorities, the IAEA and Ukrainian state nuclear company Energoatom said Thursday, although plant workers said the departing troops had taken more than 100 national guardsmen away in trucks as prisoners of war.

The troops began leaving in phases on Tuesday, and the entire Russian deployment had left the area by late Thursday. That concluded a 5-week occupation that started on the first afternoon of the Feb. 24 invasion, when Russian troops arrived at the now defunct plant, site of the world's worst nuclear accident.

Mr. Grossi said the IAEA would start detailed work next week to deliver needed supplies to Ukraine's nuclear sites and send IAEA experts and inspectors to offer assistance. They also aim to ensure monitoring equipment at all of Ukraine's nuclear sites are working again to allow them to check that nuclear material isn't being diverted for illicit use.

Ukraine has four nuclear facilities containing 15 reactors nationwide and the Chernobyl site, where the last reactor stopped operating in 2000.

To carry out its work, the IAEA will need safe access to the nuclear sites, the largest of which, Zaporizhzhia, is still controlled by Russian forces. The agency also is working to ensure there are safe routes to deliver equipment and assistance in an emergency to all of Ukraine's nuclear sites, something that will need support from Russian officials as well as Ukraine's regulator and authorities.

"We are setting up a mechanism where we could assess and assist almost immediately," he said.

In recent weeks, there have been incidents at Ukraine's nuclear facilities, including a fire at Zaporizhzhia caused by a Russian projectile and a power supply loss at Chernobyl that lasted several days. So far, the incidents haven't caused significantly higher radiation levels at the sites or put the public in danger.

The 1986 explosion of Chernobyl's Reactor No. 4 killed more than 30 people, contaminated large areas of the surrounding countryside and sent a plume of radioactive dust across Europe and North America.

The situation at the plant has been the subject of intense speculation since the Russians overran it. Ukraine's intelligence agency claimed that Russia was preparing a false-flag attack on the exclusion zone -- the thousand-square-mile, mostly uninhabited area around the plant -- to blame Ukraine as a pretext for escalating the war. Russian state media said Ukraine was close to building a plutonium-based "dirty bomb" at Chernobyl. Neither side provided evidence for its claims.

Mr. Grossi said Friday the agency had no evidence that nuclear material has been diverted from Chernobyl or Ukraine's other sites, although the IAEA had been without functioning monitoring equipment at Chernobyl for a number of days.

[License this article from Dow Jones Reprint Service](#)

CO iaeagy : International Atomic Energy Agency | utdnat : United Nations

IN i1610109 : Nuclear Power Generation | i1 : Energy | i16 : Electricity/Gas Utilities | i16101 : Electric Power Generation | ieutil : Electric Utilities | iutil : Utilities

NS gvio : Military Action | c24 : Capacity/Facilities | nmajev : Major News Events | ntop : Top Wire News | reqren : Suggested Reading Energy | ccat : Corporate/Industrial News | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE ukrn : Ukraine | russ : Russia | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220402ei420002f

THE WALL STREET JOURNAL.

CLM The Saturday Essay
SE Life
HD **Vladimir Putin's 20-Year March to War in Ukraine—and How the West Mishandled It; Washington and the EU vacillated between engagement and deterrence, as the Russian leader became more isolated and more obsessed**
BY By Michael R. Gordon, Bojan Pancevski, Noemie Bisserbe and Marcus Walker
WC 6,383 words
PD 2 April 2022
ET 02:50
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

In early November, months before the war began, CIA Director William Burns visited Moscow to deliver a warning: The U.S. believed Russian President Vladimir Putin was preparing to invade Ukraine. If he went ahead, he would face crippling sanctions from a united West.

The American spy chief was connected on a secure Kremlin phone with Mr. Putin, who was in the Black Sea resort of Sochi, isolated from all but a few confidants. The Russian leader made no effort to deny Mr. Burns' charge. Instead, he [calmly recited a list of grievances about how the U.S. had for years ignored Russian security concerns](#).

TD

As for Ukraine, Mr. Putin told Mr. Burns, it wasn't a real country.

After returning to Washington, the CIA chief advised President Biden that Mr. Putin hadn't yet made an irrevocable decision, but [was strongly disposed to invade](#). With European nations heavily dependent on Russian energy, the Russian military modernized, Germany going through a change of governments and the U.S. increasingly focused on a rising China, Mr. Putin gave every sign of seeing this winter as his best opportunity to bring Ukraine back under Moscow's control.

Over the next three months, Washington struggled to persuade its European allies to mount a unified front. The U.S. itself was trying to balance two aims: talking Mr. Putin down while avoiding actions that he might treat as a provocation; and arming Ukraine to make an invasion as costly as possible.

In the end, the West managed neither to deter Mr. Putin from invading Ukraine nor reassure him that Ukraine's increasing westward orientation didn't threaten the Kremlin.

By now, this had become a well-established pattern. For nearly two decades, the U.S. and the European Union vacillated over how to deal with the Russian leader as he resorted to increasingly aggressive steps to reassert Moscow's dominion over Ukraine and other former Soviet republics.

A look back at the history of the Russian-Western tensions, based on interviews with more than 30 past and present policy makers in the U.S., EU, Ukraine and Russia, shows how Western security policies angered Moscow without deterring it. It also shows how Mr. Putin consistently viewed Ukraine as existential for his project of restoring Russian greatness. The biggest question thrown up by this history is why the West failed to see the danger earlier.

Washington, under both Democratic and Republican presidents, and its allies at first hoped to integrate Mr. Putin into the post-Cold War order. When Mr. Putin balked, the U.S. and its European partners had little appetite for returning to the strategy of containment the West imposed against the Soviet Union. Germany, Europe's biggest economy, led the EU's big bet on peace through commerce, developing a dependence on Russian oil and gas that Berlin is now under international pressure to reverse.

The North Atlantic Treaty Organization made a statement in 2008 that Ukraine and Georgia would one day join, and over nearly 14 years never followed through on membership. The EU drew up a trade deal with Ukraine without factoring in Russia's strong-arm response. Western policies didn't change decisively in reaction to limited Russian invasions of Georgia and Ukraine, encouraging Mr. Putin to believe that a full-blown campaign to conquer Ukraine wouldn't meet with determined resistance—either internationally or in Ukraine, a country whose independence he said repeatedly was a regrettable accident of history.

The roots of the war lie in Russia's deep ambivalence about its place in the world after the end of the Soviet Union. A diminished Russia needed cooperation with the West to modernize its economy, but it never reconciled itself to the loss of control over neighbors in Europe's east.

No neighbor was as important to Russia's sense of its own destiny as Ukraine. The czars' takeover of the territories of today's Ukraine in the 17th and 18th centuries was crucial to Russia's emergence as a major European empire. Collapsing Russian empires lost Ukraine to independence movements amid defeat in World War I and again in 1991, when Ukrainians voted overwhelmingly for independence.

After the chaotic 1990s, the security-service veterans around Mr. Putin who took over Russia's government complained bitterly about what they saw as the West's encroachment on Moscow's traditional sphere of influence in Central and Eastern Europe. An array of newly democratic countries that had been Moscow's satellites or former Soviet republics joined NATO and the EU, seeing membership of both institutions as the best guarantee of their sovereignty against a revival of Russian imperial ambitions.

Viewed from elsewhere in Europe, NATO's eastward enlargement didn't threaten Russia's security. NATO membership is at core a promise to collectively defend a member that comes under attack. The alliance agreed in 1997 not to permanently station substantial combat forces in its new eastern members that were capable of threatening Russian territory. Russia retained a massive nuclear arsenal and the biggest conventional forces in Europe.

Mr. Putin thought of Russian security interests more broadly, linking the preservation of Moscow's influence in adjacent countries with his goals of reviving Russia's global power and cementing his authoritarian rule at home.

The link became clear in Ukraine's 2004 presidential election. Mr. Putin let the U.S. know in advance who should win.

When White House national security adviser Condoleezza Rice visited Mr. Putin at his dacha outside Moscow in May that year, the Russian leader introduced her to Ukrainian presidential contender Viktor Yanukovich. Ms. Rice concluded that Mr. Putin had arranged the surprise encounter to signal his close interest in the election's outcome, she recalled in a recent interview.

Mr. Yanukovich's initial election victory was marred by allegations of fraud and voter intimidation, triggering weeks of street protests and strikes that were dubbed the Orange Revolution. Ukraine's supreme court ordered a new vote, which pro-Western candidate Viktor Yushchenko won.

The Kremlin saw the Orange Revolution as U.S.-sponsored destabilization aimed at pulling Ukraine out of Moscow's orbit—and as a prelude to a similar campaign in Russia itself.

To ease Moscow's concerns, the Bush administration outlined the limited financial support it had given to Ukrainian media and nongovernmental organizations in the name of promoting democratic values. It totaled \$14 million. The White House thought the modest sum was consistent with Mr. Bush's "freedom agenda" of supporting democracy but hardly enough to change the course of history.

The gesture only confirmed Russian suspicions. "They were impressed at the result that they thought we got for \$14 million," recalled Tom Graham, the senior director for Russia on Mr. Bush's National Security Council.

Three months after losing Ukraine's government to a pro-Western president, Mr. Putin decried the breakup of the Soviet Union as "the greatest geopolitical catastrophe of the century."

U.S. intelligence learned in 2005 that Mr. Putin's government had carried out a broad review of Russian policy in the "near abroad," as the Kremlin termed former Soviet republics. From now on, Russia would take a more assertive approach and vigorously contest perceived U.S. influence.

Ukrainian officials heard the message too. When President Yushchenko's chief of staff, Oleh Rybachuk, visited the Kremlin in November 2005, he discussed the Orange Revolution with Mr. Putin. Mr. Rybachuk described the street protests as an indigenous movement of Ukrainians who wanted to choose their own political course.

Mr. Putin brusquely dismissed the notion as nonsense. He said he had read all of his intelligence services' reports and knew the movement had been orchestrated by the U.S., the EU and George Soros. Mr. Rybachuk recalled in an interview.

At a separate encounter, Mr. Bush asked Mr. Putin why he thought the end of the Soviet Union had been the greatest tragedy of the 20th century. Surely the deaths of more than 20 million Soviet citizens in World War II was worse, Mr. Bush said. Mr. Putin replied that the USSR's demise was worse because it had left 25 million Russians outside the Russian Federation, according to Ms. Rice, who was present.

Mr. Putin showed another face to Western European interlocutors, however, encouraging them to believe that he wanted Russia to be part of the wider European family. Soon after becoming president, he wowed Germany's Parliament with a speech promising to build a strong Russian democracy and work with the West. Speaking in fluent German, perfected while he was a KGB officer in the former East Germany, he declared: "The Cold War is over."

He charmed politicians and business leaders around Europe and opened pathways for lucrative trade. European leaders called Russia a "strategic partner." German Chancellor Gerhard Schröder and Italian Premier Silvio Berlusconi were among those who considered him a close friend.

Mr. Putin was personally active in facilitating good economic relations, recalled longtime German diplomat Wolfgang Ischinger. In one meeting, the issue of bureaucratic obstacles to German purchases of Russian wood came up. Mr. Putin phoned the relevant minister and resolved the matter in minutes.

"Putin said 'Right, problem solved—what's next?' " Mr. Ischinger remembered.

Perceptions changed in January 2007, when Mr. Putin vented his growing frustrations about the West at the annual Munich Security Conference. In a long and icy speech, he denounced the U.S. for trying to rule a unipolar world by force, accused NATO of breaking promises by expanding into Europe's east, and called the West hypocritical for lecturing Russia about democracy. A chill descended on the audience of Western diplomats and politicians at the luxury Hotel Bayerischer Hof, participants recalled.

"We didn't take the speech as seriously as we should have," said Mr. Ischinger. "It takes two to tango, and Mr. Putin didn't want to tango any more."

Mr. Putin's demeanor with pro-Western leaders became more aggressive. In a meeting with a Balkan head of state during an energy summit in Croatia, Mr. Putin railed against NATO and called its severing of Kosovo from Serbia the greatest violation of international law in recent history. Years later, he would cite Kosovo as a precedent for seizing Crimea from Ukraine.

His rage rising, Mr. Putin rattled through grievances. He shouted expletives at his translator, who was struggling to keep up.

"The room fell silent. It was incredibly awkward: The president of the mighty Russian Federation was bullying a mere interpreter trying to do their job," one participant said.

In Ukraine, President Yushchenko was struggling to fulfill the hopes of the Orange Revolution that the country could become a prosperous Western-style democracy. Fractious politics, endemic corruption and economic stagnation sapped his popularity.

Mr. Yushchenko sought to anchor Ukraine's place in the West. At the World Economic Forum in Davos in January 2008, he met with Ms. Rice, by then the U.S. Secretary of State, and implored her for a path to enter NATO. The procedure for joining the alliance was called a Membership Action Plan, or MAP.

"I need a MAP. We need to give the Ukrainian people a strategic focus on the way ahead. We really need this," Mr. Yushchenko said, Ms. Rice recalled.

Ms. Rice, who was initially uncertain about having Ukraine in NATO, gave a noncommittal answer. When the request was debated in the National Security Council, Mr. Bush said NATO should be open to all countries that qualify and want to join.

A NATO summit was set for April 2008 in Bucharest, in the vast Palace of the Parliament built for Romania's former Communist dictator Nicolae Ceaușescu. The alliance's summits are usually well scripted in advance. Try as it might, the White House couldn't overcome German and French resistance to offering a MAP to Ukraine and Georgia.

Berlin and Paris pointed to unsolved territorial conflicts in Georgia, low public support for NATO in Ukraine, and the weakness of democracy and the rule of law in both.

Ms. Merkel, remembering Mr. Putin's speech in Munich, believed he would see NATO invitations as a direct and deliberate threat to him, according to Christoph Heusgen, her chief diplomatic adviser at the time. She was also convinced Ukraine and Georgia would bring NATO no benefits as members, Mr. Heusgen said.

Ms. Merkel told Mr. Putin in advance that NATO wouldn't invite Ukraine and Georgia to join, because the alliance was split on the issue, but the Russian leader remained nervous, Mr. Heusgen recalled.

As the NATO summit approached, Mr. Bush held a videoconference with Ms. Merkel, but it soon became clear that no consensus would be reached beforehand.

"Looks like a shootout at the OK Corral," Mr. Bush said, according to James Jeffrey, the president's deputy national security adviser at the time.

Ms. Merkel was flummoxed by the American reference and turned to her interpreter, who confessed that he, too, had no idea what the U.S. president meant.

Over dinner in Bucharest, Mr. Bush made his case for giving Ukraine and Georgia a MAP—to no avail. The next day, Ms. Rice and national security adviser Stephen Hadley tried to find a compromise with their German and French counterparts.

Ms. Rice, a Soviet and Russia expert, said Mr. Putin wanted to use Ukraine, Belarus and Georgia to rebuild Russia's global power, and that extending the shield of NATO membership could be the last chance to stop him. German and French officials were skeptical, believing Russia's economy was too weak and dependent on Western technology to become a serious threat again.

In the final session, Ms. Merkel debated in a corner of the room with leaders from Poland and other eastern members of NATO, who advocated strenuously on behalf of Ukraine and Georgia. Lithuanian President Valdas Adamkus strongly criticized Ms. Merkel's stance, warning that a failure to stop Russia's resurgence would eventually threaten the eastern flank of the alliance.

Mr. Bush asked Ms. Rice to go join the animated discussion. The only common language among Ms. Merkel, the east European leaders and Ms. Rice was Russian. So a compromise statement was negotiated in Russian and then drafted in English, Ms. Rice said.

"We agreed today that these countries will become members of NATO," it read. But it didn't say when. And there was no MAP.

Many of Ukraine's supporters were heartened. But some officials in Bucharest feared it was the worst of both worlds. NATO had just painted a target on the backs of Ukraine and Georgia without giving them any protection.

"The fact is we rejected Ukraine's application and, yes, we left Ukraine in a gray zone," Radosław Sikorski, Poland's foreign minister at the time, said in an interview.

Mr. Putin joined the summit the next day. He spoke behind closed doors and made clear his disdain for NATO's move, describing Ukraine as a "made-up" country.

In public comments that day, he also questioned whether Crimea had been properly transferred from Russia to Ukraine during the Soviet era. Daniel Fried, who was the top State Department official on Europe, and Mariusz Handzlik, then the national security adviser to Poland's president, jumped to their feet in shock. It was an early sign that Mr. Putin wouldn't let the status quo stand.

Four months later, the Russian army invaded Georgia, exploiting a conflict between Georgia's government and Russian-backed separatists. Russia didn't take Tbilisi, the Georgian capital, but it showed it had no qualms about intervening in neighboring countries that wanted to join NATO.

Mr. Putin's fears of a Ukrainian-style popular revolution infecting Russia were heightened by a wave of demonstrations in Russian cities beginning in 2011, when tens of thousands took to the streets to protest against the lack of democracy. "For fair elections" was the protesters' slogan.

Mr. Putin believed the protests were a U.S.-sponsored effort to overthrow him, said Ivan Krastev, a Bulgarian political scientist who later attended a dinner hosted by Mr. Putin in Sochi. The Russian president told his guests that people didn't take to the streets spontaneously but rather were incited by the U.S. Embassy, Mr. Krastev said. "He really believes it."

The Kremlin organized large countermarches, which were billed as "anti-Orange demonstrations."

Sporadic pro-democracy protests continued for nearly two years, despite rising repression. Mr. Putin cracked down on opposition parties, free media and nongovernmental organizations.

The concurrent Arab Spring protests, which toppled several authoritarian rulers in the Middle East, further heightened Mr. Putin's fear, said Mr. Heusgen, the adviser to Ms. Merkel.

"He then became a fervent nationalist," said Mr. Heusgen. "His great anxiety was that Ukraine could become economically and politically successful and that the Russians would eventually ask themselves 'Why are our brothers doing so well, while our situation remains dire?'"

Ukraine hung in the balance again.

Mr. Yushchenko slumped to 5% of the vote in Ukraine's 2010 presidential elections. Mr. Yanukovich won—fairly this time, said international observers—after campaigning for friendly relations with the West and also Russia. He found it was difficult to have both.

Mr. Yanukovich negotiated a free-trade agreement with the EU. At the same time, however, he was under pressure from Mr. Putin to join a customs union with Russia, Belarus and Kazakhstan. EU officials said Kyiv couldn't do both, because the customs rules would clash.

The EU, following its standard playbook on trade and governance, demanded that Ukraine revamp its judiciary and improve the rule of law as a precondition for a trade deal. Russia used sticks and carrots: At various moments it blocked goods imports from Ukraine, but it also offered Kyiv cheaper gas prices and a \$15 billion loan.

In November 2013, Kyiv abruptly suspended talks with the EU, citing Russian pressure. Mr. Putin called the draft EU-Ukraine deal a "major threat" to Russia's economy.

At an EU summit in Lithuania, Mr. Yanukovich defended the suspension and asked the EU to include Moscow in a three-way negotiation about the deal. EU leaders replied that letting a third party infringe on others' sovereignty was unacceptable.

"We expected more," Ms. Merkel sternly told Mr. Yanukovich in a conversation caught on camera.

"We have great problems with Moscow," Mr. Yanukovich replied. "I have been left alone for 3½ years in very unequal circumstances with Russia," he said.

Antigovernment protests spread across Ukraine that winter. The largest were on Kyiv's central Independence Square, known locally as the Maidan. To the protesters, the EU association agreement was more than a trade deal: It expressed hopes of reorienting Ukraine toward the more democratic and prosperous part of Europe.

Clashes with riot police became frequent. In February 2014, police killed dozens of protesters in one day, sparking defections among Mr. Yanukovich's political allies.

On Feb. 21, a group of EU foreign ministers brokered a power-sharing deal between Ukraine's government and parliamentary opposition aimed at defusing the crisis. But the massive crowd on the Maidan booed the agreement and demanded Mr. Yanukovich's resignation. Riot police melted away from central Kyiv as they sensed power, and political cover, slipping away.

The beleaguered Mr. Yanukovich sat in his office with Colonel General Sergei Beseda of Russia's FSB, successor to the KGB, who had been dispatched by Mr. Putin to help quell the revolt. Gen. Beseda told Mr. Yanukovich that armed protesters were planning to kill him and his family, and that he should deploy the army and crush them, according to Ukrainian intelligence officers familiar with the conversation.

Instead, Mr. Yanukovich soon fled from Kyiv in a helicopter.

The Kremlin saw the turn of events as a coup by U.S. puppets and anti-Russian nationalists. In support of this view, Kremlin propagandists cited a video of two U.S. diplomats handing out cookies on Maidan to protesters and police after a night of clashes. Russian intelligence later leaked a recorded phone call in which the same two U.S. officials discussed who should be in the next Ukrainian government.

Mr. Putin held an all-night meeting with his security chiefs, in which they discussed the extraction of Mr. Yanukovich to Russia—and also the annexation of Crimea, the Russian leader later recounted. Mr. Yanukovich, who is believed to be living in exile, couldn't be reached for comment.

Within days, Russian troops without insignia occupied the Crimean Peninsula, which Moscow had affirmed as Ukrainian territory in three treaties in the 1990s. Crimea's regional parliament, in a session held at gunpoint, voted to secede from Ukraine.

Russia also fomented and armed a separatist rebellion in the eastern Donbas region, Ukraine's industrial heartland. When Ukrainian forces took back much of the rebel-held territory that summer, Russian regular troops intervened and dealt Ukraine's poorly equipped army a bloody defeat.

Mr. Putin's show of military force backfired politically. He had won control of Crimea and part of Donbas, but he was losing Ukraine.

The country had long been deeply divided along regional, linguistic and generational lines. If young educated people in western Ukraine dreamed of Europe, older people and workers in eastern regions were more likely to speak mother-tongue Russian and look to Russia as the country's natural partner.

Those divisions manifested themselves during Ukraine's bitterly fought elections and during the Orange and Maidan revolutions. But they receded after 2014. Many Russophone Ukrainians fled from repression and economic collapse in separatist-run Donbas. Even eastern Ukraine came to fear Russian influence. Mr. Putin was doing what Ukrainian politicians had struggled with: uniting a nation.

Moscow sought to regain its political leverage in Ukraine by using the so-called Minsk agreements: fragile cease-fire deals brokered by Germany and France that aimed to end the fighting in Donbas. The agreements promised local self-government for separatist-held districts of Donbas within a decentralized Ukraine.

Ukraine's new government under President Petro Poroshenko, elected in May 2014, which signed the Minsk agreements under duress, feared Moscow wanted to cement pro-Russian statelets within Ukraine that would limit the country's independence. Moscow in turn accused Kyiv of failing to honor the accords. A low-level war in Donbas rumbled on until this year, claiming over 13,000 lives.

Mr. Putin never tried to implement the Minsk accords, said Mr. Heusgen, the German chancellery aide, because their full implementation would have resolved the conflict and allowed Ukraine to move on.

Ms. Merkel took the lead in Western efforts to talk Mr. Putin out of his course. Mr. Putin frequently lied to her face about the activities of Russian troops in Crimea and Donbas, aides to the chancellor said.

At a conversation at the Hilton Hotel in Brisbane, Australia, during a G-20 summit in late 2014, Ms. Merkel realized that Mr. Putin had entered a state of mind that would never allow for reconciliation with the West, according to a former aide.

The conversation was about Ukraine, but Mr. Putin launched into a tirade against the decadence of democracies, whose decay of values, he said, was exemplified by the spread of "gay culture."

The Russian warned Ms. Merkel earnestly that gay culture was corrupting Germany's youth. Russia's values were superior and diametrically opposed to Western decadence, he said.

He expressed disdain for politicians beholden to public opinion. Western politicians were unable to be strong leaders because they were hobbled by electoral pressures and aggressive media, he told Ms. Merkel.

Despite having few illusions about Mr. Putin, Ms. Merkel continued to support commercial cooperation with Russia. On her watch, Germany became increasingly dependent on Russian oil and gas and built controversial gas pipelines from Russia that bypassed Ukraine and Europe's east. Ms. Merkel's policy reflected a consensus in Berlin that mutually beneficial trade with the EU would tame Russian geopolitical ambitions.

The U.S. and some NATO allies, meanwhile, began a multiyear program to train and equip Ukraine's armed forces, which had proved no match for Russia's in Donbas.



A Ukrainian soldier stands before the ruins of a house destroyed by artillery from Russian-backed rebels in Marinka, Donbas Oblast, in 2017. PHOTO: Manu Brabo for The Wall Street Journal

The level of military support was limited because the Obama administration figured that Russia would retain a considerable military advantage over Ukraine and it didn't want to provoke Moscow.

President Trump expanded the aid to include Javelin antitank missiles, but delayed it in 2019 while he pressed Ukraine's new president, Volodymyr Zelensky, to look for information the White House hoped to use against Democratic presidential hopeful Joe Biden and Mr. Biden's son, an act for which he was impeached.

Russia, for its part, tried to end the U.S. military aid by hinting at a geopolitical swap. In March 2019, two Russian planes landed in Caracas, Venezuela, carrying military "specialists" to support Venezuelan strongman Nicolas Maduro. Russian commentators close to the Kremlin floated the idea of trading Russian support for Venezuela for American support for Ukraine.

Fiona Hill, the top NSC official for Russia, flew to Moscow the next month, where she told foreign ministry and national security officials there would be no trade, Ms. Hill recalled in a recent interview.

Mr. Zelensky, a former comic and political outsider, had won a landslide election victory in 2019 on a promise to clean up corruption and end the war in Donbas. But he aroused Mr. Putin's scorn at their first and so far only meeting, a December 2019 summit in Paris where French President Emmanuel Macron and Ms. Merkel tried to break the impasse on implementing the Minsk accords.

Mr. Zelensky bluntly rejected Russia's interpretation of the accords, recalled a senior French official who was present. "The Russians were furious," the official said. Eventually, Messrs. Putin and Zelensky agreed on a new cease-fire and to exchange prisoners. Many present thought the Russian leader loathed his new Ukrainian counterpart, the official said.

Mr. Macron sought a rapprochement with Mr. Putin, even suggesting he could be a partner for Europe in managing China. He invited Mr. Putin to the Palace of Versailles and to his summer residence in the Fort of Brégançon on the French Riviera. Their conversations were mostly cordial and businesslike, according to French officials.



A mural depicting Vladimir Putin in Simferopol, Crimea, in 2020. PHOTO: The Wall Street Journal

But in telephone conversations from 2020 onward, Mr. Macron noticed changes in Mr. Putin. The Russian leader was rigorously isolating himself during the Covid-19 pandemic, requiring even close aides to quarantine themselves before they could meet him.

The man on the phone with Mr. Macron was different from the one he had hosted in Paris and the Riviera. "He tended to talk in circles, rewriting history," recalled an aide to Mr. Macron.

In early 2021, Mr. Biden became the latest U.S. president who wanted to focus his foreign policy on the strategic competition with China, only to become entangled in events elsewhere.

The U.S. no longer saw Europe as a primary focus. Mr. Biden wanted neither a "reset" of relations with Mr. Putin, like President Obama had declared in 2009, nor to roll back Russia's power. The NSC cast the aim as a "stable, predictable relationship." It was a modest goal that would soon be tested by Mr. Putin's bid to rewrite the ending of the Cold War.

Russia positioned tens of thousands of troops around Ukraine's eastern border as part of [a spring military exercise](#). Meanwhile, Kyiv was cracking down on Mr. Putin's Ukrainian friend and ally, the politician and oligarch Viktor Medvedchuk, shuttering his TV channel and placing him under house arrest for alleged treason.

In April, the White House considered a \$60 million package of weapons for Ukraine. But after Russia ended its military exercise the administration deferred a decision to set a positive tone for a June summit between Mr. Biden and Mr. Putin in Geneva.

When Mr. Zelensky met with Mr. Biden in Washington in September, the U.S. finally announced the \$60 million in military support, which included Javelins, small arms and ammunition. The aid was in line with the modest assistance the Obama and Trump administrations had supplied over the years, which provided Ukraine with lethal weaponry but didn't include air defense, antiship missiles, tanks, fighter aircraft or drones that could carry out attacks.

Soon afterward, U.S. intelligence agencies learned that Russia was planning a military mobilization around Ukraine that was vastly greater than its spring exercise.

U.S. national security officials discussed the highly classified intelligence at a meeting in the White House on Oct. 27. Director of National Intelligence Avril Haines warned that Russian forces could be ready to attack by the end of January 2022.

National security adviser Jake Sullivan posed several questions, including why Russia would take such a military action at that time, what the U.S. could do to harden Ukraine and how the U.S. might try to dissuade Mr. Putin. The gathering decided to send Mr. Burns on his mission to Moscow.

On Nov. 17, Ukraine's defense minister, Oleksii Reznikov, urged the U.S. to send air defense systems and additional antitank weapons and ammunition during a meeting at the Pentagon, although he thought the initial Russian attacks might be limited.

Gen. Mark Milley, the chairman of the Joint Chiefs of Staff, told Mr. Reznikov that Ukraine could be facing a massive invasion.

Work began that month on a new \$200 million package in military assistance from U.S. stocks. The White House, however, initially held off authorizing it, angering some lawmakers. Administration officials calculated arms shipments wouldn't be enough to deter Mr. Putin from invading if his mind was made up, and might even provoke him to attack.

The cautious White House approach was consistent with Defense Secretary Lloyd Austin's thinking. He favored a low-profile, gradual approach to assisting Ukraine's forces and fortifying NATO's defenses that would grow stronger in line with U.S. intelligence indications about Russia's intent to attack.

A paramount goal was to avoid a direct clash between U.S. and Russian forces—what Mr. Austin called his "North Star."

Efforts to dissuade Mr. Putin from ordering an invasion, however, were faltering. When Karen Donfried, the top State Department official for Europe and Russia, visited Moscow in mid-December, Russian Deputy Foreign Minister Sergei Ryabkov handed her two fully drafted treaties: one with the U.S. and one with NATO.

The proposed treaties called for a wholesale revision of Europe's post-Cold War security arrangements. NATO would withdraw all nonlocal forces from its Eastern European members, and the alliance would shut its door to former Soviet republics.

In a cavernous conference room at Russia's foreign ministry, Ms. Donfried asked Mr. Ryabkov and the numerous other Russian officials present about the proposals. She received scant answers and left convinced that the demands had been drawn up at the highest level. The draft treaties were soon posted on a Russian government website, which added to U.S. concerns that the demands were diplomatic camouflage for a military decision it had already taken.

On Dec. 27, Mr. Biden gave the go-ahead to begin sending more military assistance for Ukraine, including Javelin antitank missiles, mortars, grenade launchers, small arms and ammunition.

Three days later, Mr. Biden spoke on the phone with Mr. Putin and said the U.S. had no plan to station offensive missiles in Ukraine and urged Russia to de-escalate. The two leaders were on different wavelengths. Mr. Biden was talking about confidence-building measures. Mr. Putin was talking about effectively rolling back the West.



U.S. military aid arrives in Kyiv on March 2. PHOTO: The Wall Street Journal

On Jan. 9, as U.S. intelligence indications pointed ever-more-clearly to a full-blown invasion of Ukraine, Deputy Secretary of State Wendy Sherman met Mr. Ryabkov and a Russian general for dinner in Geneva. Ms. Sherman brought along Lieutenant General James Mingus, the chief operations officer on the Pentagon's Joint Staff, whom she hoped might encourage the Russians to think twice about their invasion plan.

Gen. Mingus had fought in Iraq and Afghanistan, been wounded and earned a Purple Heart, and he spoke frankly about the challenges Russian forces would face. Invading a territory was one thing, but holding it was another, and the intervention could turn into a yearslong quagmire, he said. The Russians showed no reaction.

Not all U.S. allies believed its intelligence assessment. All could see that Russia was deploying a massive force on three sides of Ukraine. But most European allies found it hard to believe Mr. Putin would really invade.

In mid-January, Mr. Burns made a secret trip to Kyiv to see Mr. Zelensky. The U.S. now had even more information about Russia's plan of attack, including that it involved a rapid strike toward Kyiv from Belarus. The CIA director provided a vital piece of intelligence that helped Ukraine significantly in the first days of the war: [He warned that Russian forces planned to seize Antonov Airport in Hostomel](#), near the Ukrainian capital, and use it to fly in troops for a push to take Kyiv and decapitate the government.

European leaders made last-ditch attempts to talk Mr. Putin down. Mr. Macron visited the Kremlin on Feb. 7, where he was made to sit at the far end of a 20-foot table from the socially isolating Russian dictator.

Mr. Macron found Mr. Putin even more difficult to talk to than previously, according to French officials. The six-hour conversation went round in circles as Mr. Putin gave long lectures about the historical unity of Russia and Ukraine and the West's record of hypocrisy, while the French president tried to bring the conversation back to the present day and how to avoid a war.

Share your thoughts

Could world leaders have been better prepared for Putin's aggression? Why or why not? Join the conversation below.

Germany's new Chancellor Olaf Scholz, who had succeeded Ms. Merkel only in December, fared no better at Mr. Putin's long table on Feb. 15.

Mr. Putin opened the meeting with a forceful litany of complaints about NATO, meticulously listing weapons systems stationed in alliance countries near Russia. Mr. Putin then talked about his research on Russian history going back a millennium, about which he had written a lengthy essay last summer.

He told Mr. Scholz that Russians, Ukrainians and Belarusians were one people, with a common language and a common identity that had only been divided by haphazard political interventions in recent history.

Mr. Scholz argued that the international order rested on the recognition of existing borders, no matter how and when they had been created. The West would never accept unraveling established borders in Europe, he warned. Sanctions would be swift and harsh, and the close economic cooperation between Germany and Russia would end. Public pressure on European leaders to sever all links to Russia would be immense, he said.

Mr. Putin then repeated his disdain for weak Western leaders who were susceptible to public pressure.

The German chancellor returned to Berlin far more worried than he had left it.

Mr. Scholz made one last push for a settlement between Moscow and Kyiv. He told Mr. Zelensky in Munich on Feb. 19 that Ukraine should renounce its NATO aspirations and declare neutrality as part of a wider European security deal between the West and Russia. The pact would be signed by Mr. Putin and Mr. Biden, who would jointly guarantee Ukraine's security.



Civilians receive military training in Lviv, Ukraine, in February. PHOTO: Anastasia Vlasova for The Wall Street Journal

Mr. Zelensky said Mr. Putin couldn't be trusted to uphold such an agreement and that most Ukrainians wanted to join NATO. His answer left German officials worried that the chances of peace were fading. Aides to Mr. Scholz believed Mr. Putin would maintain his military pressure on Ukraine's borders to strangle its economy and then eventually move to occupy the country.

U.S. and European leaders held a video call. "I think the last person who could still do something is you, Joe. Are you ready to meet Putin?" Mr. Macron said to Mr. Biden. The U.S. president agreed and asked Mr. Macron to pass the message to Mr. Putin.

Mr. Macron spent the night of Feb. 20 alternately on the phone with Mr. Putin and Mr. Biden.

The Frenchman was still talking with Mr. Putin at 3 a.m. Moscow time, negotiating the wording of a press release announcing the plan for a U.S.-Russian summit.

But the next day, Mr. Putin called Mr. Macron back. The summit was off.

Mr. Putin said he had decided to recognize the independence of separatist enclaves in eastern Ukraine. He said fascists had seized power in Kyiv, while NATO hadn't responded to his security concerns and was planning to deploy nuclear missiles in Ukraine.

"We are not going to see each other for a while, but I really appreciate the frankness of our discussions," Mr. Putin told Mr. Macron. "I hope we can talk again one day."



The corpses of a family killed by a Russian artillery shell while trying to escape from Irpin, on the outskirts of Kyiv, on March 6. PHOTO: Manu Brabo for The Wall Street Journal

James Marson and Warren Strobel contributed to this article.

Write to Michael R. Gordon at michael.gordon@wsj.com, Bojan Pancevski at bojan.pancevski@wsj.com, Noemie Bisserbe at noemie.bisserbe@wsj.com and Marcus Walker at marcus.walker@wsj.com

[Vladimir Putin's 20-Year March to War in Ukraine—and How the West Mishandled It](#)

CO euruno : European Union

NS gvexe : Executive Branch | gcat : Political/General News | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gcns : National/Public Security | gdip : International Relations | gesanc : International Sanctions | gpir : Politics/International Relations | gspy : Espionage | gtrade : Trade Barriers/Restrictions | gvio : Military Action | ncat : Content Types | ncolu : Columns | nimage : Images | nmajev : Major News Events | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcipin : C&E Industry News Filter | ntop : Top Wire News | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | bucha : Bucharest | crimea : Crimea | easiaz : Eastern Asia | eecz : European Union Countries | eurz : Europe | gfr : Germany | munich : Munich | namz : North America | rom : Romania | uk : United Kingdom | usa : United States | usdc : Washington DC | uss : Southern U.S. | ussrz : CIS Countries | weurz : Western Europe | apacz : Asia Pacific | balkz : Balkan States | bavar : Free State of Bavaria | bric : BRICS Countries | dach : DACH Countries |

devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe

IPD Wires

IPC G/CIA

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220401ei41003bh

THE WALL STREET JOURNAL.

CLM Risk & Compliance Journal
SE C Suite
HD **S&P Global Settles Allegations It Violated [Russia](#) Sanctions; The civil settlement is connected to transactions with Russian oil company Rosneft in 2016 and 2017 but illustrates how U.S. regulators could pursue sanctions violators going forward**
BY By Mengqi Sun
WC 584 words
PD 2 April 2022
ET 04:15
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

S&P Global Inc. agreed to settle allegations it violated U.S. sanctions when it continued to extend credit to Rosneft after the Russian oil producer faced debt and equity restrictions beginning in 2014, the Treasury Department said Friday.

S&P, a New York-based provider of financial and business analytics, will pay \$78,750 as part of the civil settlement with Treasury's Office of Foreign Assets Control, which enforces U.S. sanctions.

TD

OFAC alleges S&P and an energy-sector research firm it acquired reissued and redacted multiple invoices to continue extending credit to Russia state-owned Rosneft, on which the U.S. imposed [debt and equity restrictions](#) in 2014 after Russia annexed Crimea. The sanctions prohibited transactions or other dealings in new debt of longer than 90 days maturity.

The civil settlement, while relating to transactions made in 2016 and 2017, illustrates how the U.S. could seek to crack down on sanctions evasion as it implements [an economic and financial pressure campaign](#) against Russia after its invasion of Ukraine in February.

"While this matter resulted from transactions in 2016 and 2017, S&P Global remains committed to complying with all sanctions obligations and will continue to enhance our compliance program," an S&P Global spokesperson said in an email Friday.

Representatives for Rosneft didn't immediately respond to a request for comment.

S&P Global acquired Petroleum Industry Research Associates Inc., which provided energy and commodity research and forecasting products and services, in September 2016. The company at the time had contracts with Rosneft and had issued an invoice for \$82,500 to Rosneft in 2015 for an ongoing subscription service that provided both tailored advisory services and market analysis, according to the settlement agreement. S&P integrated PIRA's business during the acquisition.

The invoice had a payment due date of October 2015, but Rosneft didn't pay it by that date and had attempted to make payments that were either rejected by PIRA's bank, in compliance with the sanctions program in place at the time, or met with a request for additional information from the U.S. bank, OFAC said. Rosneft also attempted to pay the overdue invoice by check in July 2016 following PIRA's suggestion.

S&P Global employees then reissued and redacted the 2015 invoice four times with new dates and sent the revised invoice to Rosneft in 2016 and 2017, OFAC said. S&P's management also wrote to Rosneft, emphasizing the importance of timely payment. S&P wrote that "when the payment is made against an old invoice (as recent ones were), the bank may perceive that to be 'extending credit' to a Russian company, which we cannot do by law," according to the settlement agreement. Rosneft eventually paid the invoice in October 2017.

OFAC determined S&P Global didn't voluntarily self-disclose the alleged violations and that it failed to act with "a minimal degree of caution or care" when it reissued the invoices to extend the payment date. OFAC credited S&P Global for remediating measures, such as enhancing its compliance program and for cooperating with OFAC's investigation.

Write to Mengqi Sun at mengqi.sun@wsj.com

[S&P Global Settles Allegations It Violated Russia Sanctions](#)

CO rsneft : Rosneft Oil Company OJSC | mcgrwh : S&P Global Inc. | rosnt : Rosneftegaz

IN i1 : Energy | i13 : Crude Oil/Natural Gas Upstream Operations | i81501 : Credit Types/Services | ifinal : Financial Services | ibnk : Banking/Credit | ifosfl : Fossil Fuels | i8395416 : Rating Agencies | iioil : Integrated Oil/Gas

NS gesanc : International Sanctions | cacqu : Acquisitions/Mergers | ccat : Corporate/Industrial News | c12 : Corporate Crime/Legal Action | c173 : Financing Agreements | cactio : Corporate Actions | e51 : Trade/External Payments | ecat : Economic News | gpri : Politics/International Relations | gtrade : Trade Barriers/Restrictions | ncolu : Columns | gcat : Political/General News | c17 : Corporate Funding | c18 : Ownership Changes | c181 : Acquisitions/Mergers/Shareholdings | gdip : International Relations | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter | nfcpi : C&E Industry News Filter

RE russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe

IPD Wires

IPC I/FIS

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220401ei410080x

SE Barrons Magazine
HD **Defense Stocks Rose With the Ukraine War. Then a Tight Proposed Budget Set Them Back.**
BY By Al Root
WC 731 words
PD 2 April 2022
ET 05:00
SN Barron's Online
SC BON
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

Defense stocks took a surprising blow after a proposed defense budget was released last week. The Biden administration asked Congress for \$773 billion to fund defense for fiscal year 2023, up about 4% over 2022. But the procurement number came in relatively flat, says Vertical Research Partners analyst Rob Stallard, and forecasted spending growth through 2027 slowed. On the week, a basket of defense stocks, including Lockheed Martin and Northrop Grumman, fell about 1.3%, while the S&P 500 rose 0.1%.

Still, defense stocks are up about 15% in 2022, handily beating the broader market. The stocks had been lifted by the Ukraine war, as well as by low initial valuations. Large defense stocks traded for about 15 times estimated 2022 earnings per share as the year began, and now go for some 18 times, versus the S&P 500's 20 times.

TD

A proposal, of course, isn't the final budget. UBS analyst Myles Walton notes that Republicans are pushing for more spending but that the proposal was in line with his expectations. Nuclear and shipbuilding programs, he says, "came out on top." The shipbuilding request is for \$28 billion compared with \$26.6 billion in 2022. The nuclear triad—the ability to launch nuclear weapons from land, sea, and air—got \$15.9 billion, up from \$11 billion in 2022.

In theory, the budget should help shipbuilder Huntington Ingalls Industries and Northrop. The most popular defense stock is Raytheon Technologies, which more than 80% of analysts rate a Buy, though it was down 2.2% on the week. Lockheed, Northrop, Huntington, and General Dynamics got Buy ratios of 36%, 47%, 31%, and 68%, respectively. And who knows what crisis may strike next.

Next Week

Monday 4/4

The Census Bureau reports on new factory orders for February. Consensus estimate is that new orders for manufactured durable and nondurable goods will increase 0.5% month over month to a seasonally adjusted \$548 billion. In January, factory orders increased 1.4%; new orders for durable goods jumped 1.6%, to \$278 billion; and nondurable goods gained 1.2%, to \$267 billion.

Broadcom hosts its annual meeting of shareholders.

Tuesday 4/5

The Institute for Supply Management releases its Services Purchasing Managers' Index for March. Economists forecast a 58 reading, 1.5 points more than the February figure.

Analog Devices, FactSet Research Systems, and Quanta Services hold their annual investor days.

Merck holds an investor event in conjunction with the American College of Cardiology's 71st Annual Scientific Session & Expo, which runs from April 2 through the April 4 in Washington, D.C. The company will discuss its portfolio and pipeline of cardiovascular drugs.

The Reserve Bank of Australia announces its monetary-policy decision. The central bank is expected to keep its cash target rate unchanged at 0.1%, the same level it has been since November 2020.

The Bureau of Economic Analysis reports light-vehicle sales. Auto makers are projected to have sold 13.9 million vehicles at a seasonally adjusted annual rate in March. This would be down 21% from March of 2021 but a significant improvement from the second half of last year as supply-chain issues ease.

Wednesday 4/6

Costco Wholesale reports sales data for March.

The Federal Open Market Committee releases minutes from its mid-March monetary-policy meeting. The FOMC raised the federal-funds rate a quarter point at the meeting to 0.25% to 0.5%, the first interest rate hike since December 2018.

Thursday 4/7

Conagra Brands, Constellation Brands, and Lamb Weston Holdings report quarterly results.

Accenture hosts its 2022 investor and analyst day virtually.

The Department of Labor reports initial jobless claims for the week ending on April 2. Jobless claims averaged 208,500 in March and recently hit a five-decade low as job openings continue to outpace job seekers.

The Federal Reserve reports on consumer credit data. Consensus estimate is for total consumer debt to increase at a seasonally adjusted annual rate of 2.7% to a record \$4.46 trillion.

Friday 4/8

Carnival and Discovery hold their annual shareholder meetings.

Write to Al Root at allen.root@dowjones.com

[Defense Stocks Rose With the Ukraine War. Then a Tight Proposed Budget Set Them Back.](#)

CO vtrpr : Vertical Research Partners LLC | lckhed : Lockheed Martin Corporation

IN i1 : Energy | iaer : Aerospace/Defense | ibnk : Banking/Credit | icnp : Consumer Goods | ideo : Defense Equipment/Products | ifinal : Financial Services | iindstrls : Industrial Goods | iinv : Investing/Securities | iwealth : Private Banking/Wealth Management | i814 : Banking | i831 : Financial Investment Services | i83108 : Investment Advice/Research Services

NS e211 : Government Budget/Taxation | ecat : Economic News | gdef : Armed Forces | e21 : Government Finance | gcat : Political/General News | gcns : National/Public Security

RE eurz : Europe | uk : United Kingdom | ukrn : Ukraine | dvpcos : Developing Economies | eurz : Central/Eastern Europe | weurz : Western Europe

IPD Preview

IPC ACN

PUB Dow Jones & Company, Inc.

AN Document BON0000020220401ei410040h

THE WALL STREET JOURNAL.

CLM Europe News
SE World
HD **Russian Strategy in [Ukraine](#) Shifts After Setbacks, and a Lengthy War Looms; Moscow's new focus on Donbas and retreat from Kyiv set the stage for a protracted war of attrition**
BY By Yaroslav Trofimov
WC 1,563 words
PD 1 April 2022
ET 20:51
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russia's war on Ukraine shifted gears this past week, as Moscow, lacking the strength to pursue rapid offensives on multiple fronts, began pulling back from Kyiv and other cities in the north, and refocused for now on seizing parts of the country's east.

The pivot, after [five weeks of intense fighting](#), was a gauge of the intensity and effectiveness of Ukrainian resistance and signaled a decision by the Kremlin to pursue what is likely to become a prolonged war of attrition.

TD

Ukraine's counterattacks—including [a helicopter strike inside Russian territory](#)—and Moscow's redeployment toward Donbas in Ukraine's east suggest that both sides believe they can win, making it unlikely that [peace talks will result in a deal](#) anytime soon.

Russia's "military and political strategy hasn't changed, it remains to annihilate Ukraine," said Andriy Zagorodnyuk, a former Ukrainian minister of defense who advises President Volodymyr Zelensky's government. But he said, "Now, their capabilities no longer match their strategic vision."

That could be a recipe for a prolonged conflict, increasing the stakes for both sides' ability to raise troops and money and access weapons, ammunition and supplies.

For Ukraine, with its smaller military resources, such a shift to [a lengthy conventional war](#) heightens the need for shipments of heavy weapons such as tanks and artillery, Ukrainian officials said.

Russia's declared shift toward trying to seize Donbas could allow it to concentrate firepower on a smaller front, shorten supply lines and make air support easier, giving Moscow a better chance at military success. It would also position Russia to try to encircle some of Ukraine's best units, which are stationed there.

[The Russian pullbacks from Kyiv](#), however, also allow Ukraine to redeploy additional resources to the eastern Donbas front—and to do it much faster because of shorter routes.

SHARE YOUR THOUGHTS

Do you think Russia can succeed in a war of attrition? Why, or why not? Join the conversation below.

Ukrainian officials were initially skeptical of Russian announcements that [Moscow would limit military operations](#) near Kyiv and Chernihiv, but lengthy convoys of Russian armor began leaving these areas Thursday, and scores of villages in northern Ukraine have been retaken by Ukrainian troops.

Russia initially appeared determined to retain a smaller, blocking force around Kyiv to threaten the Ukrainian capital and prevent a large Ukrainian redeployment to Donbas, Ukrainian officials say. But a threat of encirclement of these Russian forces, northwest or northeast of Kyiv, Friday precipitated a rapid withdrawal toward the Belarus border, often under fire.

"The enemy is not fully successful in retaining the areas that it wishes to keep. Our forces are kicking them out in the northwest and northeast, pushing the enemy away from Kyiv and making another attempt at storming it impossible," Ukrainian presidential adviser Oleksiy Arestovych said Friday.

Russia sent some of its best units to Kyiv and northern Ukraine. Many of them have been battered by fierce fighting, and would need considerable time to be reconstituted and prepared for redeployment, military analysts say.

U.S. officials estimate that some 10,000 soldiers out of Russia's 190,000-strong force in Ukraine have been killed, with tens of thousands of others injured or taken prisoner. The elite 4th Guards Tank "Kantemirovskaya" Division lost 46 of its estimated 220 T-80 tanks, according to visual evidence compiled by military analysts.

Seeking to replenish its forces, Russia has been calling up reserves, sending to Ukraine troops deployed in Nagorno-Karabakh and South Ossetia as well as conscripts. Some of these troops, particularly from the Russian National Guard, which usually performs mostly internal-security duties, have refused orders to deploy to Ukraine.

British Air Marshal Edward Stringer, who headed operations for the British Defense Ministry and also helped create Britain's military training program in Ukraine, said Russia no longer has many additional reserves to throw into new offensives.

"Most of the effective combat power is already assigned to the war," he said. So Russian President Vladimir Putin "has to build some more, which is tricky without mobilizing and under sanctions, or concentrate the combat power that he has."

Russian nationalists, dismayed by the retreat from Kyiv, have called on Mr. Putin to mobilize for all-out war.

Igor Strelkov—a former Russian intelligence officer who led a group of Russian military veterans that seized the Ukrainian city of Sloviansk in 2014, sparking the armed conflict in Donbas—complained this week about members of the Russian National Guard refusing Ukrainian deployment and resigning.

"That's why we need a mobilization. Submitted a resignation? Please proceed right away to the infantry company as a private. Under the convoy of your former comrades," Mr. Strelkov wrote on his Telegram channel.

Mr. Strelkov said the retreat from Kyiv and Chernihiv was necessary given the poor execution of the Russian military plan and the threats that these forces face, especially now that spring vegetation will provide concealment for Ukrainian strike groups attacking the Russians' rear.

"If leaving previously taken territory is inevitable anyway, it's best to do it without the enemy annihilating your troops first," Mr. Strelkov wrote Friday. "We will need these troops—the war will be long."

In northeastern Ukraine, Russian forces have tried for weeks to fight their way south, past the city of Izyum in the Kharkiv region. That maneuver, if successful, could allow them to link up with troops pushing from the southeast and encircle Donbas. Much of that southeastern force is still engaged in urban battles in the besieged city of Mariupol—and could renew its push north should Mariupol fall.

Ukraine has deployed some of its best units in Donbas, which comprises the Donetsk and Luhansk regions. While Mariupol, a part of the Donetsk region, has been encircled, Ukraine has largely held the line to the north, including the key cities of Kramatorsk and Sloviansk.

In the Luhansk region, Russia swiftly seized rural areas in the east but hasn't been able to take the major urban area around Severodonetsk, where the Ukrainian regional government for Luhansk is based.

Many Ukrainian officials and military analysts think the conflict is likely to drag on for months, or longer, even as Kyiv and Moscow continue peace negotiations. While these negotiators have made some progress on Ukraine abandoning its aspiration to join the North Atlantic Treaty Organization in exchange for binding security guarantees from the West and Russia, Kyiv and Moscow still remain far apart on the status of Donbas and Crimea, among other issues.

Even though Russia has a much larger population—145 million to pre-war Ukraine's 37 million—and significantly more military equipment, time isn't necessarily on Moscow's side in a lengthy war of attrition.

"Military potential, as any system, is as strong as its weakest component. And Russia's weakest component is its people. They have a lot of equipment, a lot of armor, but they have a big problem with trained personnel," said Mr. Zagorodnyuk, the former Ukrainian defense minister.

Ukraine, which had an army of some 200,000 troops at the beginning of the war, would by contrast be able to field another force of similar size if necessary, he added. "If there is a long war, the only question is whether Ukraine will have the support of our Western partners, first of all the U.S. And if we have this support, we can outlast Russia," he said.

Until recently, U.S. and allied weapon supplies to Ukraine were premised on estimates that Kyiv would collapse quickly, and that the war would largely be fought as an insurgency. These weapons, such as Stinger antiaircraft missiles and Javelin and NLAW antitank missiles, can be carried by one person and have been heavily used by Ukrainian troops operating as small nimble units.

Instead, Ukraine has been engaged in fighting a large-scale conventional war, using long-range artillery, tanks, air defenses and its own warplanes and combat helicopters—military assets that, while being lost daily, haven't been replenished by the West.

That is slowly beginning to change. On Thursday, U.K. Defense Secretary Ben Wallace said a donor conference of 35 nations agreed to provide Ukraine with long-range artillery, armored vehicles, counter-battery systems and antiaircraft and coastal-defense weapons. While falling short of the tanks and combat aircraft requested by Mr. Zelensky, these supplies, if delivered quickly, would significantly improve Ukraine's chances.

"The next three weeks will determine whether Russia's war of attrition can succeed. If we, the West, have the sense of urgency and can provide Ukraine with what it's been begging for, then they can break the back of the Russians while the Russians are down, and can win," said retired Lt. Gen. Ben Hodges, a former commander of the U.S. Army in Europe. "But if we don't have that sense of urgency, the Russians will have the time to regroup, to re-establish logistics, and to continue grinding down Ukrainian cities and Ukrainian armed forces."

Write to Yaroslav Trofimov at yaroslav.trofimov@wsj.com

[Russian Strategy in Ukraine Shifts After Setbacks, and a Lengthy War Looms](#)

NS gcat : Political/General News | gvio : Military Action | ncolu : Columns | gcns : National/Public Security | grisk : Risk News | ncat : Content Types

RE ukrm : Ukraine | russ : Russia | asiaz : Asia | donsk : Donbas | easiaz : Eastern Asia | eurz : Europe | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD WSJ

IPC N/GEN

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220401ei41003e9

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Russia** Says It Is Ready to Supply Any Goods India Wants to Buy; Foreign Minister Sergei Lavrov said Moscow appreciated New Delhi's stance on the **Ukraine** War and was ready to cooperate on trade
BY By Shan Li
WC 795 words
PD 1 April 2022
ET 18:59
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

NEW DELHI—Foreign Minister Sergei Lavrov said Russia appreciated India's stance on the [Ukraine invasion](#) and is ready to cooperate on trade, as countries on both sides of the Ukraine war have ramped up efforts to pull New Delhi closer.

"We will be ready to supply to India any goods which India wants to buy," he said after meeting with his Indian counterpart in New Delhi on Friday.

TD

India has been [caught in the middle](#) of the clash between Moscow and the U.S. and its allies over the Ukraine war. New Delhi, which has longstanding defense ties to Russia, has remained firmly on the sidelines amid a flurry of condemnations from Western democracies. India is one of the few major powers to avoid publicly denouncing Russia's invasion and has abstained from multiple resolutions in the United Nations related to the war.

Mr. Lavrov is one in a string of top foreign officials who have been dispatched to woo the Indian government since the conflict began in late February. He arrived in New Delhi a day after Indian officials met with British Foreign Secretary Liz Truss and U.S. deputy national security adviser for international economics Daleep Singh.

On Friday, Mr. Lavrov said that the longstanding ties between Russia and India have outlasted "many difficult times in the past."

"We appreciate that India is taking this situation in the entirety of facts, not just in a one-sided way," he said before a closed-door meeting with the Indian foreign minister, Subrahmanyam Jaishankar.

An increasingly isolated Moscow is trying to trade with Beijing and New Delhi in an effort to weather [Western sanctions](#) designed to slow its economic growth and undermine the Kremlin's ability to project power. In recent days, India has [bought millions of barrels of Russian crude oil](#) at a hefty discount and could purchase more supplies in the weeks ahead.

India's ties to Russia have strained its relationships with Western partners. The leaders of the U.S., Australia and Japan—which together with India make up a [security partnership called the Quadrilateral Security Dialogue](#), or the Quad—have acted in concert to roll out sanctions and other punishments intended to isolate Russia. But India, which has counted on Russia as its main arms supplier for decades, has been trying to keep intact its relationship to Moscow as well as its deepening relations with the U.S. and its allies.

India still relies on Russia for nearly half of its imported military equipment. Analysts say that the country cannot afford to anger Moscow, especially as its military remains in a standoff with China over parts of its shared 2,000-mile border.

Western leaders have urged India to take a tougher stand on Moscow, while acknowledging its unique position. Mr. Singh, the envoy from the U.S., said Thursday that the U.S. wasn't going to set a limit on India's energy purchases from Russia but didn't want to see a "rapid acceleration" of imports.

"Friends don't set red lines," Mr. Singh said to reporters on Thursday.

But the divisions between India and the West were evident during a discussion between Ms. Truss, the British foreign minister, and Mr. Jaishankar at a panel in New Delhi on Thursday.

Ms. Truss said that the U.K. was moving toward ending its reliance on Russian oil by the end of this year, but that every country had to make that decision for itself. "It's very important that we respect other countries' decisions about what they face," she said. "India is a sovereign nation. I'm not going to tell India what to do."

In response, Mr. Jaishankar noted that Europe had purchased 15% more Russian oil and gas in March compared with the month before. He said the backlash against India's purchase of Russian oil looks "almost like a campaign."

"If you look at the major buyers of oil and gas from Russia, I think you'll find most of them are in Europe," he said.

Most of India's oil imports come from the Middle East, and about 8% is purchased from the U.S. Only about 1% is bought from Russia, he added.

"When oil prices go up, I think it's natural for countries to go out into the market and look for what are good deals for their people," he said.

Write to Shan Li at shan.li@wsj.com

[Russia Says It Is Ready to Supply Any Goods India Wants to Buy](#)

CO uafor : Ukraine Ministry of Foreign Affairs

NS gdip : International Relations | gcat : Political/General News | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gesanc : International Sanctions | gpir : Politics/International Relations | gpol : Domestic Politics | gtrade : Trade Barriers/Restrictions | gvio : Military Action | ncolu : Columns | gcns : National/Public Security | grisk : Risk News | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE india : India | ndelh : New Delhi | russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | ukrn : Ukraine | usa : United States | ussrz : CIS Countries | delhi : Delhi | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | indsubz : Indian Subcontinent | sasiaz : Southern Asia | weurz : Western Europe

IPD Wires

IPC N/CMR

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220401ei41002bd

THE WALL STREET JOURNAL.

CLM Russia News
SE World
HD **Behind the Front Lines, [Russia's](#) Military Struggles to Supply Its Forces; Weaknesses in logistics mean Moscow's forces suffer shortages of food, fuel and ammunition, Western analysts say**
BY By Stephen Fidler and Thomas Grove
WC 1,580 words
PD 1 April 2022
ET 15:00
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

Russia's army has suffered serious losses as it has battled [fierce Ukrainian resistance](#). Behind the front lines, a less visible failure in supplying and maintaining the troops in the field has critically hobbled Moscow's invasion plans, according to Western intelligence assessments.

Russia's weaknesses in logistics—the tail of support and services that enable combat forces to live, move, communicate and fight—were evident just days after the invasion was launched on Feb. 24. They have continued weeks into the campaign, according to Western officials and private military analysts.

TD

After failing to rapidly capture the Ukrainian capital, Kyiv, and oust the government of President Volodymyr Zelensky, Russia [now says it will focus its military efforts](#) on what it now calls its primary objective, the "liberation of the Donbas" area in the country's east.

While analysts warn that their understanding of the invasion is incomplete, the evidence for shortcomings in Russian logistics is evident in verified social-media footage of stalled Russian convoys and broken-down tanks, some confirmed by commercial satellite photographs. Russian forces have struggled with the transport of fuel and ammunition as well as food and clothing for soldiers at the front.

"We continue to see indications that the Russians did not properly plan for logistics and sustainment," said Pentagon press spokesman John Kirby in late March. "We know that they continue to have fuel issues across their force, and that they are still struggling with food."

Russian towns near the border with Ukraine have organized drives to deliver food, clothes, socks and footwear to soldiers who have been on operations or exercises for months, while individual volunteers have coordinated over Russian social media site VK to collect and distribute food and clothing.

Russia's military doesn't seem to have overcome many of the logistical problems suffered by the Red Army, analysts say. Over history, logistical problems have undermined many military campaigns, with armies facing tight budgets sometimes skimping on logistics to focus on new weapons and fighting forces.

In Ukraine, Russia began the war by mounting a complex multipronged offensive using land, air and seaborne forces. It quickly lost steam.

"The last time the Russian army did something this big was the occupation of Czechoslovakia in 1968 where there wasn't an active enemy," said Ben Barry, senior fellow for land warfare at the International Institute for Strategic Studies.

Mr. Barry said more than 170,000 Russian troops are estimated to have been committed to Ukraine in about 130 units, known as battalion tactical groups. When the U.S. and its allies invaded Iraq in 2003,

similar numbers of U.S. troops were committed in fewer than 50 BTGs. The reason for the difference: the large proportion of the U.S. force being used for logistics and the transportation of fuel, ammunition, water and food.

Phillips O'Brien, professor of strategic studies at the University of St. Andrews in Scotland, said military experts may have been deceived by the "lavish logistical system" employed by the U.S. in the past three decades. "What the U.S. has done has made people immune to looking at the reality of logistics and just assuming it will get done," he said.

He said the complexity of the Russian operation compounded problems of logistics. "What they were actually trying to do was logistically bonkers. They were trying to support five or six different axes of advance in a hugely spread-out arch, all the way from west of Kyiv, all of that bulge of eastern Ukraine, down to Crimea."

One of the biggest problems facing the Russian army's logistics is the absence of an effective coordinated logistical command, which forces units from Russia's eastern, southern and central military districts to compete with one another to secure supply lines.

"That means that the three operational commanders are relying on themselves for supply and competing between themselves for resources," said Mark Galeotti, senior associate fellow at the Royal United Services Institute, a London-based security think tank.

share your thoughts

What do you think explains the missteps in Russia's invasion of Ukraine? Join the conversation below.

He said Russia's announced plans to focus fighting on the east, if realized, would help Moscow pivot away from the tenuous lines that have been stretched out to support the assault on Kyiv and focus more on Donbas to ease logistical problems.

Almost all outside experts have concluded that Russia's initial war plan—a lightning strike by airborne units into Kyiv that would meet little resistance and quickly decapitate the government—wouldn't have needed such elaborate supply lines.

"They [invaded] profoundly unready for sustained offensive operations," said Scott Boston, a defense analyst at the Rand Corp. Some units ran out of fuel on day three of the campaign.

The Ukrainian defense also harassed stretched Russian supply lines from the side and rear. Many military analysts suspect this was part of Ukraine's battle plan and no accident, though some Ukrainian units may have been left behind by Russia's rapid advance and decided on their own to harass vulnerable supply and fuel trucks. Partisans also got into the act.

Russian forces at home are heavily reliant on rail for moving supplies around. Except in the south where Russian forces secured the city of Kherson, Moscow wasn't able to secure any other major railheads, leaving it dependent on roads and trucks.

Logistical problems multiplied and were worsened by poor communications. "The more you advance, the more you extend your logistical line, the higher the complexity," said Yohann Michel, a research analyst at IISS.

With little evidence that Russian forces established their own supply dumps inside Ukraine, resupply trucks had to shuttle long distances back and forth, themselves needing to refuel. Clips on social media also show much of this equipment was poorly maintained, perhaps coming out of yearslong storage.

"If one truck shows up and fuels three or four vehicles and then turns around and goes back, I don't know how long you think you can do this," said Mr. Boston. The farther the journeys, the more challenging the refueling—particularly when supply lines haven't been secured.

Military analysts say there are special challenges to supplying heavily motorized forces like the Russians have extensively deployed in Ukraine. While Russian tanks in Ukraine are generally lighter than their Western counterparts, their tracked vehicles aren't fuel efficient—increasing the challenge of keeping them active.

While fuel consumption will depend on speed and terrain, tanks are huge gas guzzlers. Mr. Boston says that, as a rough estimate, a T-72B variant tank—the workhorses in Ukraine—would use 5.8 gallons per hour just to idle, and 1 mile a gallon or significantly less when moving.

Two elite regiments appear to have been particularly plagued by breakdowns.

Mr. Boston said the 12th and 13th tank regiments, both part of the Fourth Tank Division and the only formations using T80U tanks, suffered heavy losses in the campaign as they moved westward from the Russian border.

More than 40 of the units' tanks were abandoned or captured undamaged, according to reports verified by the Oryx website. These tanks have powerful gas-turbine engines but there is a major downside—very heavy fuel consumption.

"It's like a full third of those vehicles in those two regiments may have just run out of gas," Mr. Boston said.

After its first lightning strike failed, Russia switched to one of its old standbys: using artillery. Most Russian artillery strikes use unguided weapons that can exact a huge human toll when attacking cities—without necessarily achieving any useful strategic objective.

They also create an onerous demand on logistics. Artillery ammunition is enormously heavy and some big Russian systems can consume tons of it rapidly. A rocket launcher such as the self-propelled BM-27 Uragan can fire its 16 barrels in minutes. "To refuel it, you basically require a lorry just as big to carry the same number of rockets," said Mr. Barry.

Even a shell for a 152 mm howitzer weighs about 100 pounds. Each gun will carry about 50 rounds, and a brigade several thousand, Mr. Boston said.

He said the Russian military gives priority to logistics bringing ammunition to artillery units. "The demand for bringing the artillery in means you now have a competing demand for logistics. They're obviously not the same trucks as the fuel trucks but you obviously have to get it there," Mr. Boston said.

The Russian reliance on unguided munitions is cheaper—but piles pressure on logistics. "They might need to fire 60 rounds to get the same effect as we do from one [precision] round... Obviously that gets very difficult from the sustainment perspective," he said.

"It's also profoundly unsafe. You hit a Russian vehicle full of ammo, it will just explode."

Mr. Michel of IISS said the Ukrainians shouldn't assume the Russians won't adapt in the face of their logistical struggles. "The Russian armed forces are usually good at learning lessons," he said.

Write to Stephen Fidler at stephen.fidler@wsj.com and Thomas Grove at thomas.grove@wsj.com

[Behind the Front Lines. Russia's Military Struggles to Supply Its Forces](#)

IN icargo : Freight Transport/Logistics | itsp : Transportation/Logistics

NS gvio : Military Action | gdef : Armed Forces | ncolu : Columns | cpsht : Product Shortage | gcat : Political/General News | c21 : Output/Production | ccat : Corporate/Industrial News | cexpro : Products/Services | gcns : National/Public Security | grisk : Risk News | ncat : Content Types

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | boston : Boston | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | usa : United States | use : Northeast U.S. | usma : Massachusetts | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | usnew : New England | weurz : Western Europe

IPD WSJ

IPC I/TRS

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220401ei41000uq

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **EU, China Clash Over [Ukraine](#) Conflict; European Commission President Ursula von der Leyen says Brussels and Beijing 'exchanged very clearly opposing views'**
BY By Laurence Norman in Berlin and Lingling Wei in New York
WC 936 words
PD 1 April 2022
ET 21:13
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

European Union and Chinese leaders clashed over the conflict in Ukraine in a video-call summit, with Europe pressing Beijing to work actively to end the war and not to support Russia economically or militarily.

European officials had set up Friday's summit—the first since 2020—as a key moment in the bloc's relationship with China, warning that Beijing's refusal to condemn [Russia's invasion of Ukraine](#) and the possibility of active support from China to Russia could create lasting damage to bilateral ties.

TD

After a two-hour conversation with Chinese Premier Li Keqiang and a video call of less than an hour with President Xi Jinping, European Commission President Ursula von der Leyen made it clear Beijing had offered no assurances to Brussels about [its stance on Ukraine](#).

In a press conference after the call, Ms. von der Leyen said, "We exchanged very clearly opposing views...China has an influence on Russia. And therefore we expect China to take its responsibility to end this war" by pushing Russia toward a peaceful solution.

Ms. von der Leyen warned that China would suffer "major reputational damage" among the European public and business community if it stayed on the fence or sided with Moscow over Ukraine.

China's official Xinhua News Agency issued a summary of the virtual meeting between Mr. Xi and the EU leaders even while the call was still happening, the latest example of Beijing seeking to shape the narrative at a time of mounting questions about its political alignment with Russia during the invasion of Ukraine. A big question is whether Beijing would go beyond its political support for Moscow to provide it with any substantial assistance.

During the meeting, according to Xinhua, Mr. Xi underscored the need for China and the EU to increase communication on their relations and on major issues including the Ukraine war, saying both sides should "play a constructive role in adding stabilizing factors to a turbulent world."

The Chinese leader also urged the EU to "form its own perception of China, adopt an independent China policy, and work with China for the steady and sustained growth of China-EU relations."

Those remarks reflected growing worries among the Chinese leadership that Europe is following the U.S. in adopting an increasingly hardened policy toward China. With its relations with Washington shakier than in decades, Beijing is trying [to salvage its ties with Brussels](#) in a bid to keep the bloc as a buffer against heightened competition with the U.S.

A senior EU official briefed on the call said that while Mr. Li stressed the importance to China of a peaceful outcome of the conflict and called on the EU and China to work together to stabilize the global economy, Beijing made it clear this was primarily a European problem.

However, a second European official said China's leaders did say they were doing more behind the scenes to press for an end to the conflict than was visible. Pressed on what they were doing, they provided no details, the official said.

European officials said that as a permanent United Nations Security Council member and a country with close political ties to Russia, Beijing had a responsibility to defuse the conflict, which they said not only posed a major threat to global order but also undermined global peace and security.

"China supports the EU in playing a primary role, and supports dialogue among Europe, Russia, the U.S. and NATO for a balanced, effective and sustainable security framework in Europe," Mr. Xi said, according to Xinhua.

Europe's relationship with China [has grown increasingly rocky](#) over the past few years, with economic tensions eroding trust and clashes over Hong Kong, human rights and the handling of the coronavirus creating tensions.

Last year, China imposed sanctions on a handful of EU lawmakers, academics and officials after [the EU placed human-rights sanctions](#) on four Chinese officials over the repression in China's majority Muslim Xinjiang region. The clash froze the approval of a China-EU investment agreement that aimed to deepen economic ties.

However, worries about Beijing's longer-term intentions have risen sharply in recent weeks. European officials have warned of a growing authoritarian axis between Beijing and Moscow after [a joint Sino-Russian statement](#) on Feb. 4 called for a reshaping of the international order, opposition to democratic so-called color revolutions and to NATO's expansion.

"China cannot turn a blind eye to Russia's violation of international law," said European Council President Charles Michel. "Any attempts to circumvent sanctions or provide aid to Russia would prolong the war."

But Beijing has continued to oppose Western sanctions on Russia. During Friday's meeting, Mr. Xi called on the international community to "keep creating favorable conditions and environment" for peace talks "rather than add fuel to the fire and aggravate tensions."

Mr. Michel said the EU also raised their concerns about [an economic boycott China has imposed on Lithuania](#), which has also hit European and American companies with Lithuanian suppliers. The EU has lodged a case at the World Trade Organization against Beijing.

The bloc's leaders also raised concerns about the situation with Taiwan, a self-governed democracy China claims is part of its territory, and its potential for undermining international stability.

Write to Laurence Norman at laurence.norman@wsj.com and Lingling Wei at lingling.wei@wsj.com

[EU, China Clash Over Ukraine Conflict](#)

CO	eucmm : European Commission euruno : European Union
NS	gdip : International Relations gvexe : Executive Branch gcat : Political/General News gpri : Politics/International Relations ncolu : Columns gpol : Domestic Politics gvbod : Government Bodies ncat : Content Types
RE	china : China russ : Russia easiaz : Eastern Asia asiaz : Asia belg : Belgium eecz : European Union Countries eurz : Europe uk : United Kingdom ukrn : Ukraine ussrz : CIS Countries weurz : Western Europe apacz : Asia Pacific benluxz : Benelux Countries bric : BRICS Countries chinaz : Greater China devgcoz : Emerging Market Countries dvpcos : Developing Economies eurz : Central/Eastern Europe
IPD	WSJ
IPC	N/EEC
PUB	Dow Jones & Company, Inc.
AN	Document WSJO000020220401ei41002p9

THE WALL STREET JOURNAL.

CLM Oil Markets

SE Markets

HD **Why Are Gasoline Prices So High? [Ukraine-Russia](#) War Sparks Increases Across U.S. Invasion accelerates rise in already climbing prices as national average tops \$4 a gallon**

BY By Scott Patterson and Sam Goldfarb

WC 1,401 words

PD 1 April 2022

ET 23:30

SN The Wall Street Journal Online

SC WSJO

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

U.S. gasoline prices have reached [records above \\$4 a gallon](#), threatening to hamper economic growth, lift already high inflation and cut down on summer road trips.

The reopening economy already had lifted prices from pandemic lows, but the rise turned into a surge after [Russia's invasion of Ukraine](#). Here are the factors driving up prices.

TD

Why are gas prices so high?

Oil prices, already turbocharged by a rebounding economy after a pandemic-induced slowdown, were pushed even higher when Russia's invasion of Ukraine pulled some three million barrels of Russian oil a day from global supplies.

"Putin's invasion of Ukraine has driven up gas prices and food prices all over the world," President Biden said in an April 1 address.

Prices have stabilized somewhat recently, though oil remains near \$100 a barrel, a level that is likely to worsen inflation and curb consumer spending. Mr. Biden, hoping to tamp down petroleum prices, [plans to tap up to 180 million barrels](#) of strategic oil reserves, an unprecedented move the administration hopes will provide temporary relief as U.S. producers move to increase domestic supplies. Other Western nations and their allies have also agreed to release oil from their reserves.

Gasoline prices have hit records as petroleum refiners that had [cut back output as the economy slowed](#) still haven't ramped back up to pre-pandemic levels. The market has lost about one million barrels of daily petroleum-refining capacity since early 2020, when the U.S. was producing about 19 million barrels of refined petroleum a day.

Events in Ukraine caused oil prices to skyrocket, pouring gasoline on what was already a smoldering fire. Brent crude topped \$130 a barrel in early March, and gasoline prices recently hit a record \$4.331 a gallon, putting them up more than 15% from where they stood a month earlier, according to AAA. Prices have fallen slightly from that record, hitting \$4.215 a gallon on Friday, despite the continuing loss of Russian oil.

Speculators betting prices will rise could also drive oil higher.

How has Russia's invasion of Ukraine affected the price of gas?

It caused an almost instantaneous global supply shock. Russia is one of the biggest oil producers in the world. As its [attacks in Ukraine](#) intensified, traders, shippers and financiers shunned Russian oil, removing much of it from the daily global supply.

Western governments have said they are contemplating adding Russia's oil-and-gas supplies to a lengthening list of sanctions. Oil prices shot up again after the U.S. unveiled [a ban on Russian imports](#) of crude oil, certain petroleum products, liquefied natural gas and coal.

Roughly 8% of U.S. imports of crude oil and refined products came from Russia last year.

Are any actions being taken to lower gas prices?

President Biden has said his administration [would release millions of barrels of oil](#) from the U.S. Strategic Petroleum Reserve, which has a capacity of 727 million barrels. However, experts say that is unlikely to move the needle very much on the price of gasoline.

Some state and federal officials are also weighing state and federal gas-tax decreases to ease consumers' pain at the pump. Business groups are pushing back on such moves, saying they could jeopardize infrastructure improvements.

The Biden administration also [has held talks](#), or said it plans to do so, with major oil producing countries about potentially boosting production. [Talks with Venezuela](#), the oil industry of which the U.S. sanctioned in 2019, met opposition from Republicans, as well as some Democrats.

Some Democrats, meanwhile, are [pushing to suspend the federal gasoline tax](#), which amounts to 18 cents a gallon, for the rest of 2022.

Republican lawmakers have called on Mr. Biden to expand domestic oil and natural-gas production in response to high prices. So far, the White House has rejected those entreaties, countering that the oil industry should [drill on the unused federal leases](#) companies already have.

Most oil and gas development in the U.S. occurs on private and state land. The Interior Department said that as of the end of last year, the oil-and-gas industry held more than 9,000 approved federal permits to drill onshore that hadn't been used. Not all of those permits will produce oil, analysts said.

American shale drillers have said there are limits to how much and how quickly they can boost shaky oil supplies due to supply-chain issues, investors wary of overspending, thinning inventories and other problems that constrict growth.

Do political policies and agendas play a role in gas prices?

Yes, though those effects are typically long-term. Oil prices are set on global markets and are largely a factor of supply and demand. However, some governments advocate policies that can impact both.

Germany's government, for instance, [decided to shift away from nuclear power](#) after the Fukushima nuclear disaster in Japan in 2011. That meant it needed to produce more power from coal and natural gas, making it reliant on [gas shipments from Russia](#).

How do gas prices affect inflation challenges?

U.S. inflation [rose to a 7.9% annual rate in February](#), according to Labor Department data. Gasoline prices, meanwhile, were up a seasonally adjusted 6.6% from the previous month, representing an unadjusted annual increase of 38%.

Rising gas prices—and commodity prices generally—are making a difficult job even harder for Federal Reserve officials, who are aiming to slow already hot inflation without hurting the economic recovery. A key question now facing investors and Fed officials is whether rising energy prices will add to or subtract from inflation in the medium term.

On one hand, higher gasoline prices could spur consumers to cut back on spending, resulting in lower "core inflation," which excludes volatile food and energy items and is what Fed officials tend to care about most. But higher gas prices could also drive consumers to demand better pay, potentially pushing up core as well as "headline" inflation.

Between 2000 and 2019, core inflation tended to decline when energy prices accelerated, analysts at Jefferies LLC wrote in a March report. Over the past two years, however, energy and core inflation have climbed together, "hinting that this time might be different," they wrote.

In contrast to the pre-pandemic economy, many households now are flush with cash, making it easier to absorb higher gas prices. In addition, the labor market is tight, giving workers more bargaining power.

How much oil does the U.S. use?

The U.S. consumed 18.2 million barrels of petroleum a day in 2020—for uses including fueling vehicles, producing electricity and heating—for a total of 6.7 billion barrels for the whole year, according to the Energy Information Administration.

However, those figures are skewed because of the pandemic-induced economic slowdown that led to the lowest level of annual consumption since 1995. In 2019, more than 20 million barrels of petroleum were consumed a day in the U.S., according to the EIA.

Why are gas prices in California so high?

The average price of gasoline in California is \$5.882 a gallon, the highest in the country and well above the national average, according to AAA. Nevada and Hawaii were also above \$5 a gallon.

There are a few reasons for the disparity. The state has [strict environmental rules](#) guiding gasoline blends designed to reduce smog that can make Golden State gas pricier. Relatively few sources provide the distinctive blend of gasoline required by the state, driving up the price, according to the EIA. Additionally, state taxes on gasoline in California are higher than in most other states.

Similar reasons can affect gas prices in other areas. State and local taxes can raise prices at the pump. Distance from gasoline supplies and disruptions in services, such as breakdowns at refineries, also can affect prices. Competition is another factor: Places with fewer gas stations tend to have higher prices.

This article may be updated.

Write to Scott Patterson at scott.patterson@wsj.com and Sam Goldfarb at sam.goldfarb@wsj.com

[Why Are Gasoline Prices So High? Ukraine-Russia War Sparks Increases Across U.S.](#)

IN ifosfl : Fossil Fuels | i1 : Energy

NS mmotfl : Motor Fuel Markets | gvio : Military Action | ecat : Economic News | c314 : Pricing | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e51 : Trade/External Payments | gesanc : International Sanctions | gpir : Politics/International Relations | gtrade : Trade Barriers/Restrictions | gvbod : Government Bodies | m14 : Commodity Markets | m143 : Energy Markets | mcat : Commodity/Financial Market News | mcroil : Crude Oil Markets | ncolu : Columns | gcat : Political/General News | c31 : Marketing | gcns : National/Public Security | gdip : International Relations | gpol : Domestic Politics | grisk : Risk News | mcrntg : Crude Oil/Natural Gas Product Markets | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpin : C&E Industry News Filter

RE ukrn : Ukraine | russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | gfr : Germany | namz : North America | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | dach : DACH Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD WSJ

IPC G/FED

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220401ei41005v5

THE WALL STREET JOURNAL.

CLM Risk & Compliance Journal

SE C Suite

HD **Compliance Pros Rethink Use of IP Addresses to Enforce Sanctions Amid [Russia-Ukraine Crisis](#); Experts say IP addresses are susceptible to manipulation and need supporting tools to help ensure sanctions compliance**

BY By Mengqi Sun

WC 952 words

PD 1 April 2022

ET 15:00

SN The Wall Street Journal Online

SC WSJO

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Internet protocol addresses—publicly available location data tied to a device, which can potentially tie a transaction to a particular nation—are expected to become an increasingly important tool for enforcing U.S. economic sanctions.

But concerns abound among compliance professionals that these addresses themselves aren't sufficient to determine where a transaction is coming from and are vulnerable to manipulation by illicit actors.

TD

In the latest effort to enforce sanctions, particularly those related to Russia's invasion of Ukraine, the U.S. Treasury Department has issued guidance for companies offering online services, highlighting the importance of companies' using IP address monitoring as part of their sanctions compliance programs.

Last month the Treasury's Financial Crimes Enforcement Network [issued an alert](#) warning financial institutions and cryptocurrency firms of attempts to evade sanctions, including through transactions coming from or sent to IP addresses located in Russia or Belarus, or from IP addresses already flagged as suspicious. U.S. sanctions bar conducting transactions with individuals or entities in certain jurisdictions, including those in Ukraine's Donetsk and Luhansk regions, which are both under embargo and controlled by Moscow-backed separatists.

The U.S. on Thursday [targeted Russian technology companies](#) and networks that it said helped the Kremlin evade sanctions and procure Western technology.

An IP address, a string of numbers separated by periods, is a publicly available unique identifier for a device on the internet or a local network that contains location information. Although IP addresses in normal circumstances can indicate where online traffic derives from, they are susceptible to manipulation because virtual private networks can conceal the actual location of the user. The demand for VPNs has shot up since late February, particularly in Russia, where demand rose 2,692% between Feb. 24 and March 24, [according to research](#) from review website Top10VPN.com. Russia invaded Ukraine on Feb. 24.

Over the past six months, GeoComply Solutions Inc., which provides geolocation compliance data, saw more than 15 million attempted transactions on its clients' platforms in which users from sanctioned jurisdictions manipulated the IP addresses to appear as if they were located in the U.S., according to Elizabeth Cronan, GeoComply's vice president of government relations.

"Among the host of location data points [GeoComply looks at], IP addresses are the weakest and least reliable and most receptive to manipulation," she said.

Another issue with using IP addresses to apply sanctions is that they aren't precise enough because they display locations on a larger regional level rather than a territorial one, which can make it difficult to

carve out specific areas such as the Russia-backed regions of Donetsk, Luhansk and Crimea in Ukraine, which all face [targeted U.S. sanctions](#).

Despite the fact that IP addresses are considered by many as unreliable indicators for the origin of online traffic, companies run risks of penalties when they don't screen IP addresses for those in areas under sanction. Digital asset company BitGo Inc. in 2020 paid more than \$98,800 to the U.S. Treasury Department's Office of Foreign Assets Control to settle allegations it violated multiple sanctions programs, including those against Crimea. The settlement, while relatively small, made it clear that OFAC expects companies to consider IP address geolocation data when assessing whether their online customers are located in sanctioned jurisdictions, Robert Slack, a partner at law firm Kelley Drye & Warren LLP, wrote.

"OFAC makes sure that an IP address is an important tool to detect where the customers are based at, but software engineers would say someone can mask an IP address to hide their location," Jacob Osborn, a partner at law firm Goodwin Procter LLP who specializes in sanctions and technology, said.

Companies are using services that can provide more precise location information to bridge that gap. GeoComply, for example, determines where a person is truly located by taking and verifying the authenticity of a range of data points, including Wi-Fi data and signals, as well as Global Positioning System and cellular data, according to Ms. Cronan.

Mr. Osborn, who has been advising software firms on sanctions compliance issues, compiled a list of postal codes connected to the Donetsk and Luhansk regions from the Ukrainian postal office a day before the postal service's website for these regions was taken down, he said. He advises companies to incorporate other tools into their know-your-customer onboarding process, such as asking for phone numbers, company names and email addresses.

Crypto exchange Bittrex Inc. added a list of location attribution data tied to the Donetsk and Luhansk regions to its database of areas it prohibits transactions from to ensure they are filtered and screened and blocked when required, according to Michael Carter, the firm's chief compliance officer. The firm also added a compilation of the towns and cities, including their postal codes and the different spellings and translations of locales in the region, to their back-end screening.

Mr. Carter said the IP addresses in those areas are a bit more difficult to track and monitor, and that is why the firm uses other layers of protection to ensure locations aren't on the sanctions blacklist, including asking for identification documents from customers.

"IP addresses alone are not a control that should exist on its own as a form of reliance for blocking or screening certain regions," he said.

Write to Mengqi Sun at mengqi.sun@wsj.com

[Compliance Pros Rethink Use of IP Addresses to Enforce Sanctions Amid Russia-Ukraine Crisis](#)

CO	usdtr : United States Department of the Treasury
IN	i3302 : Computers/Consumer Electronics icph : Computer Hardware iint : Online Service Providers itech : Technology icomp : Computing
NS	gesanc : International Sanctions e51 : Trade/External Payments ecat : Economic News gpir : Politics/International Relations gtrade : Trade Barriers/Restrictions gvtre : Finance/Treasury Department ncolu : Columns gcat : Political/General News gdip : International Relations gpol : Domestic Politics gvbod : Government Bodies gvexe : Executive Branch ncat : Content Types
RE	ukrn : Ukraine russ : Russia asiaz : Asia crimea : Crimea easiaz : Eastern Asia eurz : Europe namz : North America uk : United Kingdom usa : United States ussrz : CIS Countries apacz : Asia Pacific bric : BRICS Countries devgcoz : Emerging Market Countries dvpcoz : Developing Economies eurz : Central/Eastern Europe weurz : Western Europe
IPD	Wires
IPC	G/TRE
PUB	Dow Jones & Company, Inc.
AN	Document WSJO000020220401ei41000ur

SE Daily
HD As Oil Briefly Dips Below \$100, **Russia** and Europe Play a Game of Chicken
WC 1,873 words
PD 1 April 2022
ET 16:10
SN Barron's Online
SC BON
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

U.S. oil prices briefly dipped below \$100 barrel Friday, as President Joe Biden's plan to release one million barrels a day of reserves began to have the desired effect.

But it's premature to start thinking it's the beginning of the end of higher prices, or even volatility.

TD

Biden intervened where the Organization of the Petroleum Exporting Countries and Russia didn't, as the group of major oil producers [stuck to its modest oil output increase](#) for May on Thursday. If OPEC didn't help at \$110 a barrel last month, it's safe to assume it isn't going to help at all.

The group said, perhaps significantly, that "current volatility is not caused by fundamentals, but by ongoing geopolitical developments."

That implies that the impact of Biden's massive release of oil reserves could be overshadowed in a heartbeat.

The warning signs are certainly there. Russian President Vladimir Putin said on Thursday Russia will cut off gas supplies to "unfriendly" countries unless they start paying in rubles. That would spell trouble for Europe, as Russian natural gas accounted for close to 40% of the European Union's total gas consumption last year.

European natural-gas prices rose as a result, although gas still flowed into Europe early Friday, according to [reports](#). It's a reminder of the delicate nature of energy markets and raises the prospect of Russia retaliating to sanctions.

While the U.S. isn't directly affected by Russia's threat, the nature of global commodities markets means one country's issue is everyone's issue. At a time of heightened inflation, the standoff is just one more worry.

—Callum Keown

*** Join MarketWatch financial crime reporter Lukas Alpert today at noon as he talks to Ben Carlson, the director of institutional wealth management at Ritholtz Wealth Management and the author of "Don't Fall for It: A Short History of Financial Scams," about the business lessons that can be learned from some of the biggest frauds in history. [Sign up here.](#)

Biden Prods Oil Companies in Fight to Cut Fuel Prices

Biden [criticized](#) U.S. oil-and-gas companies for prioritizing shareholders over consumers, pointing to the industry's nearly \$80 billion in profit last year. He announced a "use-it-or-lose-it" policy that will make oil producers pay for sitting on unused wells.

* There are 9,000 approved-but-unused drilling permits on 12 million acres of federal lands, though some oil companies have announced plans to raise production. Charging for unused leases would increase costs on top of inflation, said Tyler Glover, CEO of Texas Pacific Land Corp.

* Biden confirmed he will release 180 million barrels of oil from the Strategic Petroleum Reserve—one million barrels a day for the next six months, starting in May. The U.S. is waiting to see how much oil other countries release.

* The price of regular unleaded gasoline averages \$4.22 a gallon. Biden said prices could drop 10 cents to 35 cents a gallon in coming days. Andrew Lipow, president of Houston consulting firm Lipow Oil Associates, told [MarketWatch](#) the savings might be between 5 and 10 cents a gallon.

* The Organization of the Petroleum Exporting Countries and allies including Russia approved prior plans to increase oil output by 432,000 barrels a day in May. Biden has called on OPEC members to increase production, while banning Russian oil imports.

What's Next: RBC Capital Markets found fuel demand isn't waning, despite higher prices. California Gov. Gavin Newsom proposed \$400 payments to all vehicle owners, regardless of income, for up to two cars, and Mayor Lori Lightfoot said Chicago will distribute \$150 prepaid gas cards.

—Janet H. Cho

What to Watch on Jobs Friday

Economists [expect the U.S. economy](#) to have added 477,500 jobs in March, as the labor market continued to tighten and employers competed for talent, bringing more workers in from the sidelines as the Covid-19 pandemic ebbs.

* The unemployment rate is expected to fall to 3.7%, down from 3.8% in February, and would leave the jobless rate only slightly above its prepandemic low of 3.5%, where it stood in February 2020.

* Hourly wages are expected to rise 0.4% in March from February, marking a sizable increase from the sluggish 0.03% growth the month before. That would put wage growth at a 5.5% annual pace, as employers hike pay to lure in workers and more employees demand raises to keep up with rising inflation.

* The jobs report will be closely monitored by the Federal Reserve, which is expected to boost interest rates many times in 2022 and 2023 to curb the steep increase in consumer prices.

What's Next: The central bank will be keeping a close eye on the strength of the labor market as it prepares this monetary policy shift. A strong jobs report could strengthen the case for higher interest rates.

—Joe Woelfel and Megan Cassella

Metaverse Could Become a \$13 Trillion Market by 2030

The metaverse economy, encompassing virtual worlds such as gaming and virtual reality as well as smart manufacturing, online events, and digital currency, could become an [\\$8 trillion to \\$13 trillion](#) total market by 2030, Citi said in a research report. That would make it 1% of the \$128 trillion global economy.

* Even though investments tied to the metaverse have been underperforming, Citi said the metaverse could see five billion unique internet visitors by the end of the decade, driving trillions of dollars in revenue.

* Metaverse gaming companies include Fortnite maker Epic Games, Roblox, Ubisoft Entertainment, and Microsoft, which owns Minecraft.

* Citi is the latest banking giant to call the metaverse and web 3.0 a multi-trillion-dollar opportunity. Goldman Sachs in December valued the metaverse at \$12.5 trillion, an outlook that assumes one-third of the digital economy becomes virtual and then expands another 25%.

* Chip maker Nvidia's vision for the "omniverse," including industrial applications and artificial-intelligence innovations, remains a key part of analysts' optimism for its stock, which jumped 103% over the past year. Shares of Roblox, a platform for building and experiencing virtual worlds, have plummeted 31% over the past year.

What's Next: MKM Partners analysts note Roblox's more-than-50 million daily active users, largely in the 5-to-24 age group. They think the platform's long-term total addressable market is one billion people, though their medium-term estimate is 180 million people.

—Jack Denton and Janet H. Cho

New Series on Streaming Platforms in April

Streaming platforms Apple TV, HBO Max, Netflix, and Hulu are all launching new series and bringing back audience favorites for April ahead of the Emmys, [MarketWatch](#) reported. Five of the 10 films nominated for the best picture Oscar this year came from streaming services.

* Apple, whose CODA won the best picture Oscar, will show Slow Horses, a British spy series adapted from Mick Herron's novels; Roar, a darkly comic anthology series starring Nicole Kidman; and Pachinko, a multigenerational miniseries based on Min Jin Lee's novel.

* WarnerMedia's HBO Max has Barry, starring Bill Hader as a hit man trying to become an actor; The Flight Attendant, about an alcoholic in a murder mystery; and Julia, a series about TV cook Julia Child. Netflix has Russian Doll, a comedy about time-loopers, and the fourth season of dark crime drama Ozark.

* Hulu, co-owned by Walt Disney and Comcast's NBCUniversal, has The Kardashians, a reality series that picks up where Keeping Up with the Kardashians left off, and Under the Banner of Heaven, a drama miniseries starring Andrew Garfield based on the Jon Krakauer book.

* Amazon.com's Prime Video has supernatural Wyoming Western series Outer Range, and A Very British Scandal, about the public divorce of the Duke and Duchess of Argyll. Disney has Moon Knight, a darker, scarier and stranger Marvel superhero series.

What's Next: World Wrestling Entertainment is now producing fictional TV shows, including Spanish-language comedy Contra las cuerdas (Against the Ropes), about an aspiring female wrestler. Contra, which is currently in production, is slated to debut on Netflix in Mexico.

—Janet H. Cho

These Tech Stocks Just Had Their Worst Quarter Ever

Investors punished tech stocks during the first three months of 2022, resulting in the [worst quarter](#) in history for a dozen S&P 500 stocks. The S&P 500 fell 4.9% over the past three months, snapping a seven-quarter winning streak. The Nasdaq is down 9.1%.

* Half the stocks that had their worst quarterly percentage declines as tracked by Dow Jones Market Data Group are tech companies: Etsy, PayPal, Facebook parent company Meta Platforms, Keysight Technologies, Match Group, and Charter Communications.

* The 12 stocks combined to lose \$494.19 billion in market value. The bulk of that came from Facebook, which dropped more than \$300 billion in valuation as investors chopped off roughly a third of its stock price, MarketWatch reported.

* A change to Apple's mobile operating system slammed Facebook advertisers. Other social-media stocks also took a hit for the quarter, with Twitter dropping 10%, Snap falling more than 20% and Pinterest falling 30%.

* Other tech stocks had bad quarters but not record-setting ones. Netflix fell 37.8%, its worst quarterly performance since the second quarter of 2012, while Adobe fell 19.7%, its worst since the third quarter of 2011.

What's Next: Charter benefited when people had to stay home during the pandemic, but now it's seeing a slowdown in broadband subscriber growth and is looking to the wireless business for its next big opportunity.

—Liz Moyer

Do you remember this week's news? Take our quiz below about this week's news. Tell us how you did in an email to thebarronsdaily@barrons.com.

1. Which streaming service became the first to win best picture, for the feel-good movie CODA, at this year's Academy Awards?

a. Netflix b. Apple+ c. Hulu d. Paramount+

2. Which company indicated in a regulatory filing that it will seek to split its highly priced stock?

a. Tesla b. Berkshire Hathaway c. Chipotle Mexican Grill d. AutoZone

3. What is included in Biden's proposed \$5.8 trillion budget?

a. An increase in military spending b. An increase in funding for law enforcement c. A 20% minimum tax on the wealthiest Americans d. All of the above

4. Which insurer is spending about \$5.4 billion to buy LHC Group, one of the country's largest home-health companies?

a. CVS Health b. Humana c. UnitedHealth Group d. Anthem

5. The Mortgage Bankers Association reported that credit availability rose to its highest level since last May. What steps are bankers taking to boost business?

a. Expanding product offerings b. Relaxing some borrower eligibility requirements c. A but not B d. A and B

Answers: 1([b](#)); 2([a](#)); 3([d](#)); 4([c](#)); 5([d](#))

—Barron's Staff

—Newsletter edited by Liz Moyer, Camilla Imperiali, Steve Goldstein, Rupert Steiner

[As Oil Briefly Dips Below \\$100, Russia and Europe Play a Game of Chicken](#)

CO	opexpc : Organization of the Petroleum Exporting Countries
IN	ifosfl : Fossil Fuels i1300003 : Crude Petroleum Extraction i1 : Energy i66 : Lodgings/Restaurants/Bars ilea : Leisure/Arts/Hospitality itourm : Tourism i13 : Crude Oil/Natural Gas Upstream Operations iextra : Natural Gas/Oil Extraction
NS	c21 : Output/Production ccat : Corporate/Industrial News m143 : Energy Markets cexpro : Products/Services m14 : Commodity Markets mcat : Commodity/Financial Market News ncat : Content Types nfact : Factiva Filters nfce : C&E Exclusion Filter
RE	russ : Russia usa : United States asiaz : Asia easiaz : Eastern Asia eurz : Europe namz : North America ussrz : CIS Countries apacz : Asia Pacific bric : BRICS Countries devgcoz : Emerging Market Countries dvpcoz : Developing Economies eeurz : Central/Eastern Europe
IPD	The Barron's Daily
IPC	AAPL
PUB	Dow Jones & Company, Inc.
AN	Document BON0000020220401ei410018h

THE WALL STREET JOURNAL.

CLM CFO Journal
SE C Suite
HD **Some Companies Put M&A on Hold Amid Russian War on [Ukraine](#); The conflict is pushing some companies to abandon planned deals or take more time to analyze them**
BY By Kristin Broughton
WC 983 words
PD 1 April 2022
ET 15:00
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Companies are scrapping planned mergers in Europe or taking more time to analyze potential deals as the Russian war on Ukraine puts a damper on what is otherwise expected to be a robust year for acquisitions.

A handful of European companies, including U.K.-based Spectris PLC, a measurement-device company, and Gett, a corporate-transportation company, called off prospective deals following the Russian invasion in late February, citing market uncertainty.

TD

The conflict also is affecting deals in earlier stages, prompting some acquirers to stay on the sidelines, at least temporarily, as they assess the impact of rising energy prices, or conduct additional fact-finding about a target's operations, mergers and acquisitions executives said.

Global deal making [hit record levels in 2021](#) as companies took advantage of low interest rates and a surge in private-equity fundraising to expand their businesses through M&A. While the conflict in Ukraine hasn't affected global M&A on a large scale, it has prompted some acquirers, particularly those looking at targets in Europe, to conduct additional due diligence or question whether transactions are worth the legal or financial risk, executives at Foley & Lardner LLP, White & Case LLP, Paul, Weiss, Rifkind, Wharton & Garrison LLP, Paul Hastings LLP, Liberty Mutual Insurance and MC Square Capital LLC said.

Companies through March 29 withdrew European M&A transactions worth \$147.1 billion, or 31% more compared with the prior-year period, according to Dealogic, a financial data provider. The increase was driven by large withdrawals before the Russian invasion, including Unilever PLC's decision in January not to raise its \$68 billion offer for GlaxoSmithKline PLC's consumer healthcare business, effectively [walking away from the potential deal](#), as well as Nvidia Corp. and SoftBank Group Corp.'s decision to [terminate their planned \\$40 billion deal](#) for the U.S. semiconductor company to acquire buy chip-design firm Arm.

Transportation company Gett said on March 11 it would exit operations in Russia as part of an agreement with Rosecliff Acquisition Corp. I, a special-purpose acquisition company, to terminate their planned merger. "After careful consideration and review, we felt that exiting the Russian market was the correct thing to do," Chief Executive Dave Waiser said in the release. The SPAC deal, announced in November, [valued Gett at about \\$1.1 billion](#). Gett's business in Russia accounted for less than 14% of the company's direct gross profit in the fourth quarter, it said in the March 11 press release. It didn't disclose its total gross profit in the release.

For Spectris, the timing of the company's planned takeover of scientific-tool company Oxford Instruments PLC wasn't right, even though the strategic benefit of the deal continued to make sense, Spectris Chief Executive Andrew Heath said in a March 7 statement. "The appalling events in Ukraine are extremely distressing," Mr. Heath said in the statement.

Spectris declined to comment beyond its statement, and Oxford didn't respond to a request for comment.

Some acquisitions of European companies are taking longer to close than before the Ukraine conflict, in part because of concerns about rising commodity prices, but also because of the impact of stock market volatility on deal valuations, said Krishna Veeraraghavan, a partner in the M&A practice at the law firm Paul, Weiss, Rifkind, Wharton & Garrison. "For those types of deals, you are seeing the counterparties taking a step back and just waiting for the waters to calm down," Mr. Veeraraghavan said.

Companies looking to buy businesses with significant operations in Russia also need to steer clear of U.S. and European sanctions, lawyers said. Deal makers have pulled or paused deals in Russia because of the legal, reputational and financial risks, said Rowan Bamford, president of the M&A insurance team at Liberty Global Transactions Solutions, an insurance firm. "This extends to there being a Russian connection through the acquirer, target or even if a company has a large Russian supplier," Mr. Bamford said.

MC Square Capital LLC, a Greenwich, Conn.-based investment firm that is looking to make a minority investment in a private manufacturing company in southern Europe, has decided instead to hold off as it conducts an assessment about the effect of rising energy prices on the target company's future profitability.

"With time, we should be able to assess whether it's a good deal, whether we should bid at a certain level—or frankly bid at all," said Marino Marin, managing principal at MC Square Capital. The company, whose name and headquarters city he declined to share, doesn't have direct ties to Ukraine or Russia, but has been affected by [rising natural-gas prices](#) in Europe.

The total value of European M&A deals this year through March 29 declined 18% compared with the same period last year, to \$213.1 billion, but was higher than the prior two years, according to Dealogic. Globally, M&A deals have declined 29%, to \$913.5 billion, Dealogic said.

Some technology companies are also hitting roadblocks in merger discussions because their targets rely on [software developers that are based in Ukraine or Russia](#), lawyers said.

Michael Okaty, a partner at the law firm Foley & Lardner, said his firm is working on a transaction with a technology company, which he declined to name, that may not proceed because the seller relies significantly on software developers in Russia.

"It requires heightened diligence," such as assessments of whether operations can continue if employees need to be transported, or if the work can be done elsewhere, he said.

Write to Kristin Broughton at Kristin.Broughton@wsj.com

[Some Companies Put M&A on Hold Amid Russian War on Ukraine](#)

CO	firey : Spectris PLC
IN	iindele : Industrial Electronics iindstrls : Industrial Goods itech : Technology i3442 : Environmental Control Systems
NS	cacqu : Acquisitions/Mergers c181 : Acquisitions/Mergers/Shareholdings ccat : Corporate/Industrial News c17 : Corporate Funding cactio : Corporate Actions ncolu : Columns c18 : Ownership Changes ncat : Content Types nfact : Factiva Filters nfcpin : C&E Industry News Filter
RE	russ : Russia ukrn : Ukraine asiaz : Asia easiaz : Eastern Asia eurz : Europe uk : United Kingdom ussrz : CIS Countries apacz : Asia Pacific bric : BRICS Countries devgcoz : Emerging Market Countries dvpcoz : Developing Economies eeurz : Central/Eastern Europe weurz : Western Europe
IPD	Wires
IPC	9984.TO
PUB	Dow Jones & Company, Inc.
AN	Document WSJO000020220401ei41000um

WSJ Podcasts

CLM WSJ Podcast Minute Briefing

HD **Russia Hands Back Chernobyl Nuclear Plant to Ukraine**

WC 299 words

PD 1 April 2022

ET 15:36

SN WSJ Podcasts

SC WSJPOD

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Chinese stocks close out their worst quarter since 2015. Plus, Kinder Morgan-backed Ruby Pipeline files for bankruptcy. Luke Vargas hosts.

[Click here to listen to the podcast](#)

TD

Luke Vargas: Here is your morning brief for Friday, April 1st. I'm Luke Vargas for the Wall Street Journal.

Russian forces have transferred back control of the Chernobyl nuclear power plant to Ukrainian authorities. That's according to the international atomic energy agency, the Ukrainian state nuclear company, Energoatom, and plant workers. The Russian pullback ends a five week occupation of the plant, which was the site of the world's worst nuclear accident in 1986. Talks between Russian and Ukrainian negotiators are set to resume today according to Ukrainian officials.

Chinese stocks have suffered their worst quarter since 2015 as the country struggles to boost consumer confidence and keep the economy humming. The CSI 300 Index, which consists of the largest companies listed in Shanghai and Shenzhen lost nearly 15% in the three months to March 31st while the 500 stock Shenzhen component index dropped 18%.

And Houston based natural gas pipeline company, Ruby Pipeline, has filed for bankruptcy. The company, which is backed by Kinder Morgan, wasn't expected to repay roughly \$475 million of senior bond notes due today according to Fitch ratings. US pipelines have been challenged recently by cheap Canadian gas.

Markets in Asia ended mixed and European shares are up in early trading. In the US investors will be watching the March unemployment report due out later today. We have a lot more coverage of the day's news on the WSJ What's News podcast. You can add it to your playlist on your smart speaker or listen and subscribe wherever you get your podcasts.

CO knng : Kinder Morgan Inc

IN i1 : Energy | i16 : Electricity/Gas Utilities | i16101 : Electric Power Generation | i1610109 : Nuclear Power Generation | iutil : Utilities | ieutil : Electric Utilities | i1300006 : Pipeline Transportation | ifosfl : Fossil Fuels | imidstr : Oil/Natural Gas Midstream Operations

NS naudvl : Audio-visual Links | ntra : Transcripts | m11 : Equity Markets | ncolu : Columns | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpx : C&E Executive News Filter | niwe : IWE Filter

RE ukrn : Ukraine | china : China | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | russ : Russia | uk : United Kingdom | ussrz : CIS Countries | guang : Guangdong | apacz : Asia Pacific | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Shanghai Shenzhen 300 Index

IPC I/EGU

PUB Dow Jones & Company, Inc.
AN Document WSJPOD0020220401ei410005I

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Inside an 11-Year-Old's Solo Escape From Ukraine; Alhasan Alkhalaf traveled hundreds of miles in three days from southeastern Ukraine to Slovakia**
BY By James Marson | Photographs by Michaela Nagyidaiová for The Wall Street Journal
WC 1,505 words
PD 1 April 2022
ET 07:58
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BRATISLAVA, Slovakia—A decade ago, Yulia Pisetska fled Syria's war to her native Ukraine with a 1-year-old baby in her arms. When war returned to her doorstep, as [the Russian army](#) closed in and fighting threatened [a nearby nuclear-power plant](#), she knew it was time to once again evacuate her son, now 11.

But how? She couldn't leave her elderly mother, stricken by dementia. Three of her other children, all teenagers, had already fled to Slovakia, where another brother, age 20, was studying. So Ms. Pisetska saw only one option: Alhasan, her youngest boy—who rarely left her side—would have to go it alone.

TD

"Better for him to be not with me but alive," 53-year-old Ms. Pisetska recalled thinking. "I had already given up on myself, but I wanted him to live."

Alhasan Alkhalaf—known to his family as Hasan—set out on a three-day solo trip from the southeastern city of Zaporizhzhia. The trip's success relied on a carefully laid plan, the goodwill of volunteers and border guards and the wits of a small boy bearing a ready smile, a plastic bag containing his documents and his brother's name and telephone number scribbled on his left hand.

Hasan is one of just over [four million Ukrainians who have fled abroad](#) from Russia's invasion, the largest movement of refugees since World War II.

[The Russian invasion](#) didn't immediately reach Zaporizhzhia, an industrial city of some 750,000 on the Dnipro River. Air-raid sirens in the first couple of days turned out to be largely false alarms. But the trips to the cold cellar in their apartment building with her children brought back bad memories for Ms. Pisetska.

She and her family had lived in Syria for around a decade when heavy fighting broke out in 2012 around Aleppo, where they had just bought an apartment. Her husband, a pharmacist who ran a charity for the needy, went out one day with his medical bag, apparently to treat civilians injured in clashes. He never returned.

Fighting intensified. With no cellar to hide for cover, the children would curl up under their duvets during shelling. Ms. Pisetska recalls seeing a gunman firing a rifle from a helicopter as it circled their building.

They escaped on a Ukrainian military plane in August 2012, passing burned-out cars and houses turned to rubble on their way to the airport in Aleppo. "It was like watching an angel land," she recalls of the plane.

Ms. Pisetska and her children returned to her parents' one-bedroom apartment in Zaporizhzhia. Times were tough. There was so little space that some of them slept under the dining table, and Ms. Pisetska worried social services would try to take the children away from her. The whole family lived on social payments worth some \$500 a month, plus a bit more that she brought in through odd jobs. The children recall most meals consisting of little more than buckwheat or potatoes.

"No one went hungry," said Ms. Pisetska, "but we counted every cent."

The children were bright. They supplemented their Arabic with Russian and Ukrainian and studied English through a U.S. State Department program. They won places at an elite school in Zaporizhzhia, where classmates were surprised to learn they only had one laptop to crowd around for distance learning during the coronavirus pandemic. And they were close, said Ms. Pisetska, "like a pack of wolf cubs."

Zakariia, the eldest son, known as Zak, always led the way. In 2019, he won a scholarship to study biology in Bratislava, the capital of Slovakia, a European Union member. He soon learned Slovak, moved into a one-bedroom apartment with his girlfriend and worked odd jobs to make extra cash.

Things were looking up for the family. Ms. Pisetska had been diagnosed with cancer but surgery was successful, and her long hair grew back. Relatives chipped in to help her buy an apartment.

SHARE YOUR THOUGHTS

What do you think will be the human cost of the war in Ukraine? Join the conversation below.

Then [Russia invaded](#) on Feb. 24. Ms. Pisetska recalled her greatest fear: not shelling, but being surrounded and not allowed out, like when they were in Syria. "We have freedom. We choose how we live," she said. "We don't want to live in Russia."

So she decided to send the three teenagers—17-year-old Kinana, 16-year-old Luna and 15-year-old Mukhammed—to their brother in Bratislava. Hasan would stay, since border crossing rules prevented anyone under 16 from crossing without a parent. The family hoped Mukhammed would be allowed to cross, and if not, that he would be street-smart enough to make his way back to Zaporizhzhia alone.

All three made it after an exhausting three-day journey across the country before finally reaching Bratislava, where they called their mom: The route was passable, they told her, even for Hasan, with the right guidance.

Ms. Pisetska hesitated. Hasan was her youngest and had never made a trip on his own, even to summer camp. Zak pressed her, recalling his own leadership at Hasan's age when they were leaving Syria. "Why don't you believe in Hasan?" he asked her.

Then, by early March, the Russian army advance had reached the nuclear-power plant near Zaporizhzhia, and Ms. Pisetska decided enough was enough.

She took Hasan to the station early the next morning and loaded him onto the train with the words: "I love you and I'll see you soon." She also told him: Don't play games on your cellphone as it will drain the battery.

An acquaintance agreed to keep an eye on him as far as Lviv, but then he would be on his own.

More than 24 hours passed slowly on the crowded train, which crawled its way west, traveling without lights at night to avoid Russian fire. He ate an apple and some snacks. During the night, a woman with a child entered the carriage and Hasan gave up his seat.

He stayed over in Lviv with the family acquaintance, then got a lift to the station with another, who put him on the train to Uzhhorod station in Ukraine's southwest, asking the conductor to keep an eye on him.

Hasan spoke with his sisters on a cellphone that was quickly running out of juice. He told them there were a lot of people but that he was OK. His trembling voice told a different story, recalled Luna, who said he sounded close to tears. But he put on a brave face, telling her "I'm a muzhik," a real man.

It was late evening when the train drew into Uzhhorod. A man who had offered assistance via social media found Hasan and drove him to the border. Ukrainian border guards checked his passport and let him through. After hearing he was traveling alone, they told him: "You're a cool dude," he recalls.

He approached the Slovak border around midnight, handing over his passport, pointing to the number on his hand, and telling guards there: "It's my brother in Bratislava."

A guard called and woke Zak, who had turned in early to start work at 4 a.m.

After shaking off the fog of sleep, Zak explained it was his younger brother and that he was waiting for him in Bratislava. A volunteer called five minutes later and agreed to drive him six hours to the capital.

Slovak authorities soon publicized the story of Hasan, spurring one Slovak woman to offer to travel to Zaporizhzhia to help bring out Ms. Pisetska and her mother. Ms. Pisetska turned her down, worried the woman might get lost and put herself in danger. But as the Russian army closed in, Ms. Pisetska decided she would risk the journey, too, along with her mother and the family dog. Worries about her journey were also eased by Slovak volunteers who offered to meet them in the Ukrainian city of Chop on the border with Slovakia and bring a wheelchair for her mother.

It was her mother's first time leaving her apartment in years. Even medication didn't calm the elderly woman's anxiety during the trip. But they made it thanks to the additional help. Other volunteers and authorities have since helped the family get set up with an apartment and clothes, as well as open a GoFundMe account. Hasan is already going to school.

The generosity of Slovaks has reminded Ms. Pisetska of her Syrian husband's charity. "Maybe it's his karma returning back to us," she said.

Write to James Marson at james.marson@wsj.com

[Inside an 11-Year-Old's Solo Escape From Ukraine](#)

NS ccat : Corporate/Industrial News | glife : Living/Lifestyle | gtour : Travel | gvio : Military Action | ncolu : Columns | cprdcl : Facility Closures | gcat : Political/General News | c24 : Capacity/Facilities | gcns : National/Public Security | grisk : Risk News | ncat : Content Types

RE ukrn : Ukraine | slvak : Slovakia | asiaz : Asia | brtsl : Bratislava | easiaz : Eastern Asia | eecz : European Union Countries | eurz : Europe | russ : Russia | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD WSJ

IPC G/STD

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v00132

HD **The Ukraine Crisis: OPEC Keeps Russia-Backed Output Plan --- Partnership says it can't stop oil prices from rising, spurns call to increase production**

BY By Summer Said and Benoit Faucon

WC 637 words

PD 1 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

The Organization of the Petroleum Exporting Countries said there is nothing it can do to stop rising oil prices, as it decided again on Thursday to stick with a Moscow-backed production plan that has done nothing to tame the market during the Ukraine war.

In its second meeting since the Kremlin ordered the assault on Ukraine, a partnership between OPEC and a group of Russia-led countries, dubbed OPEC+, declined again to tap into its millions of barrels of remaining capacity to pump more oil. Instead, they agreed to raise their collective oil output by a modest 432,000 barrels a day, rejecting calls from oil-consuming countries to do more.

TD

The reason: Most OPEC+ members are already pumping at their maximum capacity, while Saudi Arabia and the United Arab Emirates -- which have so-called spare capacity to raise their production -- say beefing up output would actually raise prices, not lower them.

"If we do what [Western consumers] are asking for, what's going to happen to the oil prices? It's going to go up," said Suhail Mohamed Al Mazrouei, the Emirati energy minister, in an interview on Tuesday.

The Saudis and Emiratis said this week they won't break up their energy-market alliance with Russia and pump more to help the U.S. and the West in their confrontation with Moscow. Higher oil prices fuel Russia's state revenue and complicate efforts by the U.S. and Europe to exert maximum pressure on Moscow with energy sanctions.

On Thursday, the Biden administration said it plans to tap up to 180 million barrels of government oil reserves to help tamp down near-record fuel prices, an unprecedented government intervention into oil markets in the wake of Russia's invasion of Ukraine. In recent months, U.S. officials say they have stopped asking the Saudis to pump more oil and have instead pressed them to not react in some unexpected way to a petroleum-reserve release, such as by cutting output.

Brent crude, the international oil benchmark, fell 4% to \$107.46 a barrel on Thursday after the plan was reported. West Texas Intermediate, the main U.S. gauge, fell 4.4% to \$103.11 a barrel. Those are the lowest levels in several days but still well above where prices stood before Russia's invasion of Ukraine.

Some analysts have interpreted OPEC's rejection of calls to pump more oil as a decision by Saudi Arabia and the U.A.E. to align themselves more closely with Russia and China after years of partnership with the West.

But OPEC members say the reality is more complicated. They say they have ramped up production by over three million barrels a day after cutting during the pandemic. And those production increases have eaten away at their capacity to pump more oil, OPEC delegates say.

OPEC's spare capacity still stands at 4.19 million barrels a day, including 3.2 million barrels a day from Saudi Arabia and the U.A.E., according to the International Energy Agency, a group that assesses the oil market and advises oil-consuming nations.

OPEC members recall the oil-price spike in 2008, when they added output and it did little to calm the market, said Helima Croft, the chief commodities strategist at Canadian broker RBC. Each time OPEC raised output, investors looked at how its spare capacity was shrinking, giving it less ammunition to respond to a future shortage.

Ms. Croft said it raises the question, "What would happen if [disruptions] get worse and you don't have the barrels?"

[License this article from Dow Jones Reprint Service](#)

CO opexpc : Organization of the Petroleum Exporting Countries

IN i1300003 : Crude Petroleum Extraction | i1 : Energy | i13 : Crude Oil/Natural Gas Upstream Operations | iextra : Natural Gas/Oil Extraction | ifosfl : Fossil Fuels

NS c21 : Output/Production | c314 : Pricing | m143 : Energy Markets | mcroil : Crude Oil Markets | nmajev : Major News Events | ntop : Top Wire News | reqren : Suggested Reading Energy | c31 : Marketing | ccat : Corporate/Industrial News | cexpro : Products/Services | m14 : Commodity Markets | mcat : Commodity/Financial Market News | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC NRG

PUB Dow Jones & Company, Inc.

AN Document J000000020220401ei4100020

HD **The Ukraine Crisis: U.S. Extends Sanctions to Tech, Companies That Helped Evasion**

BY By Ian Talley

WC 442 words

PD 1 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

WASHINGTON -- The U.S. levied sanctions on nearly three dozen Russian companies and individuals that the Treasury Department said are helping Moscow evade the West's economic pressure campaign and aiding the country's defense and intelligence agencies.

Among those blacklisted include Russia's largest microchip manufacturer, Mikron, a firm named Serniya Engineering that Treasury said oversaw a network of companies that procured technology and dual-use goods from abroad for the military and intelligence services, and supercomputer company T-Platforms.

TD

The companies were previously identified as sanction targets by The Wall Street Journal. The companies didn't respond to requests to comment.

The Treasury Department said some of the firms named in the Thursday announcement were shell companies set up to evade prior U.S. sanctions.

The U.S. and its European allies say they are entering a new phase of the sanctions campaign against Russia over its invasion of Ukraine, focusing on tightening enforcement and plugging holes.

"We will continue to target Putin's war machine with sanctions from every angle, until this senseless war of choice is over," Treasury Secretary Janet Yellen said.

The Treasury Department said sanctions targeting "harmful foreign activities of the Russian government" would also apply to Russia's aerospace, marine and electronics sectors, enabling it to blacklist any company or individual operating in those sectors.

Together with strict export controls imposed on broad sectors of Russia's economy, officials say the sanctions are intended to degrade the country's growth prospects and undermine the Kremlin's ability to project its power internationally, including waging war to take over Ukraine.

Russia is attempting to use companies not under sanction to sidestep the measures, U.S. officials said. Closing the gaps in the sanctions regime will amplify the economic and financial pressure campaign.

The sanctions freeze any assets the targets hold within U.S. jurisdiction and prohibit U.S. entities -- including foreign companies that have U.S. operations -- from conducting transactions with the targets. Entities found violating the prohibitions risk sanctions themselves.

The sanctions imposed by a coalition of Western nations representing nearly two-thirds of the global economy are crippling Russia's economy. U.S. officials say the campaign could cut Russia's economic growth in half.

Deputy Treasury Secretary Wally Adeyemo, who is meeting with European officials this week, said the allies are "forcing the Kremlin to choose between spending its dwindling resources on propping up its domestic economy or continuing to finance the invasion of Ukraine and other destabilizing activity."

[License this article from Dow Jones Reprint Service](#)

IN ndef : Defense Equipment/Products | i3302 : Computers/Consumer Electronics | iaer : Aerospace/Defense | iindstrls : Industrial Goods | itech : Technology

NS gesanc : International Sanctions | gvtre : Finance/Treasury Department | ecat : Economic News | c13 : Regulation/Government Policy | gtrade : Trade Barriers/Restrictions | nmajev : Major News Events | ntop : Top Wire News | cinfpo : Information Technology Policy | ccat : Corporate/Industrial News | e51 : Trade/External Payments | gcat : Political/General News | gdip : International Relations | gpir : Politics/International Relations | gpol : Domestic Politics | gvbod : Government Bodies | gvexe : Executive Branch | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis

RE ukrn : Ukraine | russ : Russia | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220401ei410001z

HD **The Ukraine Crisis: Putin Presses Gas Payments in Rubles**

BY By Matthew Luxmoore and Caitlin Ostroff

WC 458 words

PD 1 April 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russian President Vladimir Putin said the country will halt gas deliveries to buyers from "unfriendly states" unless they switch to payment in rubles.

On flagship news channel Rossiya 24, Mr. Putin said all such buyers of Russian gas would have to open ruble accounts in Russian banks, from which the funds for the gas purchases would be made.

TD

"If such payments aren't carried out, we will consider this a violation of responsibilities on the part of buyers," he said. "All existing contracts will be halted." The new policy takes effect Friday.

Mr. Putin's decree, first announced last week and signed Thursday, caused a rally in the ruble after weeks of depreciation amid capital flight and an exodus of Western companies from Russia against the backdrop of the sanctions.

The Russian ruble strengthened close to its pre-invasion level against the dollar Thursday -- a byproduct of the central bank's tight control over the currency. Also at play, a possible surge of quarter-end payments for Russia's commodity exports.

The quick rebound of the ruble surprised some who expected that Western sanctions targeting Russia's financial system would cause prolonged weakness in the currency.

On the eve of Russia's invasion of Ukraine, the ruble traded at 81 to the dollar. By early March, it tumbled past 150 before strengthening in recent days. One dollar bought 82 rubles in international trading Thursday and 83 rubles in Russian domestic markets.

The ruble's ricochet occurred after Russia capped the amount of dollars that residents can withdraw from foreign-currency bank accounts and barred banks from selling foreign currencies to customers for six months. The central bank also doubled interest rates to 20% to keep rubles in the banking system.

Western sanctions capped the Russian central bank's ability to sell its reserves denominated in dollars and euros to support the ruble's value. But carve-outs in the sanctions allow Europe to continue buying Russian energy and ensured dollars and euros continue to flow. Russia ordered its exporters, such as oil-and-gas companies, to sell 80% of their foreign-currency revenues and buy rubles, helping the currency appreciate.

One possible factor for the ruble's strength in recent days: Energy payments are often made at the quarter-end. Companies also tend to convert foreign currencies into rubles to pay taxes at month and quarter end, said analysts at Renaissance Capital. Charlie Robertson, Renaissance's global chief economist, said the ruble's strength isn't necessarily a sign that Russia's economy is healing nor a sign that sanctions aren't having an effect.

[License this article from Dow Jones Reprint Service](#)

NS mcat : Commodity/Financial Market News | mnatgs : Natural Gas Markets | nmajev : Major News Events | ntop : Top Wire News | m14 : Commodity Markets | m143 : Energy Markets | ncat : Content

Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfce : C&E Exclusion Filter | redit :
Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market
Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz :
CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220401ei410001y

HD The **Ukraine Crisis: NATO Nations Pledge More Military Outlays**

BY By Daniel Michaels

WC 533 words

PD 1 April 2022

SN The Wall Street Journal

SC J

PG A9

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BRUSSELS -- NATO members outside the U.S. are set to boost their military spending following Russia's invasion of Ukraine, according to alliance Secretary-General Jens Stoltenberg and pledges from member countries.

The North Atlantic Treaty Organization's 30 countries have in the past year increased their military spending by roughly 2% overall, according to the alliance's annual report released Thursday. Of NATO members' roughly \$1 trillion in total military spending this year, the U.S. accounts for almost 70%.

TD

The other 29 states are gradually increasing spending, but most are still lagging behind their commitments. Following Russia's seizure of Crimea from Ukraine in 2014, NATO members pledged to spend at least 2% of their gross domestic product on defense by 2024.

Only eight countries, including the U.S., already cross the 2% threshold, according to NATO's report, a decline from the previous annual report, in which 11 countries met the target. The percentages are subject to changes in both defense budgets and to economic activity, which has been buffeted by the coronavirus pandemic over the past two years.

But Germany and other countries that fall short have recently announced new plans to increase military spending following Russia's invasion of Ukraine on Feb. 24.

"I think what we see now . . . across the alliance is a new sense of urgency," said Mr. Stoltenberg. A former Norwegian prime minister, Mr. Stoltenberg said it is hard for governments to allocate more money for defense. "But when we see a new security reality, we all realize the need to invest in our security," he said.

Mr. Stoltenberg said NATO members would soon submit new spending plans in preparation for a summit in June in Madrid.

NATO military spending hit a post-Cold War low around 2014, even as its membership grew. After Russia occupied Crimea and fomented rebellion in Ukraine's east, NATO members began rebuilding the alliance's defenses, particularly along its eastern edge. Member countries started rotating troops through Poland and the Baltic states, which border Russia and Belarus, a Moscow ally.

While the alliance strengthened its military posture, its political direction drifted amid internal disputes and criticism from former President Donald Trump. Mr. Trump savaged European members for failing to meet their spending commitments, declined to endorse the alliance's core mutual-defense pledge and obliquely threatened to pull the U.S. from NATO.

President Biden has repeatedly stressed the U.S.'s commitment to the alliance, most recently at a summit at its headquarters last week and on a visit to Warsaw.

German Chancellor Olaf Scholz's announcement in February that Germany would shed years of reticence about military spending and soon exceed NATO's 2% target set a new tone for defense-budget discussions in the alliance. Germany currently spends less than 1.5% of its GDP on defense, according to NATO's report. Since the country has Europe's largest economy, an increase in

military spending of more than 0.5 percentage point of its GDP would make a significant difference in NATO's total European outlays.

[License this article from Dow Jones Reprint Service](#)

CO nato : North Atlantic Treaty Organization

NS gvio : Military Action | ecat : Economic News | gweap : Weapons Programs | gdip : International Relations | nmajev : Major News Events | ntop : Top Wire News | gcat : Political/General News | gcns : National/Public Security | gdef : Armed Forces | gpir : Politics/International Relations | grisk : Risk News | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE ukrn : Ukraine | russ : Russia | brus : Brussels | crimea : Crimea | usa : United States | asiaz : Asia | belg : Belgium | benluxz : Benelux Countries | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries | weurz : Western Europe

IPC EXE

PUB Dow Jones & Company, Inc.

AN Document J000000020220401ei410001x

HD The Ukraine Crisis: Drones Evade West's Air Defense

BY By Bojan Pancevski

WC 643 words

PD 1 April 2022

SN The Wall Street Journal

SC J

PG A9

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russian and Ukrainian drones that crashed in bordering European countries or entered their airspace have prompted a probe into how to close a gap in NATO's military air defenses.

In a March 10 incident, a large, explosives-laden drone launched from Ukraine lost contact with its operator, flew over two North Atlantic Treaty Organization countries and crashed in Zagreb, Croatia, next to a student dormitory. Four days later, a Russian Orlan-10 reconnaissance and electronic warfare drone went down in Romania -- another NATO member -- after running out of fuel, the Romanian government said. On the same day, another Russian spy drone crossed into Poland from Ukraine, said Ukraine's military.

TD

The drone crash in Croatia, in particular, raises alarms about weaknesses in NATO's air-defense system, said Goran Redzepovic, a senior official with Europe's air-traffic control agency Eurocontrol who formerly served in the Croatian air force.

"Clearly a mistake was made in the procedure, and probably it was because they were unable to classify the flying object," Mr. Redzepovic said.

The NATO countries in the drone's path detected but failed to identify the drone, and none of them scrambled jet fighters to intercept the potentially hostile aircraft, he said.

NATO is investigating the case and has stepped up surveillance flights, said a spokeswoman, adding that NATO systems detected the drone. She declined to comment on why no action was taken to intercept it.

The drone incidents highlight the dangers that Moscow's war in Ukraine presents for civil aviation in Europe. Beyond stray drones, powerful electronic-jamming devices used by the warring parties to disrupt each others' radars, aircraft and missiles are interfering with communications by commercial aircraft.

The European Union Aviation Safety Agency has said that signals from satellite-navigation systems such as the U.S. Global Positioning System and the EU's Galileo were being disrupted in areas surrounding Ukraine and Russia.

A senior EU air-traffic control official said the interference with the signals was caused by NATO, which supports Ukraine in its defense against Russia, as well as by the forces of Moscow and Kyiv.

The incident in Croatia involved a drone that flew more than 300 miles over three NATO member countries for about an hour before crashing. The Soviet-era, jet-powered Tu-141 is normally used as a surveillance craft but this one was equipped with explosives and a fuse, said Croatian investigators.

The drone, whose cruising speed is similar to that of commercial airliners, flew at low altitude when it entered Romania from Ukraine at 11:23 p.m. local time. Less than four minutes later, it crossed into Hungary, according to the Romanian Defense Ministry.

The drone's high speed and low altitude, as well as mountainous terrain and weather conditions, prevented the Romanian military from identifying it, the Defense Ministry said.

It flew unhindered for over 40 minutes, registering on Hungarian military radars without being identified as a threat, the country's defense minister said. It entered Croatian airspace and crashed shortly before midnight in a populated area, but caused no injuries.

France dispatched a surveillance aircraft that patrolled Croatia's skies after the crash.

The drone must have strayed from its intended trajectory as its handlers lost control over it, a Croatian government spokeswoman said. While the model is used by Ukrainian armed forces, Ukraine's defense minister Oleksii Reznikov said his country didn't launch it toward Croatia. The Russian government said it wasn't involved in the incident.

Experts and some politicians have asked why the craft was not identified as a threat and intercepted. "I have a question for the NATO security system . . . can you protect your skies?" Mr. Reznikov asked the European Parliament.

[License this article from Dow Jones Reprint Service](#)

CO	nato : North Atlantic Treaty Organization
IN	i364 : Aerospace Products/Parts iindstrls : Industrial Goods iaer : Aerospace/Defense
NS	gvdef : Defense Department gpol : Domestic Politics gvio : Military Action nmajev : Major News Events ntop : Top Wire News gcat : Political/General News gcns : National/Public Security gpir : Politics/International Relations grisk : Risk News gvbod : Government Bodies gvexe : Executive Branch ndj : Dow Jones Top Stories redit : Selection of Top Stories/Trends/Analysis
RE	ukrn : Ukraine russ : Russia crtia : Croatia eurz : Europe fra : France asiaz : Asia balkz : Balkan States bric : BRICS Countries devgcoz : Emerging Market Countries dvpcoz : Developing Economies eecz : European Union Countries eeurz : Central/Eastern Europe medz : Mediterranean ussrz : CIS Countries weurz : Western Europe
IPC	IGV
PUB	Dow Jones & Company, Inc.
AN	Document J000000020220401ei410001w

HD The **Ukraine Crisis: Eleven-Year Old Makes a Solo Escape**

BY By James Marson

WC 975 words

PD 1 April 2022

SN The Wall Street Journal

SC J

PG A10

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BRATISLAVA, Slovakia -- A decade ago, Yulia Pisetska fled Syria's war to her native Ukraine with a 1-year-old baby in her arms. When war returned to her doorstep, as the Russian army closed in and fighting threatened a nearby nuclear-power plant, she knew it was time to once again evacuate her son, now 11.

But how? She couldn't leave her elderly mother, stricken by dementia. Three of her other children, all teenagers, had already fled to Slovakia, where another brother, age 20, was studying. So Ms. Pisetska saw only one option: Alhasan, her youngest boy -- who rarely left her side -- would have to go it alone.

TD

"Better for him to be not with me but alive," 53-year-old Ms. Pisetska recalled thinking. "I had already given up on myself, but I wanted him to live."

Alhasan Alkhalaf -- known to his family as Hasan -- set out on a three-day solo trip from the southeastern city of Zaporizhzhia. The trip's success relied on a carefully laid plan, the goodwill of volunteers and border guards and the wits of a small boy bearing a ready smile, a plastic bag containing his documents and his brother's name and telephone number scribbled on his left hand.

Hasan is one of just over four million Ukrainians who have fled abroad from Russia's invasion, the largest movement of refugees since World War II.

Ms. Pisetska and her family had lived in Syria for around a decade when heavy fighting broke out in 2012 around Aleppo. Her husband, a pharmacist who ran a charity for the needy, went out one day with his medical bag, apparently to treat civilians injured in clashes. He never returned.

Fighting intensified. With no cellar to hide for cover, the children would curl up under their duvets during shelling.

They escaped on a Ukrainian military plane in August 2012, passing burned-out cars and houses turned to rubble on their way to the airport in Aleppo.

Ms. Pisetska and her children returned to her parents' one-bedroom apartment in Zaporizhzhia. Times were tough. There was so little space that some of them slept under the dining table. The whole family lived on social payments worth some \$500 a month, plus a bit more that she brought in through odd jobs. The children recall most meals consisting of little more than buckwheat or potatoes.

Zakariia, the eldest son, known as Zak, in 2019 won a scholarship to study biology in Bratislava, the capital of Slovakia.

Things were looking up for the family. Ms. Pisetska had been diagnosed with cancer but surgery was successful. Relatives chipped in to help her buy an apartment.

Then Russia invaded on Feb. 24. Ms. Pisetska recalled her greatest fear: not shelling, but being surrounded and not allowed out, like when they were in Syria. "We have freedom. We choose how we live," she said. "We don't want to live in Russia."

So she decided to send the three teenagers -- 17-year-old Kinana, 16-year-old Luna and 15-year-old Mukhammed -- to their brother in Bratislava. Hasan would stay, since border crossing rules prevented anyone under 16 from crossing without a parent. The family hoped Mukhammed would be allowed to cross, and if not, that he would be street-smart enough to make his way back to Zaporizhzhia alone.

All three made it after an exhausting three-day journey across the country before finally reaching Bratislava.

Ms. Pisetska hesitated to send Hasan. He was her youngest and had never made a trip on his own.

Then, by early March, the Russian army advance had reached the nuclear-power plant near Zaporizhzhia, and Ms. Pisetska decided enough was enough. She took Hasan to the station early the next morning and loaded him onto the train with the words: "I love you and I'll see you soon." She also told him: Don't play games on your cellphone as it will drain the battery.

An acquaintance agreed to keep an eye on him as far as Lviv, but then he would be on his own.

He stayed over in Lviv with the family acquaintance, then got a lift to the station with another, who put him on the train to Uzhhorod station in Ukraine's southwest, asking the conductor to keep an eye on him.

It was late evening when the train drew into Uzhhorod. A man who had offered assistance via social media found Hasan and drove him to the border. Ukrainian border guards checked his passport and let him through.

He approached the Slovak border around midnight, handing over his passport, pointing to the number on his hand, and telling guards there: "It's my brother in Bratislava."

A volunteer agreed to drive him six hours to the capital.

Slovak authorities soon publicized the story of Hasan, spurring one Slovak woman to offer to help bring out Ms. Pisetska and her mother. Ms. Pisetska turned her down, worried the woman might get lost and put herself in danger. But as the Russian army closed in, Ms. Pisetska decided she would risk the journey, too, along with her mother and the family dog.

It was her mother's first time leaving her apartment in years. Even medication didn't calm the elderly woman's anxiety during the trip. But they made it thanks to help from volunteers. Other volunteers and authorities have since helped the family get set up with an apartment and clothes, as well as open a GoFundMe account. Hasan is already going to school.

The generosity of Slovaks has reminded Ms. Pisetska of her Syrian husband's charity. "Maybe it's his karma returning back to us," she said.

[License this article from Dow Jones Reprint Service](#)

NS	gvio : Military Action nmajev : Major News Events ntop : Top Wire News cprdcl : Facility Closures c24 : Capacity/Facilities ccat : Corporate/Industrial News gcat : Political/General News gcns : National/Public Security grisk : Risk News ndj : Dow Jones Top Stories redit : Selection of Top Stories/Trends/Analysis
RE	ukrn : Ukraine slvak : Slovakia syria : Syria brtsl : Bratislava russ : Russia asiaz : Asia bric : BRICS Countries devgcoz : Emerging Market Countries dvpcoz : Developing Economies eecz : European Union Countries eeurz : Central/Eastern Europe eurz : Europe meastz : Middle East medz : Mediterranean ussrz : CIS Countries wasiaz : Western Asia
IPC	IGV
PUB	Dow Jones & Company, Inc.
AN	Document J000000020220401ei410001v

CLM Houses of Worship
HD Chabad's **Ukraine** Mission
BY By Dovid Margolin
WC 855 words
PD 1 April 2022
SN The Wall Street Journal
SC J
PG A17
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

History has been a battleground between Russia and Ukraine for years, and the story of the Jews has been part of that fight. This can be heard today in Vladimir Putin's rhetoric about "de-Nazification" or Ukrainian President Volodymyr Zelensky's exhortations, amid Russian bombing, to remember Babyn Yar's murdered Jews. But the past is more than a backdrop for geopolitical maneuvering.

The founding of the Hasidic movement by Rabbi Israel Baal Shem Tov (1698-1760) in what is today western Ukraine revolutionized Jewish life. And Rabbi Menachem M. Schneerson -- the Rebbe, or the seventh leader of the Chabad-Lubavitch movement -- was born in Ukraine 120 years ago and later helped spark Judaism's post-Holocaust religious revival.

TD

The Rebbe was born in Mykolaiv on April 18, 1902, to Rabbi Levi Yitzchak and Chana Schneerson. His maternal forefathers had been the city's chief rabbis since 1854. During a 1905 pogrom, his mother hid in a cellar with other women, whose children's terrified screams risked attracting the anti-Semitic marauders outside. Years later, she would recall her 3-year-old son soothing the other children.

In 1908 Levi Yitzchak Schneerson was elected chief rabbi of what is now Dnipro. There the future Rebbe celebrated his bar mitzvah while helping his parents care for Jewish World War I refugees forcibly expelled from the Russian Empire's western provinces. But Czarist persecution paled in comparison with the destruction of Jewish religious and communal life under communism.

The Soviets closed synagogues and yeshivas, forcing rabbis out of their positions. The Chabad-Lubavitch Hasidim paid a heavy price to resist this oppression -- with many sent to the gulags or executed. The Rebbe's father played a key role in the resistance, openly urging Jews to remain steadfast in their faith. He was arrested by the secret police in 1939, tortured and exiled to Kazakhstan.

The Rebbe later wrote that "those who withstood and survived the horrific torrent of intimidation" had something in common: "They had internalized Hasidic teachings, and the enthusiasm and self-sacrifice that they evoke, through proper education." For decades the Rebbe's work to strengthen Jewish life and learning behind the Iron Curtain was clandestine, and he maintained an underground educational and aid network stretching throughout the Soviet Union.

A new era began as the Soviet Union was falling apart. In 1990 the Rebbe began sending permanent emissary couples to resuscitate Jewish life in Ukraine. A year later, Ukraine's KGB issued a public admission that it had framed and tortured the Rebbe's father, causing his death in 1944.

Even with the Soviets gone, it wasn't easy to be a proud and visible Jew in Ukraine. But this changed over the ensuing decades: 192 Chabad husband-and-wife teams put down roots in 32 cities throughout the country, building synagogues, schools and social-service centers. Giant Hanukkah menorahs illuminating public squares signaled that the days of hiding one's Jewishness were over. While the Schneerson name had been reviled, the new Ukraine embraced it. In 2016, Mykolaiv and Dnipro renamed streets for the Rebbe.

Since the Russian invasion, this flourishing Jewish community has been upended, but it hasn't disappeared. The communal structure built to nurture Jewish life in Ukraine pivoted into an effort to save its Jews, together with other innocent civilians, from the destruction wreaked by the war.

Across the country Chabad has been distributing food and medications and turning synagogue basements into bomb shelters. Dnipro's 20-story Chabad center has become a frenetic base of humanitarian aid for refugees, both Jewish and not, as they are helped out of the country. Chabads of battle-scarred places like Mariupol and Sumy continue to evacuate people to safety. The organization has helped more than 35,000 people escape and will continue doing so as long as there are people in need.

On March 2 Avraham Wolff, Odessa's chief rabbi and Chabad representative, sent some 120 children and staff from his community's children's home to Berlin. Once they arrived, Rabbi Wolff and his wife followed with another 140 women and children. After settling them in, the rabbi drove back to Odessa alone. At the Palanca border crossing, he was the only one heading into Ukraine.

"Everything I absorbed from the Rebbe's Torah teachings and example during my 52 years -- how nothing is more important or dear to God than helping someone materially or spiritually -- was for these last weeks," Rabbi Wolff told me recently.

The Rebbe taught that true education should charge us with a sense of responsibility to our fellow man and to God. It is no accident that today these values are being put into action by the Jewish communities he revived and inspired. Nor that this great modern Jewish sage was born 120 years ago in Ukraine -- a country that, in working to overcome its past, has emerged as an example of moral courage and fortitude for the world.

Mr. Margolin is a senior editor at Chabad.org.

[License this article from Dow Jones Reprint Service](#)

NS grel : Religion | ncolu : Columns | nedc : Commentaries/Opinions | gcat : Political/General News | gcom : Society/Community | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter

RE ukrn : Ukraine | russ : Russia | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220401ei410001e

CLM REVIEW & OUTLOOK (Editorial)
HD Let **Ukraine** Go on Offense
WC 756 words
PD 1 April 2022
SN The Wall Street Journal
SC J
PG A18
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

As Russia's war on Ukraine enters its sixth week, the script has flipped. Russia's advance has stalled, and Ukraine now wants to go on offense to push back Russian forces from the land they've taken. But the country needs U.S. and NATO help to do it, and it seems the Biden Administration is reluctant to provide those weapons and intelligence.

In her Wednesday press briefing, White House communications director Kate Bedingfield said no fewer than eight times that Vladimir Putin had committed a "strategic blunder" or "mistake" or "error" by invading. That's the White House line to suggest that the West is winning against the Russians.

TD

But that sure sounds like a premature declaration of victory. His forces are still bombing Ukraine's cities and they have grabbed more territory. Mr. Putin could still emerge with a strategic advantage in the medium- to long-term if he strikes a truce that leaves Russia in control of a large chunk of Ukraine.

The peace terms Russia is demanding in negotiations suggest that such a consolidation in Ukraine's east and a long-term occupation is now Russia's goal. He'll have won the long-sought "land bridge" between the Crimea and the Donbas. Mr. Putin could claim victory, pause for some years while he re-arms, continue trying to assassinate Ukrainian President Volodymyr Zelensky, and otherwise make political, cyber and other trouble for a Western-leaning Ukraine government.

That's why Mr. Zelensky now wants to go on the offensive. The more territory his forces can win back, the stronger position his country will have at the bargaining table. The experience of Russia's behavior in Georgia in 2008 and eastern Ukraine in 2014-15 is that Mr. Putin doesn't give up territory once his troops occupy it. The result is another "frozen conflict," with the country he has invaded weaker than before and more vulnerable to more Russian mayhem.

The Ukrainians need heavier weapons to go on offense, including tanks and fighter aircraft like the MiG-29s that Poland wants to provide under the political cover of NATO. It also needs intelligence on Russian troop movements and vulnerabilities in the east. Now is the time to help Ukraine take the offensive. Reports of demoralized Russian forces are more frequent, including defectors who have taken equipment with them.

But in a private briefing on Capitol Hill this week, Administration officials continued to resist bipartisan pressure to provide heavier weapons. The claim is that they won't make much difference to the conflict, but the Ukrainians are a better judge of that. It's much harder to dislodge dug-in tank battalions with infantry armed with hand-held Javelin antitank missiles than it is with tanks or aircraft that can strike from above.

The concern among Ukraine's supporters on Capitol Hill and the Pentagon is that the Biden Administration doesn't want Ukraine to go on offense. It wants a negotiated settlement as soon as possible. France and Germany, the doves in the NATO coalition, are in a similar place. They worry that if Russia suffers even greater losses, Mr. Putin might escalate again and perhaps in more dangerous ways that drag NATO directly into the war. In a sense, Mr. Putin with his threats is defining the limits of U.S. assistance to Ukraine.

But the U.S. and at least some NATO countries won't be able to ignore Ukraine even if there's a truce or frozen conflict. Mr. Zelensky will have to sell any agreement to the Ukrainian public, who won't be eager to concede territory after thousands of innocents have been killed. The Ukrainians are going to want security guarantees from the West, lest they be vulnerable to future Russian attacks.

One idea that deserves to be considered is a mutual-defense pact of the kind the U.S. has in the Pacific with Australia and Japan. After all that Ukraine has sacrificed, Mr. Zelensky won't settle for Mr. Putin's nonaggression promises, and President Biden shouldn't lean on him to do so.

Throughout this conflict, the Biden Administration has been slow and reluctant to give Ukraine the weapons and intelligence support it needs. Pressure from the public and Capitol Hill has forced its hand. Now, with Russia on the defensive, is the time to keep the pressure on to truly achieve a strategic victory for Ukraine and NATO.

[License this article from Dow Jones Reprint Service](#)

CO nato : North Atlantic Treaty Organization

NS gcat : Political/General News | gvexe : Executive Branch | gvbod : Government Bodies | gdef : Armed Forces | gpol : Domestic Politics | gvio : Military Action | ncolu : Columns | gcns : National/Public Security | gpir : Politics/International Relations | grisk : Risk News | ncat : Content Types

RE ukrn : Ukraine | russ : Russia | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC EXE

PUB Dow Jones & Company, Inc.

AN Document J000000020220401ei410001a

SE Letters to the Editor
HD Leaving Nukes in **Ukraine** Was Not the Answer
WC 273 words
PD 1 April 2022
SN The Wall Street Journal
SC J
PG A18
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

In "How Bill Clinton Sealed Ukraine's Fate" (op-ed, March 25), George Bogden argues that the Clinton administration's "undisciplined fixation" on nuclear disarmament stripped Ukraine of the arms that could have deterred Russia today. But stopping the spread of nuclear weapons, even to treaty allies, has always been a central pillar of U.S. strategy. Any U.S. president would have taken a similar approach.

Moreover, Kyiv did not possess operational control of the Soviet nuclear weapons stationed in Ukrainian territory. The weapons were never really Ukraine's to keep.

TD

Mr. Bogden suggests that Washington did not live up to the security guarantees made to Kyiv in the 1994 Budapest Memorandum, but Washington, London and Moscow only pledged never to threaten Ukraine in that accord -- not to defend it. Washington and London fully kept its promises. Moscow, tragically, did not.

If Kyiv had tried to cling to nukes, Washington would have treated it like Iran and North Korea over the past several decades. Instead, Ukraine became seen in the West as a responsible partner. Even in hindsight, Kyiv made the right decision.

The U.S. should have done more to help Ukraine defend itself since that time -- just as we must today. But more countries in possession of the world's most dangerous weapons is not the solution to U.S. security challenges.

Prof. Matthew Kroenig

Georgetown University

Washington

Mr. Kroenig, a former senior policy adviser in the Pentagon (2017-21), is director of the Atlantic Council's Scowcroft Strategy Initiative.

[License this article from Dow Jones Reprint Service](#)

NS gdip : International Relations | gnuclw : Nuclear Weapons Programs | gweap : Weapons Programs | nlet : Letters | gcat : Political/General News | gcns : National/Public Security | gdef : Armed Forces | gpri : Politics/International Relations | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | niwe : IWE Filter | nrgn : Routine General News
RE ukrn : Ukraine | russ : Russia | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries
IPC EXE
PUB Dow Jones & Company, Inc.
AN Document J000000020220401ei4100019

THE WALL STREET JOURNAL.

U.S. EDITION

SE Letters to the Editor

HD Build **Ukraine** Back Better

WC 91 words

PD 1 April 2022

SN The Wall Street Journal

SC J

PG A18

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Gregg Opelka suggests it's time "Biden Should Say 'We'll Win'" (op-ed, March 22). Take it a step further with: "and we'll help rebuild Ukraine," as we did with much of Europe through the Marshall Plan. What a great message to send to Ukrainians. Not only that we believe they can win, but we'll be right there with them as they rebuild their devastated country.

James L. Borin

TD

Cocoa Beach, Fla.

[License this article from Dow Jones Reprint Service](#)

NS gvio : Military Action | nlet : Letters | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | niwe : IWE Filter | nrgn : Routine General News

RE ukrn : Ukraine | eurz : Europe | russ : Russia | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | namz : North America | ussrz : CIS Countries

IPC EXE

PUB Dow Jones & Company, Inc.

AN Document J000000020220401ei4100018

HD **How to Break Through Putin's Propaganda in Russia**

BY By David Satter

WC 1,032 words

PD 1 April 2022

SN The Wall Street Journal

SC J

PG A19

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

President Biden has called for Vladimir Putin to be removed from power. But only Russians can remove Mr. Putin. That is why, in addition to supplying arms to Ukraine, the U.S. needs to take steps to reach the Russian people.

Mr. Putin understands that to prevail in Ukraine he must maintain the support of the Russian public. He uses state television to inundate Russians with reports of supposed atrocities by U.S.-backed Ukrainian Nazis against ethnic Russians, particularly in the Donetsk and Luhansk republics which the Russian army is said to be defending.

TD

The Putin regime, however, is isolated in its own country. According to Karen Dawisha, author of "Putin's Kleptocracy," 110 people control 35% of the country's assets. It is this group that is waging war against Ukraine and manipulating Russians.

America may have more power to influence Russians than we realize. The U.S. should begin by creating a database, independent of the existing Ukrainian site, to help Russians learn the fates of missing soldiers. The Russian Defense Ministry announced on March 25 that 1,351 Russian soldiers had died. The Ukrainians placed the number at 16,100. Valentina Melnikova, secretary of the Soldiers' Mothers Committee, has said that Russian commanders often don't retrieve the bodies of soldiers and list them as "missing in action." This provides an excuse for not paying compensation to families and lowers the official death toll.

Many parents don't know what happened to their sons and are told by the Defense Ministry that there is no information. Death notices sporadically appear in the regional Russian media. A U.S. database, accessible through Radio Liberty and other sites, wouldn't be exhaustive, but it could provide more information than is available from Russian officials.

The U.S. and its allies should also announce that proceeds from the property confiscated from oligarchs linked to corruption will be returned to the Russian people. Russia's superrich can afford yachts and villas because they made fortunes appropriating the money of the state. The Russian oligarchy has its roots in the 1995 "loans for shares" auctions, in which Russia's giant resource companies were transferred to corrupt businessmen in return for support for President Boris Yeltsin's 1996 re-election campaign.

A good example is Roman Abramovich, now shielded from sanctions because of his role as a mediator between Russia and Ukraine. He and his partner, Boris Berezovsky, bought Sibneft, a vertically integrated oil company, in 1995 for \$100.3 million in an auction from which competitors were eliminated. Sibneft soon had a market capitalization of \$1 billion. In 2005 Mr. Abramovich, who had parted company with Berezovsky, sold it for \$13.1 billion. Mr. Abramovich owns two yachts, each worth more than \$600 million.

A bill styled the Yachts for Ukraine Act, which would allow the U.S. to sell seized assets and use the cash to aid Ukraine, has been introduced in Congress. Although aiding Ukraine is a good idea, it wouldn't move opinion in Russia. A promise to transfer money that originated in Russia to a future democratic Russian state would be a public acknowledgment by the U.S. that justice for Russia's ordinary citizens is long overdue.

Finally and most important, the U.S. should reveal everything it knows about the September 1999 apartment bombings that brought Mr. Putin to power. The four bombings were blamed on Chechens and used to justify a new Chechen war. Mr. Putin, who had just been named prime minister, was put in charge of the war and catapulted into the presidency on the basis of early success.

But a fifth bomb was discovered in the basement of a building in Ryazan, southeast of Moscow, and the bombers were captured. They weren't Chechen terrorists but agents of the Federal Security Service. In another incredible development, Gennady Seleznev, speaker of the State Duma, announced on Sept. 13, after a building was blown up in Moscow, that a building had been blown up in Volgograd. That building was actually blown up three days later.

The story of the apartment bombings is critical because the signs of official involvement are the most powerful evidence of the Putin regime's true attitude toward the Russian people. The bombings are Russia's most taboo subject, but interest is strong. An interview with Vladimir Zhirinovskiy, a Duma deputy, about the Volgograd incident received 15 million views on YouTube.

Despite the regime's attempts to stifle thought in Russia, the signs of dissent are unmistakable. Maria Ovsyannikova, an editor at Channel One television, staged an on-air protest denouncing the station's lies. In the North Caucasus on March 20, soldiers' mothers blocked a bridge demanding to know the fate of their sons. Most important, there is opposition in the Russian military, which alone can remove Mr. Putin from power.

Shortly before the invasion, Gen. Leonid Ivashov, who leads a group of retired officers, warned that an attack on Ukraine would be the end of Russia. He said the planned invasion was the attempt of a corrupt regime to hold on to power. He called on Mr. Putin to resign. His statement was supported by a majority of the board of his organization.

One month into the war, Russia's generals are almost certainly unsettled by the mass deaths of Russian soldiers. After 15 months of war in Chechnya in 1996, Gen. Alexander Lebed said that 30% of the Russians soldiers were ready to turn their guns on the people who sent them there.

Despite the regime's attempts to isolate Russians, information is still getting through with the help of cellphones, Telegram, YouTube and word of mouth. That creates an opening for the West. Besides aid to Ukraine, we have to engage the Russian people. Despite the grimness of the present situation, opinion can shift dramatically in Russia, as it has in the past.

Mr. Satter is author of "The Less You Know, the Better You Sleep: Russia's Road to Terror and Dictatorship under Yeltsin and Putin."

[License this article from Dow Jones Reprint Service](#)

NS gvexe : Executive Branch | gcat : Political/General News | nedc : Commentaries/Opinions | gpri : Politics/International Relations | gpol : Domestic Politics | gvbd : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter

RE russ : Russia | ukrn : Ukraine | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC EXE

PUB Dow Jones & Company, Inc.

AN Document J000000020220401ei4100011

HD World Order Is on the Line in Ukraine

BY By Joshua Muravchik

WC 1,079 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A17

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Until Russia invaded Ukraine, much of the Western elite imagined that we lived in a "rules-based world order." As Russia's brutal aggression rudely reminded us, that beautiful aspiration is not reality. Yet there is hope amid the heartbreaking carnage in Ukraine that one nation's valiant struggle for survival may bring a rules-based world order closer to realization.

The idea of a peaceful world resting on just rules has historical antecedents going back hundreds of years. But its formulation as a practical program for modern statecraft began in 1918 with President Woodrow Wilson's Fourteen Points, the platform on which the U.S. entered World War I. With that decision, America, having built the world's largest, most dynamic economy, entered the global arena.

TD

Wilson's approach was unprecedented. Never in history has so much potential power whetted so little imperial appetite. Notwithstanding occasional errors of judgment -- an ill-considered intervention here, a needless use of force there -- America didn't seek "possession goals," in the useful terminology of scholar Arnold Wolfers (1892-1968), but rather "milieu goals." It sought to protect its own security not by seizing territory but by building a more secure world around it.

The initial blueprint was Wilson's brainchild, the League of Nations, which failed disastrously. Its structure was flawed, and isolationists in the Senate blocked the U.S. from joining. A second world war followed, more devastating than the first. After that, the U.S. dreamed up the United Nations, and, chastened by Pearl Harbor and the threat of another totalitarian predator, turned away from isolationism. The U.S. embarked on a globe-spanning policy of peacetime armament, far-flung bases, alliances, foreign aid, free trade and more.

The U.N., like its predecessor, was mostly a flop, but America's newfound internationalism and might created the first traces of global order. To be sure, the Cold War marred this order, but a third world war so far has been averted, although it was anticipated eagerly by Stalin. "We shall recover in 15 or 20 years, and then we'll have another go at it," he confided to visiting Yugoslav Communists as his forces routed Hitler's in 1945.

America's global exertions were rewarded with victory in the Cold War. The aftermath brought the "unipolar moment," an unparalleled opportunity for America to foster, or impose, its vision of a rules-based order. Thus it acted to thwart aggressors like Saddam Hussein when he tried to absorb Kuwait into Iraq, and Slobodan Milosevic when he sought to dismember Croatia and Bosnia. America also stepped up efforts to help newly free states implement democratic systems and encouraged others to follow. Dictators around the globe, when depredating their own subjects or nursing ambitions beyond their borders, had to reckon with the daunting question: What will America do? The rules-based world order came closer to reality.

Yet paradoxically, Americans took their own beneficent accomplishment for granted, as exemplified by Secretary of State John Kerry's ingenuous assertion in 2014, during Russia's previous invasion of Ukraine, that "you just don't in the 21st century behave in 19th-century fashion by invading another country on a completely trumped up pretext." He, like others, seemed to think that the absence of interstate war had become the norm, as if by its own accord. They forgot, or never recognized, that this state of affairs was maintained by American power.

Presidents Obama, Trump and Biden have whittled away that power and shrunk America's global role. Mr. Obama slashed the share of gross domestic product spent on defense by a third, withdrew forces prematurely from Iraq, stunted on arms for Ukraine, and squandered credibility by erasing his own "red line" in Syria once it had been crossed. Mr. Trump peevishly weakened alliances and seemed to believe that money rather than security was the supreme goal of foreign policy. Mr. Biden yielded Afghanistan to the Taliban, seeming to assume this would have no consequences elsewhere.

Various predators and would-be predators have smelled weakness in America's retrenchment. On Feb. 4, Russia's Vladimir Putin and China's Xi Jinping issued a manifesto hailing the "redistribution of power in the world" and the "transformation of the global governance architecture and world order." They added that their partnership "has no limits, there are no 'forbidden' areas of cooperation," an explicit declaration that these two will set their own rules in the new world order.

Accordingly, Mr. Putin invaded Ukraine, hoping to absorb it into a reconstituted Russian empire. His success would tempt China to make good on its longstanding threat to invade Taiwan. And these aggressions would presage further threats and attacks in Central Europe and East Asia, as well as in other regions by smaller would-be hegemonies such as Iran.

But two factors may be thwarting this plan. First, much of the world responded as if the rules-based order were real. In contrast to Mr. Kerry's bemused blather, European leaders vented rage and indignation and took meaningful actions. Germany is raising defense spending and has begun to wean itself from Russian energy. Other North Atlantic Treaty Organization members rushed arms to Ukraine. Sweden and Finland raised the prospect of joining NATO. Japan and Switzerland joined economic sanctions. Even Mr. Biden displayed surprising firmness and eloquence.

Second and more important, the Ukrainians have defended their land gallantly and with an effectiveness confounding expert prognostications. Mr. Putin appears to have lost hope of conquering Ukraine and instead has decided to destroy or dismember it. If Washington and others do more to help, that grotesque goal can also be stymied.

The century-old American vision hangs in the balance. The Ukrainian outcome will help to determine its fate. If Russia is clearly defeated, the imagined order will become more real than it has ever been. States everywhere, including China, will think hard before attacking others. But if Mr. Putin succeeds despite the initial setbacks, then the order will be history, an American pipe dream that too few others took seriously and that America did not try hard enough to nurture and sustain.

Mr. Muravchik is author of "Heaven on Earth: The Rise, Fall, and Afterlife of Socialism."

(See related letter: "Letters to the Editor: Russia's Invasion of Ukraine Is China's Loss" -- WSJ Apr. 6, 2022)

[License this article from Dow Jones Reprint Service](#)

NS gvexe : Executive Branch | gcat : Political/General News | gvio : Military Action | nedc : Commentaries/Opinions | gcns : National/Public Security | gpir : Politics/International Relations | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter

RE usa : United States | ukrn : Ukraine | russ : Russia | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC NND

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0000r

CLM Wednesday's Markets
HD **Stocks Fall on Higher Commodity Prices --- Crude prices climb as talks on **Ukraine** conflict leave investors nervous**
BY By Matt Grossman and Caitlin McCabe
WC 981 words
PD 31 March 2022
SN The Wall Street Journal
SC J
PG B10
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

Stocks fell and oil prices climbed, as concerns about rising commodity prices and uncertain progress in cease-fire talks between Russia and Ukraine weighed on markets.

With a day to go, stocks remained on track to lose ground in 2022's first quarter but were poised to finish March with solid gains after a rally in recent weeks.

TD

As the month winds down, investors are still contending with war in Ukraine, surging inflation and a Federal Reserve that has begun raising interest rates for the first time since 2018. Yet traders have continued to pile into U.S. equities, with the S&P 500 up 5.2% for the month.

Wednesday's trading slightly trimmed that gain. The S&P fell 29.15 points, or 0.6%, to 4602.45, while the Nasdaq Composite Index lost 177.36 points, or 1.2%, to 14442.27. The Dow Jones Industrial Average fell 65.38 points, or 0.2%, to 35228.81. Small-cap stocks fared worse, as the Russell 2000 index slid 2%.

Strategists and investors say the recent rebound is fragile, especially as hopes for a speedy end to the war remain dim. "It just seems like markets are still trying to digest the rally they've seen since Russia invaded Ukraine," said Jake Manoukian, the U.S. head of investment strategy for J.P. Morgan Private Bank.

Big swings in everything from oil prices to Treasury bonds have at times weighed on sentiment this month. On Wednesday, rising oil prices helped pull stocks lower. Brent crude, the international benchmark for oil prices, rose 2.9% to \$113.45 a barrel. In Europe, natural-gas prices, which are often volatile, jumped after Germany indicated it was bracing for a possible reduction of Russian gas supplies.

Oil and gas were already growing more expensive even before Russian tanks crossed the Ukrainian border last month, as the recovery from the Covid-19 pandemic fueled greater demand. Now, some investors worry that higher fuel costs and energy-market volatility are straining budgets for consumers and businesses, dimming the outlook for economic growth.

"Sharp movements in oil prices can really drive up the cost at the pump and take away our ability to spend on other items," said Luke Tilley, chief economist at Wilmington Trust Investment Advisors.

Investors were also digesting increasing skepticism about peace talks in Eastern Europe on Wednesday. Kremlin spokesman Dmitry Peskov said that talks with Ukrainian negotiators in Istanbul hadn't moved the two countries closer to an agreement that would end Russia's invasion.

"I think those hopes have faded away," said Susannah Streeter, senior investment and markets analyst at Hargreaves Lansdown.

Energy stocks, some of the market's best performers this year, traded higher. Valero Energy added \$3.82, or 4%, to \$100.50. Phillips 66 gained \$3.97, or 4.8%, to \$87.44. The S&P 500's energy sector rose 1.2%.

Lululemon Athletica climbed \$32.95, or 10%, to \$376.92 after the company posted higher revenue and profit for the fourth quarter. Robinhood fell \$1.35, or 8.5%, to \$14.56, giving up some of the large gains that came Tuesday after the brokerage app said it was extending the hours users could trade.

Several meme stocks dropped, too. Bed Bath & Beyond fell \$4.48, or 16%, to \$22.75. Movie-theater chain AMC Entertainment and videogame retailer GameStop also declined.

In the bond market, traders kept watch on the difference between short- and long-term interest rates. When they converge, it is often taken as a sign of pessimism about economic growth.

The yield on the 10-year Treasury note traded higher than the yield on the two-year note. The 10-year settled at 2.357%, down from 2.399% Tuesday. The two-year yield settled at 2.326%, down from 2.349% Tuesday. Yields fall when prices rise.

"The yield curve is telling you the bond market thinks the Fed tightening that's priced in is enough to cause a growth slowdown," Mr. Manoukian of J.P. Morgan said.

Bond yields have risen this year as markets brace for interest-rate increases by the Fed. Strong hiring and high inflation have set the stage for the central bank to wind down some of its pandemic-era support for the economy.

On Wednesday, data from ADP showed the private sector added 455,000 jobs in March, slightly ahead of economists' forecasts as reflected in a Wall Street Journal poll.

Money managers say the risk of recession is greater in Europe than in the U.S., in part because of the continent's reliance on Russian exports. Russia supplies around 40% of the European Union's natural gas.

A European recession is "within our baseline scenario," said Seema Shah, chief strategist at Principal Global Investors.

In addition to the continent's dependence on Russia for gas and other goods, Europe is also contending with significant inflation, she said. Fresh data showed that consumer prices in Germany for March rose 7.3% year over year.

The Stoxx Europe 600 fell 0.4%, snapping a three-session winning streak. Germany's DAX index fell 1.5%.

The euro climbed 0.7% to \$1.12, its third straight daily advance. The WSJ Dollar index, which tracks the currency against a basket of others, fell 0.5%.

The Japanese yen rebounded from its recent slide, climbing 0.9% against the dollar after the Bank of Japan boosted bond buying.

Early Thursday, Japan's Nikkei 225 was down 0.2%, Hong Kong's Hang Seng was down 0.6% but South Korea's Kospi was up 0.5%. S&P 500 futures were up 0.3%.



[License this article from Dow Jones Reprint Service](#)

CO fed : Board of Governors of the Federal Reserve System

NS mcoil : Crude Oil Markets | ecat : Economic News | mcat : Commodity/Financial Market News | e1201 : Central Bank Intervention | m11 : Equity Markets | m12 : Debt/Bond Markets | mnasdq :

NASDAQ Market Commentary | ncat : Content Types | ncolu : Columns | nfiac : Fixed Income Asset Class News | nimage : Images | nngmc : New York Stock Market Commentary | nsmcm : Stock Market Commentary | ntbpc : Treasury Bond Prices/Commentary | e12 : Monetary Policy | m14 : Commodity Markets | m143 : Energy Markets | nfact : Factiva Filters | nfce : C&E Exclusion Filter | niwe : IWE Filter | nrmf : Routine Market/Financial News

RE ukrn : Ukraine | russ : Russia | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC AFXI

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0001p

WSJ Podcasts

CLM WSJ Podcast What's News
HD **Why OPEC Is Ignoring External Pressure to Sideline Russia**
WC 2,593 words
PD 31 March 2022
ET 15:42
SN WSJ Podcasts
SC WSJPOD
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

A.M. Edition for March 31. Despite outside calls for OPEC to expel Russia and increase oil production, members meeting today aren't likely to do either. WSJ senior reporter Benoit Faucon says that stance reflects the alliance's longstanding preference for keeping politics out of its decision making, as well as concerns about limiting spare capacity in the months ahead. Luke Vargas hosts.

[Click here to listen to the podcast](#)

TD

Luke Vargas: The U.S. claims Vladimir Putin's own military is misleading him about the status of the war in Ukraine. Plus, President Biden plans to dip into U.S. oil reserves as OPEC resists pressure to up production.

Benoit Faucon: From day one, it was a group of producers who were actively resisting any external influence on their own policies. That's not going to end.

Luke Vargas: And why new rules proposed by the SEC could stifle the SPAC boom. It's Thursday, March 31st. I'm Luke Vargas with the Wall Street Journal. Here's the a.m. edition of What's News, the top headlines and business stories moving your world today. Top U.S. officials say newly declassified intelligence shows Russian President Vladimir Putin is being misled about his country's war in Ukraine. Pentagon Spokesman John Kirby said the U.S. military agrees with the conclusion that Putin has not been fully informed by his Ministry of Defense over the last month.

John Kirby: It's his military. It's his war. He chose it. And so the fact that he may not have all the context, that he may not fully understand the degree to which his forces are failing in Ukraine, that's a little discomforting, to be honest with you.

Luke Vargas: Meanwhile, a top U.K. intelligence official has highlighted in a speech in Australia the challenges Russia is facing in its Ukraine invasion. Jeremy Fleming, the Director of the GCHQ intelligence agency said that Russian soldiers have refused to carry out orders, sabotaged their own equipment, and accidentally shot down their own aircraft. Russia's economy is set to contract by 10% this year as a result of its invasion of Ukraine and subsequent sanctions. That's according to a report from the European Bank for Reconstruction and Development, or EBRD. The same report forecasts a 20% contraction for Ukraine's economy. WSJ reporter Caitlin McCabe has more.

Caitlin McCabe: For Ukraine, the EBRD says things are looking particularly bad in the short term because the territory most directly affected by the fighting accounts for about 60% of Ukraine's annual economic output. And then it estimates that about a third of Ukrainian businesses have had to suspend operations. Russia will face the loss of access to Western technologies under current sanction and it'll also have longterm challenges from an exodus of well educated workers.

Luke Vargas: President Biden is preparing to announce the release of up to one million barrels of oil a day from the U.S. strategic petroleum reserve, according to people familiar with the plans. That announcement could come as early as today. Meanwhile, members of the OPEC Plus oil alliance are planning to meet today, but are not expected to increase production. We'll have more on that meeting later in the show. And we are reporting that Canadian miner Kinross Gold is in exclusive talks to sell its giant mine in the Russian Arctic to Russian backed investment firm Fortiana Holdings, according to

people familiar with the matter. If the deal goes through, it could mark the first sale of an asset that a Western company is leaving behind in Russia.

The U.S. Securities and Exchange Commission has just voted to propose new disclosure requirements on SPACs, or special purpose acquisition companies. They are the blank check firms that became wildly popular in 2020 and 2021 when they accounted for the majority of U.S. IPOs. So could these new SEC rules reign on that SPAC parade? WSJ reporter Paul Kiernan joins us today from Washington with more. Hey, Paul. Welcome.

Paul Kiernan: Thanks, Luke.

Luke Vargas: So how exactly is the SEC changing the rules here around SPACs and in particular their disclosure requirements?

Paul Kiernan: So what the SEC is proposing to do is to try to level the playing field between SPACs and regular IPOs. And what that means is basically the target company, the company that is being acquired by a SPAC, will have to make the same timely disclosures of key information to investors that regular companies in a traditional IPO make.

Luke Vargas: So was there a sense on the SEC's part that the way SPACs were advertising themselves or the amount of information they were providing previously was just too opaque for everyday retail investors?

Paul Kiernan: Yeah, I would say there's a pretty strong sense among regulators that SPACs are maybe not opaque, but not well understood by ordinary investors. They also allow for a lot of conflicts of interest, frankly, between the insiders, the promoters of the SPAC, sometimes celebrities to basically extract fees and compensation from the ordinary investors who buy in. So what this proposal would do is mandate a lot more disclosure from the sponsors of a SPAC about their compensation and conflicts of interest and it would also heighten the liability for the target company to provide information that's accurate, and it would limit the target company's ability to provide a lot of forward looking information, projections that may be really ambitious and not realistic.

Luke Vargas: And Paul, why is the SEC doing this now? Because the SPAC boom really started several years ago. This seems like it could be a little late to the game, no?

Paul Kiernan: Yeah, that is a fair observation to make. The SPAC boom really kicked off in 2020 and accelerated last year. I think the total amount of money that's been raised in SPAC IPOs has been around a quarter of a trillion dollars. And this year they're on pace to taper off pretty dramatically. For the formation of new SPACs, this proposal could pose yet another headwind, but an important thing to keep in mind is that there are a lot of SPACs out there, I think several 100, that have raised money from investors but they haven't found an acquisition target and so they're out there hunting. If this rule is finalized before those companies find a target to acquire, the SPAC and the target company will probably be subject to the requirements in this proposal. So it's not totally like the SEC has missed the boat here. The fact of the matter is that the wheels of government turn slowly and it takes a while for the SEC to get a proposal like this together.

Luke Vargas: That was WSJ reporter Paul Kiernan joining us today from Washington. Paul, thank you so much.

Paul Kiernan: Yeah, thank you.

Luke Vargas: Coming up, OPEC Plus countries are meeting today. We'll hear from our reporter about why the petroleum producing alliance isn't caving to outside pressure to increase oil production or expel Russia from the group. That story after the break, The Organization of the Petroleum Exporting Countries, or OPEC, has rebuffed calls to end its oil alliance with Russia as a part of a group known as OPEC Plus. And in its meeting today, OPEC Plus countries don't seem keen to take steps that would lead to lower oil prices either. WSJ senior reporter Benoit Faucon joins us now with more on why that is. Benoit, welcome.

Benoit Faucon: Thank you.

Luke Vargas: So what explanation are we hearing from OPEC Plus members about why they view it as okay that despite everything in the news right now that Russia remains a member of their alliance?

Benoit Faucon: Well, first of all, because they've seen what happens when they don't get on. I mean, first, in 2008, you had a financial crisis that tanked all prices and there was an approach by the cartel trying to forge an alliance with Russia and Russia initially said, "We're interested," and then actually increased its production. So that was catastrophic. That really slowed the recovery of oil prices. And then

comes 2016 and you had a proper cooperation pact with Russia, which really worked. It really helped prices bounce back. So that was really a successful initiative, but the issue is that next step was during the pandemic where there was a fallout between Saudi Arabia and Russia. And that tanked prices to a point where U.S. oil prices became negative. So if you were selling price in Texas, you actually had to pay for the transporter. You didn't get any money. So they see what happens when it doesn't work with Russia and what happens when it works with Russia, which is basically a massive increase of revenue in their coffers.

Luke Vargas: Is it clear whether there was broad agreement among OPEC's members on allowing Russia to remain a part of this alliance or was this perhaps a decision that was enforced upon everyone by several, let's say, powerful states within the organization?

Beniot Faucon: As far as I'm concerned, there's absolutely no debate, no discussion, Russia will stay part of the group. It hasn't been raised. I mean, a lot of members of OPEC actually (inaudible) relationship right now, like Saudi Arabia and the United Arab Emirates or (inaudible) to the U.S. like Venezuela. So you don't have any critical mass in that group to say, "Well, let's side with the U.S."

Luke Vargas: Okay, so that brings us to the question, who was exactly pressuring OPEC to expel Russia from the alliance? Do we have a sense of that?

Beniot Faucon: So we've read mostly in think tanks in Washington criticism against OPEC on two levels. One is, "Well, you're not doing anything for the U.S. consumer, even though many of your members have historically been very closely aligned with Washington so you're going to bring in more oil." And the second one, "And that means you're effectively working in tandem with Russia at a time where it's being extremely disruptive and attacking a fellow country, a fellow nation, invading it and committing crimes there. So you're basically siding with Russia by refusing to pump more oil." Now, there's another dimension, which is, every time there's a conversation let's say with the the U.K. or with the U.S., the idea has been like, would you be able to potentially act and bring more oil to the market? So that's a way for, in the eyes of OPEC, to break that relationship anyway, even though it's not described as a break from Russia.

Luke Vargas: Yeah. And this is an organization that through the years has proven pretty immune to outside geopolitical pressure and quite comfortable with putting economic cooperation ahead of divisions, even among its own members, isn't it?

Beniot Faucon: Exactly. I mean, they have that situations where it was a fight for death between these nations, it was an existential struggle, and still they worked together and still decided to table and reach an agreement because in effect having the prices they wanted was to the benefit of each participant. So we have several examples. In the '80s, you had Iran and Iraq fighting each other. You had Iraq capturing the Iran Oil Minister, who died later in captivity in custody, and yet they still met with just one particular detail, which was the Iranians brought a cardboard representation, a cardboard picture of the old Minister to sit next to the physical, real Iraqi Oil Minister as a message. But they still agreed and they still met. Another example is Kuwait, when it was invaded by Iraq, it sent its government in exile to sit next to its own invader, which is Iraq, and still they met and still they agreed during that meeting. So they really have a resilience in term of functioning as a technical body despite all the political differences.

Luke Vargas: Benoit, oil prices are now standing around \$100 a barrel. But as far as we understand, OPEC plus as it meets today is not inclined to increase production.

Beniot Faucon: Yeah. To be more precise, it's not inclined to change its ongoing gradual increase of production, which has been in place since July last year. So it's really a slow return of the barrels post-pandemic. It's not a rush back to the market. That's really what they will continue to agree we expect later today and possibly in the coming months if the situation doesn't deteriorate massively.

Luke Vargas: Okay, so spare capacity here not lower price is really the focus?

Beniot Faucon: Absolutely. So you do have an extra element here which is the fact that they feel that if they were going to increase production it would be effectively a very small number of members and that will tap into the last cushion they have, which is so called spare capacity. So that's one element. The second one is uncertainty concerning the return of Iran, which is supposedly in the final stage of agreeing with the U.S. and global powers into how the nuclear pact it had a few years back is revived. Now, if that happens, that means 1.5 million barrels a day back to the market and if you're OPEC you basically don't want to risk it and bring your own barrels right now when Iran is about to come back.

Luke Vargas: That was that WSJ senior reporter Benoit Faucon. Benoit, thank you so much.

Beniot Faucon: You're welcome. Thanks for having me.

Luke Vargas: And, finally, a routine archeological survey at the site of a planned luxury condo in Miami, Florida has revealed what experts describe as evidence of a civilization known as the Tequesta that existed more than 2,000 years ago. WSJ real estate reporter Deborah Acosta explains what archeologists uncovered.

Deborah Acosta: They found a human skull six feet underground that looked to be intentionally buried. They found what looks like the imprint of an ancient dwelling, ancient artifacts of all kinds. And so, because of that, they've been digging for almost a year now and they're going to continue to do so until they've finished excavating the entire site.

Luke Vargas: Archeological discoveries have created headaches for Miami developers in the past, sometimes sparking battles with preservationists and Native American groups. (Ishmael Bermudez), a local resident and member of the Seminole Tribe, says a more cautious approach to development is needed.

Ishmael Bermudez: Because they're developing the river, you're going to find much, much, much things that they've never seen before. And we've got to be on top of it, we have to manage it correctly, and share with the world of finds that you find along the Miami River.

Luke Vargas: And that's What's News for Thursday morning. We'll be back tonight with a new show. I'm Luke Vargas with the Wall Street Journal. Thanks for listening.

CO plusf : Kinross Gold Corporation | opexpc : Organization of the Petroleum Exporting Countries | seexc : US Securities and Exchange Commission

IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | igoldm : Gold Ore Mining | imet : Mining/Quarrying | infmore : Non-ferrous Metal Ore Mining

NS gvexe : Executive Branch | gvio : Military Action | naudvl : Audio-visual Links | ntra : Transcripts | gpir : Politics/International Relations | gpol : Domestic Politics | ncolu : Columns | c21 : Output/Production | ccat : Corporate/Industrial News | gcat : Political/General News | cexpro : Products/Services | gcns : National/Public Security | grisk : Risk News | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpx : C&E Executive News Filter | niwe : IWE Filter

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD SYND

IPC G/SEC

PUB Dow Jones & Company, Inc.

AN Document WSJPOD0020220401ei3v000ul

THE WALL STREET JOURNAL.

CLM Europe News
SE World
HD **Russia Hands Control of Chernobyl Back to Ukraine, Officials Say; Departure ends a five-week occupation of the site of the 1986 disaster that killed more than 30 people and contaminated the surrounding countryside**
BY By James Marson, Drew Hinshaw and Yana Tashkevych
WC 522 words
PD 1 April 2022
ET 03:46
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

Russian forces transferred control of the Chernobyl nuclear power plant back to Ukrainian authorities, according to the International Atomic Energy Agency, the Ukrainian state nuclear company Energoatom and plant workers—who said the departing troops also had taken more than 100 Ukrainian national guardsmen away in trucks as prisoners of war.

The Russian troops began leaving in phases on Tuesday, and the entire Russian deployment had left the area by late Thursday. That concluded a [five-week occupation of the defunct plant](#) that began on the first afternoon of the Feb. 24 [invasion of Ukraine](#), when Russian troops arrived at the plant, the site of the world's worst nuclear accident.

TD

Those Russian forces are now heading home for time off, or to reinforce efforts in the east of the country, said Valentin Heiko, the shift manager who led the [Chernobyl staff working at gunpoint](#) for a month before 64 of them [were allowed to rotate out](#) on March 20.

Some of the Russian forces who left were special forces initially intended to spend only a few days at the plant, he said.

Instead, they remained on site for more than a month, presiding over what became a hostage crisis, as the plant's staff was forced to work for weeks without a shift change.

"They were only supposed to stay for a couple of days," he said. "I think they will send them to Donbas."

Ukrainian officials said on Wednesday they saw Russian military trucks and heavy weaponry on the road some 400 yards away from the Chernobyl plant complex.

The explosion of Chernobyl's Reactor No. 4 in 1986 killed more than 30 people, contaminated large areas of the surrounding countryside and sent a plume of radioactive dust across Europe and North America.

The recent situation at the plant has been the subject of intense speculation since the Russians overran it. Ukraine's intelligence agency claimed that Russia was preparing a false-flag attack on the exclusion zone—the 1,000-square-mile, mostly uninhabited area around the plant—to blame Ukraine as a pretext for escalating the war. Russian state media said Ukraine was close to building a plutonium-based "dirty bomb" at Chernobyl. Neither side provided evidence for its claims.

All of Chernobyl's reactors have been shut down since 2000, but the plant still employs thousands of staff to keep cool water circulating over thousands of spent fuel rods kept in four-story-deep basins lined with steel and reinforced concrete.

One senior manager said that Chernobyl was now entirely unguarded and the shift workers had themselves locked the gates once the Russians had left. "The complex is left without armed guards," the manager said.

Write to James Marson at james.marson@wsj.com and Drew Hinshaw at drew.hinshaw@wsj.com

[Russia Hands Control of Chernobyl Back to Ukraine, Officials Say](#)

CO engtom : NNEGC Energoatom | rsatom : Rosenergoatom Concern

IN i1610109 : Nuclear Power Generation | i1 : Energy | i16 : Electricity/Gas Utilities | i16101 : Electric Power Generation | iutil : Utilities | ieutil : Electric Utilities

NS gvio : Military Action | c42 : Labor/Personnel | ccat : Corporate/Industrial News | coccsh : Workplace Safety/Health Issues | ncolu : Columns | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC I/EGU

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v00899

THE WALL STREET JOURNAL.

CLM Politics and Policy
SE Politics
HD **Upbeat Economic Outlook Aids Biden's Deficit Push; White House inflation and growth projections, which predate [Ukraine](#) war, bias debt ratios downward, economists say**
BY By Amara Omeokwe
WC 830 words
PD 31 March 2022
ET 16:33
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

The White House is relying on its recently released budget—including the economic projections—to help make the case that President Biden's policy proposals are fiscally responsible.

The [proposed budget](#), however, forecasts a trajectory for U.S. economic growth and inflation that is rosier than some outside analysts' current forecasts. That is partly because the White House finalized its forecasts last November. But even compared with what other forecasters expected then, the budget's projections for economic growth over the long term are also higher.

TD

For example, the budget, based on estimates finalized in November 2021, sees inflation-adjusted U.S. gross domestic product growing 2.3% in 2032, measured on a fourth-quarter-over-fourth-quarter basis. That is higher than the 1.8% longer-run economic growth reflected in Federal Reserve officials' median forecasts in September 2021.

It is typical for administrations to complete the budget's economic forecasts some months in advance of the release. The latest projections were completed before the Federal Reserve's start of a series of [interest-rate hikes](#) and Russia's launch of its war in Ukraine, which will likely alter the trajectory of economic growth and inflation in 2022 and beyond.

The budget, which the White House released Monday, forecasts the U.S. economy will grow 3.8% in the fourth quarter of 2022, adjusted for inflation, from a year earlier and 2.5% in 2023.

By comparison, the median Fed forecasts released in March projected real growth of 2.8% in 2022 and 2.2% in 2023. Goldman Sachs in late March projected real GDP growth of 1.9% in 2022 and 2% in 2023.

The budget also assumes inflation will slow sharply. The consumer-price index—which measures what Americans are paying for a range of everyday items—was up 7.9% from a year earlier in February, the fastest in 40 years. The budget projects that will average 4.7% this year and 2.3% in 2023 and each year thereafter until 2032.

SHARE YOUR THOUGHTS

What is your assessment of President Biden's proposed budget? Join the conversation below.

By comparison, Goldman sees the consumer-price index rising an average of 7.2% this year and 3.3% next year, and then falling to 2.3% by 2027.

Cecilia Rouse, chair of the White House Council of Economic Advisers, told reporters Monday that Russia's invasion of Ukraine will have ramifications that aren't reflected in the budget's forecasts. It "will likely put upward pressure on energy and food prices. That in turn could reinforce inflation that was already an issue prior to the invasion," Ms. Rouse said.

"The economic forecast, if we were updating today, we would look at it somewhat differently," she added.

The budget's long-term projections for GDP are higher than other forecasters' because they assume Mr. Biden's policies would be fully enacted and enhance growth, according to an administration official.

Kent Smetters, director of the Penn-Wharton Budget Model, said the budget's estimates of the ratio of U.S. debt to GDP grow more slowly over time than may prove true given current circumstances, because its assumptions of low inflation and relatively higher growth bias debt estimates downward. If those assumptions were "more aligned with other forecasters, then the debt-to-GDP ratio in 10 years would be larger than what they are currently forecasting," Mr. Smetters said.

The budget projects debt held by the public would reach 102.4% of U.S. GDP in the current fiscal year and then fall to 101.8% in fiscal 2023. Debt is expected to rise in subsequent years to 106.7% of GDP by 2032.

Still, that debt-to-GDP ratio is lower than the Biden administration projected in last year's budget, which saw it rising to 117% over a decade.

Doug Holtz-Eakin, president of the American Action Forum and former director of the Congressional Budget Office during the administration of President George W. Bush, said the budget's assumptions about economic growth and inflation mean the proposal may be overstating how much the government can collect in tax revenue and understating how much it will pay for interest costs and for benefits through programs like Social Security.

"They've stacked it to have higher revenue and low spending compared to what the reality will be," Mr. Holtz-Eakin said.

Ms. Rouse told reporters that the White House had analyzed how unexpected changes in inflation would affect the budget's estimates.

"Based on that analysis, inflation above the forecast raises both expenditures and revenues by similar amounts such that it will have little impact on the deficit overall," Ms. Rouse said.

Write to Amara Omeokwe at amara.omeokwe@wsj.com

[Upbeat Economic Outlook Aids Biden's Deficit Push](#)

NS ecat : Economic News | e1101 : Economic Growth/Recession | e1103 : Inflation Figures/Price Indices | e11 : Economic Performance/Indicators | e1108 : Budget Figures | e211 : Government Budget/Taxation | gpri : Politics/International Relations | gpol : Domestic Politics | gvexe : Executive Branch | ncolu : Columns | npda : DJ Exclusive Analysis - All | npred : Economic Predictions/Forecasts | e212 : Government Borrowing | gcat : Political/General News | e21 : Government Finance | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters

RE usa : United States | ukrn : Ukraine | eurz : Europe | namz : North America | uk : United Kingdom | usdc : Washington DC | uss : Southern U.S. | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC G/EXE

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v001rx

THE WALL STREET JOURNAL.

CLM Markets Main
SE Markets
HD **OPEC Sticks to Production Plan Despite Elevated Oil Prices Amid **Ukraine** War; Cartel agrees to keep small output increase despite rocketing prices**
BY By Summer Said and Benoit Faucon
WC 800 words
PD 31 March 2022
ET 22:09
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

CX

Corrections & Amplifications

Helima Croft is chief commodities strategist at RBC. A previous version of this article incorrectly called her Ms. Helima in one reference. (Corrected on March 31)

LP

The Organization of the Petroleum Exporting Countries said there is nothing it can do to stop rising oil prices, as it decided again Thursday to stick with a Moscow-backed production plan that has done nothing to tame the market during [the Ukraine war](#).

In its second meeting since the Kremlin ordered the assault on Ukraine, a partnership between OPEC and a group of Russia-led countries, dubbed OPEC+, declined again to tap into its millions of barrels of remaining capacity to pump more oil. Instead, they agreed to raise their collective oil output by a modest 432,000 barrels a day, rejecting calls from oil-consuming countries to do more.

TD

The reason: Most OPEC+ members are already pumping at their maximum capacity, while Saudi Arabia and the United Arab Emirates—which have so-called spare capacity to raise their production—say beefing up output would actually raise prices, not lower them.

"If we do what [Western consumers] are asking for, what's going to happen to the oil prices? It's going to go up," said Suhail Mohamed Al Mazrouei, the Emirati energy minister, in an interview Tuesday.

The Saudis and Emiratis said this week they won't break up their energy-market alliance with Russia and pump more to help the U.S. and the West in their confrontation with Moscow. Higher oil prices fuel Russia's state revenue and complicate efforts by the U.S. and Europe to exert maximum pressure on Moscow with energy sanctions.

On Thursday, the Biden administration is expected to act on its own by releasing up to 1 million barrels of oil a day from the U.S.'s Strategic Petroleum Reserve, [The Wall Street Journal reported](#). In recent months, U.S. officials say they have stopped asking the Saudis to pump more oil and have instead pressed them to not react in some unexpected way to a petroleum-reserve release, such as by cutting output.

Brent crude, the international oil benchmark, fell 4% to \$107.46 a barrel on Thursday after the plan was reported. West Texas Intermediate, the main U.S. gauge, fell 4.4% to \$103.11 a barrel. Those are the lowest levels in several days but still well above where prices stood before Russia's invasion of Ukraine.

Some analysts have interpreted OPEC's rejection of calls to pump more oil as a decision by Saudi Arabia and the U.A.E. to align themselves more closely with Russia and China after years of partnership with the West.

But OPEC members say the reality is more complicated. They say they have ramped up production by over 3 million barrels a day after cutting during the pandemic. And those production increases have eaten away at their capacity to pump more oil, OPEC delegates say.

OPEC's spare capacity still stands at 4.19 million barrels a day, including 3.2 million barrels a day from Saudi Arabia and the U.A.E., according to the International Energy Agency, a group that assesses the oil market and advises oil-consuming nations.

OPEC members recall the oil-price spike in 2008, when they added output and it did little to calm the market, said Helima Croft, the chief commodities strategist at Canadian broker RBC. Each time OPEC raised output, investors looked at how its spare capacity was shrinking, giving it less ammunition to respond to a future shortage.

Ms. Croft said it raises the question, "What would happen if [disruptions] get worse and you don't have the barrels?"

Already about 2 million barrels a day of oil supplies have been disrupted since the war started, Amos Hochstein, the U.S. State Department official in charge of energy security, told a Dubai energy conference on Monday.

In addition, OPEC delegates say they are worried about a resurgence of Covid-19, which has led to new [lockdowns in China](#). They also see the U.S. holding talks that could lift sanctions on about 1.5 million barrels a day of Iranian oil production and about 300,000 barrels a day of Venezuelan output.

It is difficult for Saudi Arabia and the Emiratis to reverse an oil-production increase once it starts, unlike American shale producers, which can ramp production up and down more flexibly, said Frank Fannon, who was in charge of energy at the State Department under President Trump. "There is a latency in conventional production increase," he said.

Write to Summer Said at summer.said@wsj.com and Benoit Faucon at benoit.faucon@wsj.com

[OPEC Sticks to Production Plan Despite Elevated Oil Prices Amid Ukraine War](#)

CO opexpc : Organization of the Petroleum Exporting Countries

IN i1300003 : Crude Petroleum Extraction | i1 : Energy | i13 : Crude Oil/Natural Gas Upstream Operations | iextra : Natural Gas/Oil Extraction | ifosfl : Fossil Fuels

NS c21 : Output/Production | ccat : Corporate/Industrial News | m14 : Commodity Markets | m143 : Energy Markets | mcat : Commodity/Financial Market News | mcroil : Crude Oil Markets | ncolu : Columns | ncor : Corrections | ncrx : Corrected Items | cexpro : Products/Services | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter

RE ukrn : Ukraine | saarab : Saudi Arabia | uae : United Arab Emirates | asiaz : Asia | eurz : Europe | meastz : Middle East | namz : North America | uk : United Kingdom | usa : United States | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | gulfstz : Persian Gulf Region | wasiaz : Western Asia | weurz : Western Europe

IPD WSJ

IPC G/STD

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v002bd

THE WALL STREET JOURNAL.

CLM Letters
SE Opinion
HD **Biden Should Pledge to Build Ukraine Back Better; A Marshall Plan for an ally that fights hard.**
WC 101 words
PD 31 March 2022
ET 22:22
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP
Gregg Opelka suggests it's time "[Biden Should Say 'We'll Win'](#)" (op-ed, March 22). Take it a step further with: "and we'll help rebuild Ukraine," as we did with much of Europe through the Marshall Plan. What a great message to send to Ukrainians. Not only that we believe they can win, but we'll be right there with them as they rebuild their devastated country.

James L. Borin

TD
Cocoa Beach, Fla.

[Biden Should Pledge to Build Ukraine Back Better](#)

NS nedc : Commentaries/Opinions | nlet : Letters | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpx : C&E Executive News Filter | niwe : IWE Filter | nrgn : Routine General News
RE ukrn : Ukraine | eurz : Europe | uk : United Kingdom | dvpcz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe
IPD Opinion |
IPC R/EEU
PUB Dow Jones & Company, Inc.
AN Document WSJO000020220331ei3v0050l

THE WALL STREET JOURNAL.

CLM Review & Outlook (U.S.)
SE Opinion
HD **The European Union's China Choice; The Continent botched the **Russia** threat. Will it do better on Beijing?**
BY By The Editorial Board
WC 521 words
PD 1 April 2022
ET 04:04
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

European countries ignored warnings about Vladimir Putin as he built energy and military leverage over the Continent. Will they learn from the experience?

The virtual meeting between top European Union officials and Chinese President Xi Jinping on Friday should be instructive. Beijing wants the event to reboot talks on a stalled EU-China investment deal. Brussels [says](#) "the main focus of the summit will be on the war in Ukraine" and the "dramatic humanitarian crisis created by Russia's aggression."

TD

Beijing claims neutrality in the Ukraine war but opposes sanctions on Russia. The foreign ministry and state media organs routinely blame NATO for the war while saying they want a peaceful resolution. Meantime, Russian and Chinese propaganda spread conspiracy theories about U.S.-funded biowarfare programs in Ukraine.

Much as Mr. Putin was open about his imperial ambitions, Mr. Xi's China is also clear. "There is no ceiling for China-Russia cooperation," a Chinese Foreign Ministry spokesman [said](#) Wednesday. "And no ceiling for us to oppose hegemony." Mr. Xi will talk of diplomacy, peace and win-win security solutions, but don't expect much substance from the meeting.

China's support for Russia is the most serious but far from only reason Europe is losing patience. Beijing has launched an economic war on EU member Lithuania over its upgraded ties to Taiwan. The Chinese Communist Party's human-rights record remains abysmal. Bullying behavior during the Covid-19 pandemic and stonewalling of the origins investigation hurt China's credibility. The question is what Europe will do beyond condemnations, token sanctions and the occasional lawsuit.

Europeans point out that the U.S. led the way on deepening economic ties with China and the hope of change through trade was as much American as German. That's fair, but it's not an excuse to accommodate an increasingly hostile China now. Mr. Xi has made clear that working with Russia and other revanchist powers to overturn the U.S.-led international order is a key aspiration.

Some Europeans are hopeless. "We are very, very far away from considering the China threat at the same level of Russia," EU foreign-policy chief Josep Borrell [said](#) Tuesday. "It's not in our interest to lean Russia toward China in order to create a great alliance of China plus other like-minded countries."

But it is in Europe's interest not to make itself vulnerable to Chinese economic extortion on supply chains, critical minerals and business investment. Smart companies are already looking for safer investment options outside China without government forcing their hands. Nearly [half](#) of German manufacturers that "source significant inputs from China" have said they plan to reduce reliance on China, according to a new ifo Institute survey.

Diversifying sources for medical supplies and rare-earth minerals, along with other strategically important goods, is sound policy. If China invades Taiwan, does Europe really want to be in an even vulnerable than it now is with Russia?

[The European Union's China Choice](#)

CO cnfaff : China Ministry of Foreign Affairs | euruno : European Union

NS gdip : International Relations | gvexe : Executive Branch | gpir : Politics/International Relations | ncolu : Columns | nedc : Commentaries/Opinions | gcat : Political/General News | gpol : Domestic Politics | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter

RE china : China | russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | ukrn : Ukraine | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe

IPD Opinion |

IPC N/GEN

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v008px

CLM Wonder Land
HD **Biden Saves Ukraine by the Inch**
BY By Daniel Henninger
WC 913 words
PD 31 March 2022
SN The Wall Street Journal
SC J
PG A15
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP

President Biden may have made up the line about removing Vladimir Putin from power, but his intense, shouted assertion that we will defend "every inch" of the North Atlantic Treaty Organization is in the official text: "Don't even think about moving on one single inch of NATO territory. We have a sacred obligation under Article 5 to defend each and every inch of NATO territory with the full force of our collective power."

It's hard to know what that means. Presumably it means that if Russia's army commits any atrocity on the non-NATO side of various borders -- say, gassing Ukraine or Sweden -- Article 5 remains dormant. But if a Russian boot or tank tread touches Poland or Latvia, it's war.

TD

Notwithstanding the multiple confusions routinely set loose by Mr. Biden's remarks, his literal line in the sand -- "each and every inch of NATO" -- undoubtedly reflects the consensus view of this war held in some alliance capitals, notably Washington, Berlin and Paris. If so, we are in long-term danger.

The world has managed to mentally ring-fence Ukraine. Looking daily at the situation map of the war, we have created the pretense that by giving the Ukrainians enough military support to keep fighting, we will ensure that Mr. Putin's aggressions stay there, and never come here, not even an inch.

This is delusional. The Russian dictator and the free world's primary enemies have been in the U.S. and Europe for years, and our efforts to deter or stop their repeated transgressions inside our borders haven't been much more than gestures.

The democratic world has four enemies: Mr. Putin, Xi Jinping, Kim Jong Un and Ayatollah Ali Khamenei. Each has weaponized all the modern tools of state power, including nuclear capability, to diminish the democratic world. For starters.

It is unquestionably good that in five weeks the scales have fallen from the world's eyes about Mr. Putin's ambitions. Its now-awake leaders say they'll rearm and reset priorities, for example pursuing a balance between saving the planet tomorrow and saving us today.

But before Ukraine, the aggregate assault on NATO and other democracies by Russia, China, North Korea and Iran was already astounding.

There is no conceivable battlefield on which these four nations haven't attempted internal subversion, using their militaries, intel, commerce, cyber, space, science and of course nuclear threats. A comprehensive list of their attacks would be impossible.

For two decades, China's hackers have been stealing weapons data from U.S. defense contractors, the Pentagon, the National Security Agency and Los Alamos National Laboratory. The 2020 SolarWinds hack by the Russian intelligence service SVR compromised hundreds of prominent U.S. companies and federal agencies, including Defense and Homeland Security.

Last year the FBI reported 648 ransomware attacks on 16 critical U.S. infrastructure sectors, such as utilities, agriculture, healthcare and manufacturing. Russian-sponsored gangs have hit hundreds of companies, which have no alternative but to pay up.

The dike of diplomatic agreements to deal with this aggression is cracked. Thomas Grant described on these pages days ago how Russia has violated every armistice it agreed to under Mr. Putin, just as it has repeatedly cheated on nuclear-arms and chemical-weapons treaties, including New START.

Typically in the way we blink away existing threats, the Biden administration wants to sign a nuclear-weapons agreement with Iran while hoping that nothing really bad will happen from leaving untouched Iran's ballistic-missile program and its terrorist army, the Revolutionary Guard.

Typically, the U.S. National Institutes of Health wandered mindlessly through China giving science grants to Communist Party-controlled virologists.

If we understand the world as it has existed for years, we should see that we're all Ukraine now. The free world's four enemies aren't doing these things merely to annoy or disrupt us. They want to weaken and replace us.

For years during the Cold War, NATO military doctrine was preoccupied with the belief that any ground attack by the Soviet Union would flow through Germany's Fulda Gap. That deflected serious thinking from what were considered lesser threats.

Those years were an incomparably simpler time. Mr. Biden's not-one-inch-of-NATO sounds like a fig leaf to avoid recognizing the multiple threats that already exist. That willful self-blinding is the daily warning Ukrainian President Volodymyr Zelensky is trying to get across: Ukraine is just the tip of the iceberg.

The talks in Turkey now between Ukraine and Russia will incentivize the belief that "it's over." It will not be over. Ukraine is right to demand future security guarantees from the U.S. and NATO.

Confronted for years by an array of threats from these four adversaries, we in the West debate whether any single aggression, such as North Korea's test last week of a long-range ballistic missile, is an act of war. But clearly from their perspective, it is a war.

We've drawn a line in the sand all right -- around ourselves. For all that, Ukraine seems different. It is an opportunity to raise our security game against adversaries who don't recognize physical borders or moral limits.

Any sustained effort to meet this threat is going to require political leadership. Presidential election 2024 anyone?

Write henninger@wsj.com.

[License this article from Dow Jones Reprint Service](#)

CO	nato : North Atlantic Treaty Organization
NS	gdip : International Relations gvexe : Executive Branch gvio : Military Action ncolu : Columns nedc : Commentaries/Opinions gcat : Political/General News gcns : National/Public Security gpir : Politics/International Relations gpol : Domestic Politics grisk : Risk News gvbod : Government Bodies ncat : Content Types nfact : Factiva Filters nfcpx : C&E Executive News Filter
RE	ukrn : Ukraine usa : United States russ : Russia iran : Iran nkorea : North Korea apacz : Asia Pacific asiaz : Asia bric : BRICS Countries devgcoz : Emerging Market Countries dvpcz : Developing Economies easiaz : Eastern Asia eeurz : Central/Eastern Europe eurz : Europe gulfstz : Persian Gulf Region meastz : Middle East namz : North America ussrz : CIS Countries wasiaz : Western Asia
IPC	EXE
PUB	Dow Jones & Company, Inc.
AN	Document J000000020220331ei3v0000m

HD The **Ukraine** Crisis: U.S. Split On Curbs For **Russia**Cyber Firm

BY By Vivian Salama and Dustin Volz

WC 304 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A9

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

WASHINGTON -- The Biden administration is divided over whether to impose sanctions on Kaspersky Lab, a Russian cybersecurity giant that officials warn could be used by the Kremlin as a surveillance tool against its customers, people familiar with the matter said.

The White House's National Security Council has pressed the Treasury Department to ready the sanctions as part of the broad Western campaign to punish Russia for its invasion of Ukraine, officials familiar with the matter said. While Treasury officials have been working to prepare the package, sanctions experts within the department have raised concerns over the size and scope of such a move. The company's software is used by hundreds of millions of customers across the world, making it difficult to enforce the sanctions.

TD

In addition, some officials in the U.S. and Europe fear imposing sanctions on Kaspersky Lab will increase the likelihood of triggering a cyberattack against the West by Moscow, even potentially leveraging the software itself.

It wasn't clear whether the sanctions would go forward, and one official said the idea had been put on hold for now. The debate reflects how agencies within the Biden administration are weighing options to deliver more economic pain to the Russian economy.

Kaspersky Lab has repeatedly denied it works with Russia or any government to facilitate malicious cyber activity. On Wednesday, the company said it hoped to discuss the U.S. government's concerns about its products and services, and said any actions would be "a response to the geopolitical climate rather than a comprehensive evaluation of the integrity of Kaspersky's products and services."

The NSC deferred questions to the Treasury. The Treasury declined to comment.

[License this article from Dow Jones Reprint Service](#)

CO cyfilm : Cyber Firm Inc | kaspy : Kaspersky Lab Ltd | usnsyc : United States National Security Council

IN i330202 : Software | i3302 : Computers/Consumer Electronics | icomp : Computing | itech : Technology | i3302021 : Applications Software | i8394 : Computer Services | ibcs : Business/Consumer Services | isecpri : Security/Privacy Software

NS ecat : Economic News | gvtre : Finance/Treasury Department | gesanc : International Sanctions | neqac : Equities Asset Class News | nmajev : Major News Events | ntop : Top Wire News | gcat : Political/General News | gdip : International Relations | gpir : Politics/International Relations | gpol : Domestic Politics | gvbod : Government Bodies | gvexe : Executive Branch | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC ABO

PUB Dow Jones & Company, Inc.

HD Western Allies Cool To Plan for Ukraine Security Guarantee

BY By Jared Malsin, Lindsay Wise and Bojan Pancevski

WC 1,071 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A1

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Western officials are balking at Ukraine's proposal for a NATO-style mutual-defense pledge that could draw their military forces into a war with Russia, even as they expressed some receptiveness to the idea of international security guarantees as part of a deal to end hostilities.

At peace talks in Istanbul on Tuesday, Ukrainian negotiators handed Russia a detailed proposal of a neutral status for Ukraine with its security guaranteed by the U.S., U.K., France, Turkey, Germany, Canada, Poland and Israel. The Ukrainian proposal would ask countries to respond to a violation of its sovereignty the way members of North Atlantic Treaty Organization would act under Article 5, the alliance's mutual-defense promise.

TD

"That's what we call Ukrainian NATO," said Ukrainian negotiator David Arakhamia, the majority leader in the country's parliament, in an interview in Istanbul. "So we get neutrality but our idea is to get fortified neutrality status."

President Biden has yet to comment on the proposal, and White House communications director Kate Bedingfield declined to say Wednesday whether the U.S. would be willing to serve as a security guarantor for Ukraine.

"We are in constant discussion with Ukrainians about ways that we can help ensure that they are sovereign and secure," she said. "But there is nothing specific about security guarantees that I can speak to at this time."

A number of Western leaders have expressed support for some form of security guarantees for Ukraine, yet none have articulated what those would look like. Their reluctance to embrace a key plank of Ukraine's blueprint -- the notion of a NATO collective defense mechanism -- shows how far apart all sides remain in finding a negotiated end to the war.

U.S. lawmakers also appeared skeptical of the proposal. Sen. Dick Durbin of Illinois, the chamber's No. 2 Democrat and co-chairman of Ukraine Caucus, said he thought the proposal was a "little premature," adding that he doesn't trust Russia.

Jim Risch of Idaho, the top Republican on the Senate Foreign Relations Committee, said such a proposal might be possible, but would be a long way off. "You know, we already did that," said Mr. Risch, referring to the 1994 Budapest Memorandum, when Ukraine gave up nuclear weapons in exchange for security guarantees. "How's that working?"

U.K. Deputy Prime Minister Dominic Raab also expressed skepticism over a proposal to provide a security guarantee to a non-NATO member. "We'll consider anything [Ukrainian President Volodymyr] Zelensky says he needs very carefully," Mr. Raab said Wednesday on BBC radio. "But we're not going to, I think, replicate unilaterally the NATO commitments that apply to NATO members."

Other countries named as possible guarantors of Ukraine's security expressed interest in the idea, but avoided committing to the proposal.

Chancellor Olaf Scholz of Germany told Mr. Zelensky that Berlin was "broadly willing" to act as a security guarantor for Ukraine as part of a peace deal, a spokesman said Wednesday. It is however too early to discuss such commitments, government spokesman Steffen Hebestreit said.

A senior German government official later clarified that the discussion was in an early stage, and it included a proposal for a group of countries including Russia to guarantee Ukraine's security as part of a peace agreement under which Kyiv would declare independence of any military alliances, including NATO.

France is open to supporting a form of neutrality for Ukraine with its security guaranteed by several countries, according to a person familiar with the matter.

The person cautioned, however, that France is unwilling to sign up for a security guarantee that includes a mechanism similar to NATO's Article 5. Much will also depend on the details of Ukraine's neutrality, including the status of its national army, the person said.

Russia likely wouldn't agree to any arrangement that requires France and other permanent members of the U.N. Security Council to guarantee Ukraine's security, the person said.

Moscow's support would be required for any agreement to end the war, and it is unclear that the Kremlin would accept Kyiv's proposal. "No one said that the sides have made headway," Kremlin spokesman Dmitry Peskov said of the talks in Istanbul, declining to discuss specific proposals. "We can't point to anything particularly promising."

The Ukrainian government, however, seems set on a proposal that would provide strong security guarantees from Western countries.

"The activation mechanism is even stronger than NATO. In NATO if something happens you have to do the consultations first," said Mr. Arakhamia, the Ukrainian negotiator. "There is no mention of how long it might take. Considering how fast things are going on, we put 72 hours max. So within 72 hours, all the guarantors have to figure out what's going on, if it's aggression or special operation or war, they have to provide military assistance or armies."

Crimea and Donbas -- two Ukrainian regions Russia occupies -- wouldn't be a part of the guarantees, said Mr. Arakhamia. Those territories would be excluded until their status is settled in separate negotiations, he said.

Ukrainian officials proposed on Tuesday that the status of Donbas would be negotiated by the presidents of Ukraine and Russia, while Crimea would be subject to a 15-year period of negotiations on a separate track.

Ukraine first proposed Turkey, a NATO member, as a guarantor of its security on March 17. Turkey has good relations with Ukraine and has been playing a mediating role in the Russia-Ukraine crisis, hosting two rounds of peace talks.

The Turkish government hasn't endorsed or opposed the proposal but has offered broad support for the peace negotiations.

While Turkey has strongly condemned the Russian invasion, it has also chosen not to impose sanctions on Russia, opting to preserve its relationship with Moscow in order to act as a mediator.

Mr. Arakhamia said Israel, a non-NATO member, could also be a party to the proposed security guarantees.

"At this point, Israel is not in the position to provide a security guarantee to Ukraine," a senior Israeli official said. "We will be willing to assist in reaching an agreement through trust-building measures and other efforts."

Noemie Bisserbe, Dov Lieber, William Mauldin contributed to this article.

[License this article from Dow Jones Reprint Service](#)

CO nato : North Atlantic Treaty Organization

NS gdip : International Relations | gvio : Military Action | nmajev : Major News Events | npag : Page One Stories | ntop : Top Wire News | gcat : Political/General News | gcns : National/Public Security | gpri :

Politics/International Relations | grisk : Risk News | ncat : Content Types | ndj : Dow Jones Top Stories
| redit : Selection of Top Stories/Trends/Analysis

RE ukrn : Ukraine | russ : Russia | turk : Turkey | cana : Canada | crimea : Crimea | fra : France | gfr :
Germany | israel : Israel | istan : Istanbul | pol : Poland | uk : United Kingdom | usa : United States |
asiaz : Asia | balkz : Balkan States | bric : BRICS Countries | dach : DACH Countries | devgcoz :
Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries |
eeurz : Central/Eastern Europe | eurz : Europe | meastz : Middle East | medz : Mediterranean | namz :
North America | ussrz : CIS Countries | wasiaz : Western Asia | weurz : Western Europe

IPC GEGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0001i

HD The **Ukraine** Crisis: President Weighs EV-Battery Boost

BY By Timothy Puko and Tarini Parti

WC 276 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

President Biden is considering invoking the Defense Production Act as soon as this week to boost domestic production of minerals used in batteries needed for electric vehicles and other clean-energy technology, people familiar with his plans said.

The administration would include minerals like lithium, nickel and graphite, cobalt and manganese under the Korean War-era national-security mobilization law, the people said. The designation could help mining companies get government funding for feasibility studies on mining development, productivity and safety improvements, or on how to wring more of these metals out of ore already produced at facilities operating in the U.S. It could also prompt Congress to dedicate more money to such efforts, the people said. The companies would still be subject to the regular environmental-review process, the people said.

TD

The Biden administration has made efforts to get Americans to switch to electric cars a key part of the president's plan to address climate change. But the U.S. is highly reliant on other countries for several minerals critical to electric-vehicle batteries.

Industry officials said invoking the Defense Production Act would be a small but potentially important step for businesses that are increasingly looking for financing. The government funding could encourage mines to consider adding processing operations -- now almost completely absent in the U.S. -- and persuade lenders and investors that the government won't impede U.S. mining development, lobbyists said.

Mr. Biden's plans to possibly invoke the Defense Production Act were earlier reported by the Intercept.

[License this article from Dow Jones Reprint Service](#)

IN imet : Mining/Quarrying | i35101 : Passenger Cars | i35104 : Alternative Fuel Vehicles | i351 : Motor Vehicles | iaut : Automotive | ibasicm : Basic Materials/Resources

NS gvex : Executive Branch | gppl : Domestic Politics | c21 : Output/Production | c341 : Government Aid/Grants | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | cexpro : Products/Services | gcat : Political/General News | gpil : Politics/International Relations | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfcipin : C&E Industry News Filter

RE usa : United States | ukrn : Ukraine | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America

IPC EXE

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0001w

THE WALL STREET JOURNAL.

CLM Risk & Compliance Journal
SE C Suite
HD **Top Banking Regulator Calls for Caution as Risk Landscape Worsens; The chance of tail risks—unlikely but highly impactful risk events—has increased with the war in Ukraine, said Acting U.S. Comptroller of the Currency Michael Hsu**
BY By Richard Vanderford
WC 374 words
PD 1 April 2022
ET 01:55
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Banks face a more uncertain environment amid the war in Ukraine and need to shore up their risk management programs to gird against multiple negative scenarios unfolding at once, a top U.S. banking regulator said.

So-called tail risks—unlikely but highly impactful risk events—are a growing potential issue that financial institutions' risk departments need to grapple with, Michael Hsu, acting comptroller of the currency, said Thursday at a conference hosted by the American Bankers Association.

TD

"Russia's invasion of Ukraine has affected tail risk as well as geopolitics," Mr. Hsu said. "Greater caution and risk management vigilance is warranted today, perhaps more than any time in recent memory."

The recent invasion has increased the risk of a broader conflict emerging, but it also has direct impacts on cyber and inflation risks, Mr. Hsu said.

Banks' risk managers should update their scenario planning to consider the possibility of multiple tail risks emerging simultaneously and should ensure their stress-testing remains up-to-date, Mr. Hsu said.

He encouraged financial institutions to empower their risk managers to use their judgment, and advised boards and executives to pay attention to those managers' assessments.

"Strong, independent risk management can help the banking system successfully navigate these risks and avoid surprises," Mr. Hsu said.

The stress-testing required by the Dodd-Frank Act means large banks should be able to weather many shocks, but they should be wary of complacency and overconfidence, he said.

Apart from the war in Ukraine, growing cryptocurrency trading also poses serious risks, particularly in how institutions account for their crypto holdings, Mr. Hsu said. Supposedly hedged positions have a long history of "blowing up," he said.

Mr. Hsu said he had engaged in collaboration with U.S. federal authorities and with their U.K. counterparts to maintain a "consistent, careful and cautious" approach to bank involvement in crypto.

Write to Richard Vanderford at richard.vanderford@wsj.com

[Top Banking Regulator Calls for Caution as Risk Landscape Worsens](#)

CO abkass : American Bankers Association

IN i81402 : Commercial Banking | ibnk : Banking/Credit | i814 : Banking | ifinal : Financial Services

NS gvio : Military Action | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | gpir : Politics/International Relations | gvtre : Finance/Treasury Department | ncolu : Columns | gcat : Political/General News | gcns : National/Public Security | gpol : Domestic Politics | grisk : Risk News | gvbod : Government Bodies | gvexe : Executive Branch | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE ukrn : Ukraine | eurz : Europe | namz : North America | uk : United Kingdom | usa : United States | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD WSJ

IPC I/BKS

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v006pp

THE WALL STREET JOURNAL.

CLM Letters
SE Opinion
HD **10 Letters to Read: March's Most Notable Letters to the Editor; Sharp contributions from Journal readers on [Ukraine](#), oil, popular environmentalism and more.**
BY By Elliot Kaufman
WC 1,122 words
PD 31 March 2022
ET 22:30
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Enjoy a selection of the month's most noteworthy letters to the editor, ordered chronologically. To learn what we look for in letters, read [here](#).

[The Unaccountable, Anticapitalist World of Large Foundations | March 3](#)

TD

The press release for the project to reimagine capitalism singles out "rampant wealth inequality" as "one of the biggest challenges of our time." I think a pithy remark from dear, departed P.J. O'Rourke might apply here: "Wealth is not a pizza, where if I take too many slices you have to eat the Domino's box." . . .

John Knoerle

Shorewood, Wis.

Read the full letters [here](#).

[Why the Electoral Count Act Is Unconstitutional | March 7](#)

The ECA in its present form gives Congress essentially unfettered authority to invalidate state-certified slates of presidential electors. This is profoundly unconstitutional. . . .

The Framers' choice reflected separation-of-powers considerations—if Congress could select the president, this would make the executive branch a subordinate, and not a coequal, branch. This would greatly augment the power of the federal legislature, which the Framers were determined to limit. . . .

Mike Luttig and David B. Rivkin Jr.

Chicago and Falls Church, Va.

Mr. Luttig served as a judge on the Fourth U.S. Circuit Court of Appeals (1991-2006). He advised Vice President Mike Pence on the 2020 vote certification. Mr. Rivkin served at the Justice Department and White House Counsel's Office in the Reagan and George H.W. Bush administrations.

Read the full letter [here](#) and a contrary view [here](#).

['Silent Spring' and the Manipulation of Science | March 9](#)

Most people who "mistrust science" can be distrustful only of what some intermediary (journalist, TV personality, author, blogger, politician, bureaucrat and, yes, scientist) told them the science is. When these popularizers sacrifice rigor for impact, as they are known to do, they are following in the footprints of Rachel Carson, a brilliant writer who in her last book came to abuse her talents.

Charles T. Rubin

Pittsburgh

Read the full letter [here](#).

[Wasteful Spending, a Shrinking Force and the Marine Corps's Big Bet | March 11](#)

The Marines may be "the only branch adapting fast for the future" ("[U.S. Defense After Ukraine](#)," Review & Outlook, March 8), but what future and how wisely? The military's poor record of predicting the next war urges maintaining flexibility. . . .

Gen. Jack Sheehan, USMC (Ret.)

Alexandria, Va.

Mr. Sheehan was NATO's Supreme Allied Commander Atlantic (1994-97).

Read the full letters [here](#).

[Why U.S. Oil and Gas Stays Stuck in the Ground | March 12](#)

I am a lifelong Texas oil geologist. I have seen shale drilling make oil but lose billions of dollars. Generally those wells hardly ever make money, but they can be of service to us now. . . .

The head of Pioneer, one of the big shale guys, is now crying poor, pitiful me, saying he needs government incentives to do his work. If these firms can't make a profit at \$110 a barrel, they should not be in business. These guys are proud free marketeers until they are asked to do the heavy lifting. I hold them in the lowest regard. But right now, make the deal.

George Stanton

Lady's Island, S.C.

Read the full letters [here](#).

[The MiGs That Russia Would Like You to Forget | March 15](#)

I'm curious, where did the MiG-15s, -17s and -21s that the North Vietnamese used to inflict 83 air-combat losses on the U.S. come from? ("[The Ukraine MiG-29 Fiasco Gets Worse](#)," Review & Outlook, March 11). If the answer isn't the vaunted North Vietnamese aerospace industry, then I guess they were from somewhere else. Whoever supplied those jets apparently wasn't concerned about starting World War III with a nuclear-armed superpower. Somebody should look that up.

Thomas Dennison

Clearwater, Fla.

Read the full letter [here](#) and letters on the Polish MiGs [here](#), [here](#) and [here](#).

[A Biden Betrayal of 9/11 Victims and Their Families | March 16](#)

As the son of Capt. John R. Fischer, FDNY, who was tragically killed on 9/11, I applaud the editorial board for calling out the injustice that this administration is inflicting on the bulk of the 9/11 community ("[Trial Lawyers Raid a 9/11 Victims Fund](#)," March 10). I wish I could say I was surprised, but this is another in a long line of inexplicable U.S. government decisions.

Timothy R. Fischer

Staten Island, N.Y.

Read the full letters [here](#).

[There Is No Art of the Deal With Vladimir Putin | March 17](#)

Michael O'Hanlon sees a way out of Russia's war against Ukraine ("[Putin is Angry, but He Isn't Mad](#)," op-ed, March 10). He suggests that the West could grant President Vladimir Putin his stated goal of barring Ukraine from membership in NATO in exchange for Russia's "commitment to a verifiable arrangement." . . .

In 1994, Russia signed a solemn obligation "to respect the independence and sovereignty and the existing borders of Ukraine." The value of any further Russian commitment would be less than a ruble.

Joshua Muravchik

Wheaton, Md.

Read the full letter [here](#).

[There's Danger in Noonan's Excessive Caution With Ukraine | March 19](#)

The final thesis of Ms. Noonan's column is that despite our admiration for Mr. Zelensky and ordinary Ukrainians, we should be weary of supporting Kyiv to the hilt because "escalation poses threats far beyond its borders," including nuclear threats. . . .

The logic of letting fear of nuclear escalation constrain the U.S. in Ukraine would also apply to a conflict with Russia in the Baltics. This can't be allowed. The deterrent effect of mutually assured destruction is the core basis of the NATO alliance. Ms. Noonan thus has it backward: Not supporting the Ukrainians fully may lead to escalation beyond Ukraine's borders.

Vladislav Davidzon

Lviv, Ukraine

Read the full letter [here](#) and another by Mr. Davidzon [here](#).

[Turkey Says No Deal on S-400 for Ukraine | March 24](#)

In light of experience, the Turkish people no longer take seriously any informal pledge by the West to supply the Patriot. . . . It would take confidence-building measures, not so-called informal proposals, to repair the relationship. To build on Mr. Kolbe's argument, what the West must do is deliver the F-35 fighter jets and Patriot batteries to Turkey without preconditions.

Fahrettin Altun

Director of Communications

Presidency of the Republic of Turkey

Ankara, Turkey

Read the full letter [here](#).

Mr. Kaufman is the Journal's letters editor.

[10 Letters to Read: March's Most Notable Letters to the Editor](#)

NS gvbod : Government Bodies | nlet : Letters | gcat : Political/General News | gpri : Politics/International Relations | gpol : Domestic Politics | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | niwe : IWE Filter | nrgn : Routine General News

RE usa : United States | ukrn : Ukraine | eurz : Europe | namz : North America | uk : United Kingdom | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Opinion |

IPC G/FDL

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v005eh

THE WALL STREET JOURNAL.

CLM Economy
SE Economy
HD **Russia Set for Steep Slump and Long Stagnation in Wake of Ukraine War; An analysis by a top regional development bank sees Ukraine's economy shrinking more but rebounding sharply next year**
BY By Paul Hannon
WC 766 words
PD 31 March 2022
ET 18:20
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russia's [invasion of Ukraine](#) will cause their economies to contract this year by about 10% and 20%, respectively, the region's leading development bank said Thursday in one of the most in-depth economic assessments to date of [the war's impact](#) on the two countries.

The European Bank for Reconstruction and Development said the [slump in Russia](#) would likely turn into a long period of stagnation while neighboring economies would rebound next year as long as a sustainable cease-fire is secured over the coming months.

TD

While Ukraine will suffer more in the short term because of the extensive damage to its physical infrastructure, Russia faces more long-term challenges from an [exodus of well-educated workers](#) and the loss of access to [Western technologies](#) under current sanctions, the bank said.

The EBRD was set up in 1991 to help countries in Eastern Europe and the former Soviet Union make the transition from centrally planned to market economies. It stopped making new investments in Russia after that country's [2014 annexation of Crimea](#) and said Monday it was closing its Moscow office.

The bank said it estimates that the territory most directly [affected by the fighting](#) accounts for 60% of Ukraine's annual economic output and that about a third of Ukrainian businesses have had to suspend operations. Electricity consumption is down 60% on normal levels for this time of year, it said.

Assuming that a cease-fire can be negotiated in the next two months, the EBRD expects Ukraine's gross domestic product to contract by a fifth this year, compared with its previous estimate of 3.5% growth. The economy should then rebound and grow by 23% in 2023 if it receives reconstruction assistance.

"Even in the optimistic scenario of reconstruction going into full swing, it is still going to be a much poorer country simply because a lot of stock has been destroyed," said Beata Javorcik, the EBRD's chief economist.

After Moscow's attack on Ukraine, the U.S. and its allies have adopted some of the [most severe economic sanctions](#) ever taken against a country with the explicit aim of damaging Russia's economy, cutting it off from [international finance](#) and barring it from importing key technologies.

The EBRD expects those sanctions to contribute to a 10% contraction in the Russian economy this year, having previously anticipated growth of 3%. In contrast to its outlook for Ukraine, the bank doesn't expect a rebound in 2023 and sees prospects beyond then remaining weak.

"There will be less investment, less international trade, less integration of Russia into global value chains, and this combined with people leaving Russia means lower long-term productivity growth," said Ms. Javorcik.

The EBRD economist said that drag on growth would likely persist even if sanctions were lifted as part of a peace agreement.

"This effect, I would expect it to linger way beyond sanctions, if there's no regime change," she said.

The prospect for Russia of a weakened economy is bad news for Central Asian countries that have maintained close economic ties with the country.

The EBRD estimates that money sent home by citizens working in Russia accounts for between 5% and 30% of annual economic output in Armenia, the Kyrgyz Republic, Tajikistan and Uzbekistan. Countries in the region rely on Russian banks for their connections to the global financial system, and much of their trade with other countries moves through Russia.

"They will need to reorient the flow of trade," said Ms. Javorcik. "Not just because Russia will be poorer and buying less, but also to reach other markets."

The EBRD lowered its growth forecasts for all but two of the 33 countries in which it invests beyond Ukraine, stretching across North Africa, Central Asia, the Caucasus and Central and Eastern Europe. The exceptions are Azerbaijan and Turkmenistan, both of which are large producers of natural gas.

In a separate report Thursday, ratings agency Moody's Investors Service said weakened confidence will add to the toll on growth, particularly in those countries that border Russia and Ukraine.

"Across Europe, the security threat will amplify the economic shock, weighing on consumption and investment, with those geographically closer to the conflict most exposed," Moody's said.

Write to Paul Hannon at paul.hannon@wsj.com

[Russia Set for Steep Slump and Long Stagnation in Wake of Ukraine War](#)

CO eubrd : European Bank for Reconstruction and Development

IN i8150106 : Development Banking | ibnk : Banking/Credit | i814 : Banking | ifinal : Financial Services

NS ecat : Economic News | e1101 : Economic Growth/Recession | c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | e11 : Economic Performance/Indicators | e51 : Trade/External Payments | gesanc : International Sanctions | gpir : Politics/International Relations | gtrade : Trade Barriers/Restrictions | ncolu : Columns | npred : Economic Predictions/Forecasts | gcat : Political/General News | gdip : International Relations | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC I/BKS

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v000m9

THE WALL STREET JOURNAL.

CLM Risk & Compliance Journal
SE C Suite
HD **Russia** 'Singling Out' Americans for Harassment, State Dept. Warns; Security experts also caution on the risks to staff at companies continuing to operate in **Russia**
BY By Richard Vanderford
WC 623 words
PD 31 March 2022
ET 05:33
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russian authorities have "singled out" U.S. citizens in Russia for harassment, U.S. authorities said in a warning that underscores the physical and security risks companies still operating in the country face.

Russian security services have targeted U.S. citizens for "detention and/or harassment," the U.S. State Department on Tuesday said in an updated warning to Americans that cautions against all travel to the country.

TD

The State Department previously had warned that American private citizens engaged in business have been interrogated without cause and threatened by officials.

Russian embassy officials did not immediately respond to a request for comment.

The reports of U.S. citizens being the particular targets of Russian authorities come amid [a widespread flight](#) of Western commercial interests and their staff from Russia, including professional services companies such as law and accounting firms that in some cases had been in the country for decades. International companies continuing to do business in Russia face an escalating regime of U.S. and European sanctions, which have drawn Russian reprisals.

Among the greatest fears multinational companies face is the risk that staff might be arrested and held on trumped-up charges, said Fred Burton, a former State Department counterterrorism deputy chief now at the protective intelligence software company Ontic Technologies Inc.

Though a company can buy insurance that provides assistance if an employee is kidnapped, an employee effectively taken hostage by a sovereign state can be difficult to free, he said. U.S. companies should assume their employees are being surveilled by Russian security services, and ideally, have any employees leave Russia immediately, he said.

"If I'm an American executive still inside of Russia, I would have left yesterday," Mr. Burton said.

Even leaving the country can be complicated because of travel restrictions and the prospect that a contact might tip off Russian authorities to an executive's imminent departure, triggering scrutiny from security agencies, said James Hayes, a former special agent with the Department of Homeland Security who now works as a consultant for Guidepost Solutions LLC.

"You have to identify sources within that country that are trustworthy, that are not going to basically pick a higher bidder to tell the Russian government or anti-American forces where business people might be traveling," Mr. Hayes said. "Very difficult, very tense situation."

In recent years, Russia has prosecuted several U.S. citizens under varying circumstances. In 2020, Paul Whelan, a former director of global security for auto-parts supplier BorgWarner Inc. and a Marine veteran, was found guilty of spying and sentenced to 16 years in prison in a case that drew U.S. condemnation. That same year, another marine veteran, Trevor Reed, was [sentenced to nine years](#) for

allegedly assaulting two Russian police officers, though his parents have said the charges were fabricated.

And this year, a week before Russia's most recent invasion of Ukraine, WNBA basketball star Brittney Griner, who also plays for a Russian team, was [arrested on drug charges](#) and has been detained since.

In a case outside Russia also widely regarded as "hostage diplomacy," two Canadian businessmen—Michael Spavor and Michael Kovrig—were arrested in China in December 2018, just over a week after Canadian police arrested Huawei Technologies Co. Chief Financial Officer Meng Wanzhou at the request of U.S. authorities, who accused her of bank fraud.

The men were freed in September of last year after Ms. Meng [made a deal](#) with prosecutors.

Write to Richard Vanderford at richard.vanderford@wsj.com

[Russia 'Singling Out' Americans for Harassment, State Dept. Warns](#)

CO usstat : United States Department of State

NS ghara : Harassment | gvstd : Foreign Affairs Department | gcrim : Crime/Legal Action | gpir : Politics/International Relations | ncolu : Columns | gcat : Political/General News | gpol : Domestic Politics | gvbod : Government Bodies | gvexe : Executive Branch | ncat : Content Types

RE russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe

IPD Wires

IPC BWA

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220330ei3u0083p

HD The Ukraine Crisis: LNG Export Boom Drains U.S. Supplies, Lifts Prices

BY By Ryan Dezember

WC 892 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

The U.S. is shipping more natural gas than ever overseas, which is keeping domestic inventories lean and power prices high.

Natural-gas prices usually decline into spring, when heating demand drops but before air-conditioning season begins. Gas producers and traders use the off-season to build up inventory for summer, socking away fuel in storage facilities until the weather turns and demand and prices rise.

TD

This year prices climbed into spring, thanks to record export volumes and promises from the White House to support the shipment of even more liquefied natural gas, or LNG, to allies across the Atlantic to supplant Russian supply.

U.S. natural-gas futures for May delivery ended Wednesday at \$5.605 per million British thermal units, more than double the price a year ago. So far in 2022, natural-gas prices have risen 50%. The last time there was such a sharp run-up to start a year was in 2008, when energy prices surged ahead of the financial crisis. A deep recession and the shale-drilling boom's bounty of fuel kept prices depressed for more than a decade after.

War in Europe is driving the recent rise, along with weather events last year that drained gas stockpiles around the world. Also, U.S. producers have been wary of torpedoing prices and sinking their profitability by drilling too much. The amount of gas in storage in the lower 48 states is 17% below the five-year average for this time of year despite production that has eclipsed pre-pandemic highs, according to the Energy Information Administration.

Just as the advent of shale drilling ushered in a domestic fuel glut that kept a lid on prices, America's rise as the world's most prolific LNG exporter is putting a new floor beneath them, some analysts say.

"We are in a new phase for U.S. gas markets," said Ryan Fitzmaurice, senior commodity strategist at Rabobank. He expects benchmark U.S. prices to range between \$4.50 and \$6, up from the \$2 to \$3.50 that natural gas has traded around the past several years.

That forecast is echoed by energy producers. The bulk of oil and gas executives surveyed in March by the Federal Reserve Bank of Dallas said they expect natural-gas prices to end the year between \$4 and \$5.50. Over much of the past decade, it took blizzards to push prices that high.

Goldman Sachs Group Inc. analyst Samantha Dart said she expects natural-gas prices of \$4.50 this summer and \$5.15 in winter, up from her previous forecast of \$3.45 and \$3.55, respectively. She said it should be 2025, however, before enough additional LNG export terminals come online in the U.S. to really tighten domestic inventories and tether prices to more expensive international markets.

"U.S. gas demand will be primarily driven by U.S. LNG export capacity additions going forward," Ms. Dart wrote in a note to clients on Tuesday.

Higher gas prices have contributed to inflation at home by boosting manufacturing costs for plastics, fertilizer, concrete and steel. They have also meant some of the highest electricity and heat bills in years for Americans this winter. Consolidated Edison Inc., which provides electricity around New York City, has already passed on big price increases to customers this year and told them this month to brace for higher bills yet. "You pay what we've paid," the utility said in an email to customers.

Just before the pandemic, prices dipped below \$2 per million British thermal units as domestic production reached new highs. The fuel got even cheaper as economic activity was choked off, hitting its lowest price since the mid-1990s. Buyers abroad canceled LNG cargoes. Inventories swelled.

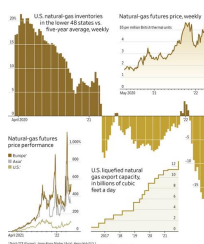
Economic stimulus and two sweltering summers brought back demand. LNG prices soared in Asia and Europe, making it more economically attractive than ever to buy U.S. shale gas, freeze it to a liquid state and ship it overseas in specialized tankers. The invasion of Ukraine, which was met with sanctions against the aggressor, has presented an urgent need in Europe to replace gas from Russia.

Last week, President Biden agreed to more than double the volume of LNG that the U.S. exports to Europe in the coming years. Europe last year imported a record from the U.S., which overtook Qatar and Australia and in December became the world's largest exporter of LNG.

Overseas sales increased in January and, though they declined in February because fog in the Gulf of Mexico delayed cargoes, analysts expect export volumes to increase this year as new facilities ramp up output.

The Energy Information Administration predicts LNG exports will average 11.3 billion cubic feet per day this year, up 16% from 2021.

In recent weeks, an expansion of the Cheniere Energy Inc. terminal at Sabine Pass in Louisiana began filling tankers, as has a closely held liquefaction plant built about 50 miles to the east. Those facilities are expected to add two billion to three billion cubic feet of daily export capacity, though construction of several more export terminals will be needed to fulfill the White House's promises to Europe.



[License this article from Dow Jones Reprint Service](#)

IN i1300004 : Liquefied/Compressed Gas | i1 : Energy | i14 : Downstream Operations | ifosfl : Fossil Fuels | iindstrls : Industrial Goods

NS ecat : Economic News | c314 : Pricing | nimage : Images | c31 : Marketing | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE usa : United States | ukrn : Ukraine | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America

IPC GMA

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v00021

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **Russia** Plays Down Progress in Peace Talks, Intensifies Attacks in Eastern **Ukraine**; Russian forces also struck around Kyiv, while **Ukraine** said it fought off advances in the eastern Donbas region
BY By Alan Cullison and Matthew Luxmoore
WC 1,508 words
PD 31 March 2022
ET 06:53
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Moscow dismissed a diplomatic overture by Ukraine in peace talks, while [Russian forces](#) hit targets around Kyiv on Wednesday despite saying they would limit attacks there as they stepped up ground and air assaults in eastern portions of the country.

Kremlin spokesman Dmitry Peskov said [talks Tuesday in Turkey](#) between Ukrainian and Russian delegates didn't represent a turning point in the conflict. "No one said that the sides have made headway," he said. "We can't point to anything particularly promising."

TD

Less than 24 hours earlier, Moscow's chief negotiator, Vladimir Medinsky, had described proposals from Kyiv in the negotiations as a constructive step and held out the prospect of a meeting between Russian President Vladimir Putin and his Ukrainian counterpart, Volodymyr Zelensky, to seal any deal.

Mr. Medinsky said Tuesday that as a gesture of goodwill, Russia would limit military operations near Kyiv and other cities in the north of the country—where [Russian offensive operations](#) had stalled in the face of fierce resistance. On Wednesday, Russia characterized troop movements there as regrouping to prepare for operations in the Donbas region in eastern Ukraine.

Russian Foreign Minister Sergei Lavrov, speaking in China on Wednesday, said Moscow remained committed to peace talks and de-escalation. And Mr. Medinsky said Ukraine had shown a willingness to address many of Russia's concerns.

[Read live updates on Russia's invasion of Ukraine](#)

But Moscow rolled back Mr. Medinsky's comments soon after his return from talks in Istanbul. On Wednesday evening, a close ally of Mr. Putin, Chechen leader Ramzan Kadyrov, released a video addressed to Moscow-backed fighters in Ukraine, assuring them that "we are not making any kind of retreat, Mr. Medinsky is somehow mistaken."

"There's no reason to worry, we have our commander, the president, the leader who sees 100 years ahead," Mr. Kadyrov said. He said Chechen volunteers were seizing villages and territory in Ukraine and would soon come to Kyiv itself. "As they say, if the mountain does not come to Muhammad, Muhammad will come to the mountain," he said.

On Wednesday, the Ukrainian military said it fought off Russian advances in the Donetsk and Luhansk areas of [the Donbas region](#), which Moscow over the past few days has said would be the new focus of its offensive. Fighting remained fierce around the strategically important city of Mariupol.

Since [Russian forces invaded Ukraine](#) on Feb. 24, more than four million people have [fled the fighting](#), the United Nations said Wednesday, in what is the largest and most rapid international movement of people in Europe since World War II.

President Biden told Mr. Zelensky during a call on Wednesday that the U.S. would provide \$500 million in budgetary [aid to Ukraine](#) to help the country maintain government services. The two leaders also discussed efforts by the U.S. and its allies to provide military, economic and humanitarian assistance to the country, the White House said.

"I stressed that right now is a turning point," Mr. Zelensky later said in his nightly video address to his nation, which he delivered standing in the dark outside in Kyiv.

"If we really are fighting for freedom and in defense of democracy together, then we have a right to demand help in this difficult turning point. Tanks, aircraft, artillery systems. Freedom should be armed no worse than tyranny," Mr. Zelensky added.

With little indication the conflict is nearing an end, Germany, which relies heavily on energy imports from Russia, [triggered an early-warning stage](#) of a contingency plan that aims to insulate the country against any possible reduction in gas deliveries.

Russia continued its long-range strikes throughout Ukraine, attacking what it characterized as military targets. Russia's Defense Ministry said it destroyed Ukrainian military equipment and struck two large warehouses in the Donbas area with short-range ballistic missiles.

[Mr. Zelensky](#) warned that armed forces would remain on alert throughout the country. "The situation has not become easier. The scale of the challenges has not diminished. The Russian army still has significant potential to continue attacks against our state," he said.



A Ukrainian soldier on Wednesday, who was injured the previous night when his vehicle was shelled. PHOTO: Diana Zeyneb Alhindawi for The Wall Street Journal

Mr. Zelensky has pushed for countries such as the U.S., U.K., Israel and others to guarantee his country's security as part of any peace deal. Kyiv presented a proposal for a neutral status and international security guarantees during talks in Turkey on Tuesday.

"This is the system we would like to build the future of Ukraine on," said Ukrainian negotiator David Arakhamia, the majority leader in the country's parliament.

"We want an international mechanism of security guarantees where guarantor countries will act in a similar way to NATO's article number five," Mr. Arakhamia said, referring to the North Atlantic Treaty Organization's [mutual-defense promise](#).

White House communications director Kate Bedingfield declined to say Wednesday whether the U.S. would be willing to serve as a security guarantor for Ukraine. Officials from the U.K., Germany and France said they were opposed to a NATO-style defense pact with Kyiv as part of any such deal.

The [Kremlin's previously announced military strategy shift](#), Western officials have said, suggests a greater focus on securing and expanding one of its strongholds inside Ukraine, potentially as a bargaining chip in peace talks.

While Russian attacks appeared focused on areas away from the capital on Wednesday, most Russian forces around Kyiv haven't been redeployed elsewhere, according to a Pentagon assessment.

"The airstrikes have not stopped. Not at all. So Kyiv is very much under threat," said Pentagon spokesman John Kirby.

Ukraine's military, while saying it saw signs that Russian forces were regrouping to focus on the east, also expressed doubt that Moscow had given up its efforts to take Kyiv. The troop movements around the capital, the Ukrainian military said, may be little more than a rotation of units.

Meanwhile, Russia appeared to be redoubling efforts to take cities further from Kyiv.

Russian rounds continued to pummel the southern front-line city of Mykolaiv at night, shaking walls and windows miles away on the right bank of the Southern Bug River. By morning, dump trucks passed through a fortified checkpoint near the regional administrative headquarters in the center of town, hauling away wreckage from Tuesday's Russian missile strike that destroyed most of the building. Four women in tears joined in a hug, expressing lost hope for colleagues buried in the rubble. Workers pulled bodies from the pile.

In the northern province of Chernihiv, Russia bombardments hit an administrative center, according to the regional governor. Russian troops "spent the whole night hitting Chernihiv," wrote the governor, Vyacheslav Chaus. "In fact the enemy roamed Chernihiv all night."

Western experts suggest that Russia's withdrawal of some forces around Kyiv may be a tactical pause, after a month of fighting in which Moscow has failed to take a major city and called for reinforcements from deep inside Russia. The British Defense Ministry on Wednesday said [Russian forces, after suffering heavy losses](#), might be returning to Belarus and Russia to regroup.

"We believe that Putin is being misinformed by his advisers about how badly the Russian military is performing," said Ms. Bedingfield, the White House communications director, adding that the Biden administration was declassifying information related to the matter.

Some of the most intensive fighting in Ukraine is taking place in Donbas, where Russian troops have entered [the port city of Mariupol](#). The city has been besieged for about a month, but fierce battles with Ukrainian forces continue. Local officials have put the civilian death toll in the city, where many neighborhoods have been leveled, at more than 5,000.

Mr. Peskov, the Kremlin spokesman, said an hour-long phone call between Mr. Putin and French President Emmanuel Macron on Tuesday night bore no progress in alleviating the humanitarian crisis in Mariupol. Mr. Putin told Mr. Macron that conditions would improve when Ukrainian forces surrendered, according to Russia's state news agency TASS, citing the Kremlin.

Still, Mr. Peskov said Russia had no plans to level cities. "We have no Stalingrads on our calendar," Mr. Peskov told reporters, referring to the Russian city destroyed by Germany in World War II.

In the rest of Donbas, Russia so far has failed to seize the principal cities of Kramatorsk, Sloviansk and Severodonetsk.

Ukrainian troops have launched counteroffensives in several areas in recent weeks, including near Kyiv and Chernihiv, and in the regions of Mykolaiv, Kharkiv and Sumy.

Brett Forrest contributed to this article.

Write to Alan Cullison at alan.cullison@wsj.com and Matthew Luxmoore at Matthew.Luxmoore@wsj.com

[Russia Plays Down Progress in Peace Talks, Intensifies Attacks in Eastern Ukraine](#)

NS	gvio : Military Action gdip : International Relations gpri : Politics/International Relations ncolu : Columns nimage : Images gcat : Political/General News gcns : National/Public Security grisk : Risk News ncat : Content Types
RE	ukrn : Ukraine russ : Russia asiaz : Asia donsk : Donbas easiaz : Eastern Asia eurz : Europe uk : United Kingdom ussrz : CIS Countries apacz : Asia Pacific bric : BRICS Countries devgcoz : Emerging Market Countries dypcoz : Developing Economies eeurz : Central/Eastern Europe weurz : Western Europe
IPD	Wires
IPC	N/CMR
PUB	Dow Jones & Company, Inc.

THE WALL STREET JOURNAL.

CLM Logistics Report
SE C Suite
HD **Ukrainian Factories Struggle as [Russia's](#) Assault Rattles Supply Chains; From boxes to boilers, the country's industrial economy tries to keep assembly lines working amid materials shortages and logistics barriers**
BY By Paul Berger
WC 952 words
PD 31 March 2022
ET 15:00
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Klim Tulin's cardboard-box factory in the central Ukrainian city of Dnipro is running low on raw materials and could lose water or power any day.

Mr. Tulin, whose corrugated boxes are used by local food producers, says that with supply lines stretched, utility networks fragile and roads to and from the city dangerous, he can't keep the assembly line moving much longer. But he's trying to keep production alive as farmers and bakers struggle to deliver meat, fruit, vegetables and bread to stores.

TD

"We said, 'Guys, we are going to stay here and work because if we work we help our land and we help our country'," Mr. Tulin said.

Small factories like Mr. Tulin's are part of the backbone of Ukraine's industrial economy, providing food, textiles and other goods, along with the equipment and materials that support the country's sprawling agricultural sector.

Owners and operators of [Ukrainian farms](#) and factories like Mr. Tulin say keeping their businesses running is as important to Ukraine's war effort as serving in a territorial defense unit. If Ukraine pushes Russia out of their country, they say, their efforts can help fuel an economic recovery.

"War, it's very expensive," said Roman Kazanko, managing partner of BZKU Ardenz, a boiler manufacturer in a suburb of Kyiv, Ukraine's capital city. "If we don't start working, the economy kills us, not Russian people."

Mr. Kazanko says he has supported Ukraine's war effort by turning his drilling, welding and laser equipment to making antitank barriers and other materials.

At the same time, he is trying to kick-start his boiler business and find customers abroad. He hopes to soon ship three industrial boilers to a customer in Austria, but says he will struggle to fill more orders.

Most of his Ukrainian customers, who make up about 90% of his business, have temporarily closed. He is running out of steel and industrial gas needed for production, and about 90 of his roughly 100 workers have left the country or are serving in the nation's defense.

But he is confident his supply lines and production will revive once the Russian army is pushed back. "People will come back because people need to make money," he said.

Business operators say they have learned to improvise their logistics after the initial shock of the invasion.

Anton Avrynskyi's online medication-delivery service, Liki24.com, relies on messaging apps like Telegram and WhatsApp to find out where to get fuel for its delivery vans. If the state postal service,

Ukrposhta, or private courier Nova Poshta can't deliver medicines to a besieged city, Mr. Avrynskyi turns to volunteers who provide vehicles and drivers free.

"Everybody in our country right now is working to help each other," he said.

Corrugated boxes at the heart of the storage and delivery trade are harder to come by.

Russia has damaged or destroyed several of Ukraine's major package producers, said Eduard Litvak, executive director of UkrPapir, a pulp and paper industry trade group, reducing production by about 60% and limiting the ability of businesses to store and transport goods as they try to continue operating.

Russia's assault hasn't reached Mr. Tulin's factory in Dnipro, one of Ukraine's largest cities and located near the Donbas region in eastern Ukraine that Russia claims. But Dnipro has been hit by rockets, and a strike on March 11 destroyed a shoe factory there.

Mr. Tulin, who is 32 years old, spends as much time as possible at the factory while his partner, Darya, stays home with their infant son, who was born on the morning of Russia's invasion on Feb. 24. When air raid sirens sound, the family rushes to the basement of their apartment building to shelter with neighbors. Mr. Tulin said he only finds peace during the first seconds of each day when he wakes. "Until you remember that this is a war," he said.

Before the invasion, Mr. Tulin's factory and a sister facility across town produced more than 10 million boxes a month to carry food, drinks, machinery parts, consumer goods and electronics across domestic and international markets.

Production today is down about 80%, Mr. Tulin said. Most customers have stopped operating in and around occupied, encircled or threatened cities. Some local businesses cling on, moving meat, cereal, eggs and bread to local stores, but foreign markets are largely cut off.

Mr. Tulin said he has about one month's supply of raw materials. His company consumes about 2,000 to 3,000 metric tons of paper a month as well as glue and tape. Some of his workers drive to two nearby paper mills for supplies, "but the road to them is still a little dangerous," Mr. Tulin said. He expects to lose water or power any day. But for now, he can make it work.

"It is difficult to predict how long it will last," he said. "How many rockets will be launched tomorrow? Where will they hit? How many gas stations will be destroyed? Electricity plants? How far Russians will advance tomorrow?"

He says he will keep the factories running until he can no longer operate. Each new order of boxes is an achievement.

"We understand that somewhere another company started working, and we feel a small victory," he said.

Write to Paul Berger at Paul.Berger@wsj.com

[Ukrainian Factories Struggle as Russia's Assault Rattles Supply Chains](#)

IN i0 : Agriculture | icargo : Freight Transport/Logistics | itsp : Transportation/Logistics

NS ecat : Economic News | gvio : Military Action | ncolu : Columns | cpsht : Product Shortage | gcat : Political/General News | reqrts : Suggested Reading Transportation/Shipping | c21 : Output/Production | ccat : Corporate/Industrial News | cexpro : Products/Services | gcns : National/Public Security | grisk : Risk News | ncat : Content Types | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE ukra : Ukraine | russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Wires

IPC I/TRS

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220331ei3v0012z

CLM Heard on the Street

HD **Putin's Plan for Ruble Is Low on Fuel --- Even if Russia succeeds in selling energy in its currency, it can't replicate reasons for dollar's impact on trade**

BY By Jon Sindreu

WC 655 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG B11

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

[Financial Analysis and Commentary]

After making the ruble unpalatable to investors and savers, President Vladimir Putin is trying to engineer extra demand for the Russian currency from its only remaining market: captive commodity buyers. But that well may be almost dry.

TD

On Wednesday the ruble rose back to around where it was on Feb. 24, the day Russia first invaded Ukraine, both against the U.S. dollar and the euro. Capital controls and interest rates increasing to 20% from 9.5% are among the reasons why the exchange rate has decoupled from the Russian economy, which is forecast to contract 5.7% this year due to the West's sanctions, according to FocusEconomics.

The currency's surprising strength in recent days follows Mr. Putin's announcement that he wants Europe to pay for natural gas in rubles, rather than euros and dollars.

Excluding energy exports from the sanctions has given the ruble a floor. While Russia has been frozen out of roughly \$300 billion of its foreign reserves, its current-account surplus is still likely to bring in more than \$20 billion every month. The European Union buys 40% of its gas and 30% of its oil from Russia.

If Mr. Putin truly wants to leverage this dependency into additional demand for his currency, gas may only be the beginning.

Roughly 40% of global trade is invoiced in dollars, even though the U.S. share of exports is only 10%. Research by the International Monetary Fund finds that the prices of traded goods move with the greenback, even in cases where neither country uses the dollar and their bilateral exchange rate shifts in some other direction. It shows why invoicing in your own currency can give you power: Since prices are "sticky," foreign buyers pay more when the exchange rate increases. This is what Russia could get from ruble invoicing, University of Reading Professor Alexander Mihailov argued Tuesday.

Yet, though gas is a somewhat segmented market, Russia isn't a big exporter of differentiated goods with sticky prices. Instead it is a mammoth seller of commodities, the prices of which fluctuate in real time and move to offset changes in the dollar.

Making importers use the ruble would make it more liquid, but wouldn't necessarily bring it more buyers. When exporters get paid in foreign currencies, they convert a lot of it into domestic money anyway, to pay workers and suppliers. In Russia, the government already requires them to exchange 80% of their revenues, which serves to channel dollars and euros through unsanctioned banks to importers who need them.

Sure, forcing foreigners to buy the ruble would take the conversion rate on some trades up to 100% and perhaps give the central bank some extra control over reserve management. But Moscow could also mandate state-owned Gazprom to sell more euros.

Mr. Putin's threats to rewrite energy contracts -- which the Group of Seven has already called "not acceptable" -- are likely bad for the ruble in the long run. They escalate tensions and accelerate European plans to buy gas elsewhere.

There is a mistaken belief that dollar invoicing is the cause, rather than the consequence, of the greenback's "exorbitant privilege" within the monetary system, which is instead built upon the U.S.'s hegemonic role in the global economy. Russia depends on the West for key technologies in sectors like semiconductors, aviation and even energy exploration and extraction, which will be hit hard by sanctions. In time, commodity-export volume itself may be lower.

The ruble's value comes from how much Russian stuff foreigners buy, not the currency in which they pay. Eventually, the exchange rate will reflect it.

[License this article from Dow Jones Reprint Service](#)

RF page,5043

NS c13 : Regulation/Government Policy | e512 : Physical Trade | gesanc : International Sanctions | gtrade : Trade Barriers/Restrictions | m132 : Foreign Exchange Markets | mcat : Commodity/Financial Market News | mnatgs : Natural Gas Markets | ncolu : Columns | nhrd : Heard on the Street | npda : DJ Exclusive Analysis - All | c1521 : Analysts' Comments/Recommendations | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gcat : Political/General News | gdip : International Relations | gpir : Politics/International Relations | m13 : Money/Currency Markets | m14 : Commodity Markets | m143 : Energy Markets | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpin : C&E Industry News Filter

RE russ : Russia | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries

IPC GMA

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0000f

HD **The Ukraine Crisis: Biden to Release More Oil From Strategic Reserve --- Move to add a million barrels a day aims to stem spiraling price of gasoline for motorists**

BY By Tarini Parti and Andrew Restuccia

WC 383 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

President Biden is preparing to announce the release of up to 1 million barrels of oil a day from the U.S. Strategic Petroleum Reserve, according to people familiar with the plans.

Mr. Biden is expected to deliver remarks on Thursday on the administration's efforts to curb the rise in energy prices since Russia invaded Ukraine. The announcement could come during the planned remarks.

TD

Brent crude, the global benchmark for oil prices, fell almost 5% in Asia to \$106.12 a barrel as news of the expected release began seeping out.

Mr. Biden previously said during the State of the Union address in March that the administration would release 30 million barrels of oil from the government's reserves.

The president banned imported oil and other energy sources from Russia this month, while acknowledging that it could translate to higher gasoline prices for Americans.

Ahead of the midterm elections, Mr. Biden has been under pressure to address rising gasoline prices, as Republicans continue to criticize vulnerable Democrats on the issue. Mr. Biden's poll numbers have also been sliding in recent months, as Americans cite rising inflation levels that have reached a 40-year high and gasoline prices as top issues.

The administration has twice tapped the Strategic Petroleum Reserve in the last several months as part of a coordinated effort with other countries. The U.S. initially released 50 million barrels of oil from the reserve in November and then released an additional 30 million barrels in March. Though those actions provided temporary relief, the releases did little to reverse the longer-term trend of rising gasoline prices.

The Biden administration has been discussing tapping the strategic petroleum reserve again for weeks, and it has briefed International Energy Agency members on its plans, one of the people said. The daily releases from U.S. stockpiles could continue for months if prices remain high, the person said.

Energy analysts have said Mr. Biden has few options to quickly lower prices given the complexities of the industry's supply and demand.

[License this article from Dow Jones Reprint Service](#)

IN i1 : Energy

NS m143 : Energy Markets | nmajev : Major News Events | ntop : Top Wire News | m14 : Commodity Markets | mcat : Commodity/Financial Market News | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfce : C&E Exclusion Filter | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | namz : North America | ussrz : CIS Countries

IPC GMA

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v00020

HD The Ukraine Crisis: Europeans Woo Qatar to Bypass Russia as Energy Source

BY By Benoit Faucon, Summer Said and Stephen Kalin

WC 761 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

DOHA, Qatar -- This tiny Persian Gulf kingdom is emerging as one of Europe's best hopes for weaning itself off Russian natural gas, in another sign of how the war in Ukraine is changing the world's energy relationships.

Germany, France, Belgium and Italy are in talks with Qatar to buy liquefied natural gas on a long-term basis, said Qatari and European officials. Germany's Economy Minister Robert Habeck flew to Qatar this month to announce an energy partnership and a commitment to build his country's first-ever terminal to receive shipments of liquefied natural gas from Qatar and other gas producers.

TD

"This is only the start," Mr. Habeck said on March 20.

Qatar grew rich over the past two decades by selling natural gas chilled into liquid -- a process used for shipping the fuel -- to China, South Korea, Japan and other Asian consumers on long-term contracts, helping the country of less than three million people become the world's second-largest exporter of gas. The country had long wanted to expand into Europe. Buyers there were reluctant, with cheaper sources from Russia that could be shipped by existing pipelines and obtained on shorter-term, more flexible contracts.

Now, Europe is seeking new sources of natural gas to replace Russian imports, which account for 38% of the gas imported into the European Union. In addition to Qatar, European nations are talking with gas producers in Angola, Algeria, Libya and the U.S., according to officials in these countries.

Qatar is emerging as one of the most attractive options because it is in the midst of a \$28.7 billion plan to boost its gas production capacity by 40%, or about 33 million metric tons a year, by 2026. That would more than offset the entirety of Russia's LNG exports to Europe, which was 13.7 million metric tons last year, although it would still leave a gap because most Russian gas travels by pipeline.

Many other producers are pumping at full capacity and can't make much more for Europe. "You've got Qatar basically being in the right place at the right time with the right resources," said Steven Wright of Hamad Bin Khalifa University in Doha.

In securing deals with Europe, Qatar has moved cautiously. Such deals sometimes take months to work out, and none is yet final with any European country.

The Qataris also have links with Russia, including billions of dollars invested there. The Qatar Investment Authority, a sovereign-wealth fund, has large stakes in Moscow-backed enterprises such as Rosneft Oil Co. and VTB Bank PJSC, whose share prices have fallen roughly 50% over the past month.

The Western attention showered on Qatar contrasts with its geopolitical position five years ago. Then it faced an economic and diplomatic boycott from its neighbors, including Saudi Arabia. Then-President Donald Trump labeled the emirate a financier of terrorist groups, which Doha denied.

Now, Qatar has patched up relations with the Saudis. The U.S. has labeled it a major non-NATO ally, opening the door to more joint military exercises and potential arms sales. The Qataris played a central

role in helping the U.S. and its allies evacuate thousands of Americans and Afghans after the Taliban took over Kabul, and has acted as a backchannel for the U.S. in talks with Iran over a nuclear deal.

The Qataris have also taken a clearer stance on the Ukraine war than its neighbors in Saudi Arabia and the United Arab Emirates, which have publicly refused to help lower surging crude prices by raising their own production -- a position that helps Moscow. Sheikh Mohammed bin Abdulrahman al-Thani, the Qatari foreign minister, has also called on Russia to respect Ukraine's sovereign integrity.

One tangible benefit for Qatar: The EU last month dropped antitrust investigations into Qatar Petroleum, the state energy company.

The flood of goodwill for Qatar in the West comes as the country is preparing to host soccer's World Cup starting in November, an event that is transforming the emirate with new roads and stadiums.

"The Qataris are in a unique spot as a trusted player to a spectrum of actors that is almost unparalleled, from the White House to the Taliban to Iran to European gas consumers," said Adel Hamaizia, a visiting fellow at the Center for Middle Eastern Studies at Harvard University.

[License this article from Dow Jones Reprint Service](#)

IN i1 : Energy | i1300004 : Liquefied/Compressed Gas | i14 : Downstream Operations | ifosfl : Fossil Fuels | iindstrls : Industrial Goods

NS gdip : International Relations | nmajev : Major News Events | ntop : Top Wire News | c181 : Acquisitions/Mergers/Shareholdings | reqren : Suggested Reading Energy | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | gcat : Political/General News | gpir : Politics/International Relations | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News

RE qatar : Qatar | russ : Russia | belg : Belgium | doha : Doha | eurz : Europe | fra : France | gfr : Germany | italy : Italy | ukrn : Ukraine | asiaz : Asia | benluxz : Benelux Countries | bric : BRICS Countries | dach : DACH Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | gulfstz : Persian Gulf Region | meastz : Middle East | medz : Mediterranean | ussrz : CIS Countries | wasiaz : Western Asia | weurz : Western Europe

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J0000000020220331ei3v0001u

HD The **Ukraine** Crisis: Big Slump Forecast In Nations' Economies

BY By Paul Hannon

WC 276 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A9

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

Russia's invasion of Ukraine will cause their economies to contract this year by about 10% and 20%, respectively, the region's leading development bank said Thursday in one of the most in-depth economic assessments to date of the war's impact on the two countries.

The European Bank for Reconstruction and Development said the slump in Russia would likely turn into a long period of stagnation while neighboring economies would rebound next year as long as a sustainable cease-fire is secured over the coming months.

TD

While Ukraine will suffer more in the short term because of the extensive damage to its physical infrastructure, Russia faces more long-term challenges from an exodus of well-educated workers and the loss of access to Western technologies under current sanctions, the bank said.

The EBRD was set up in 1991 to help countries in Eastern Europe and the former Soviet Union make the transition to market economies. It stopped making new investments in Russia after that country's 2014 annexation of Crimea and said Monday it was closing its Moscow office.

The bank said it estimates that the territory most directly affected by the fighting accounts for 60% of Ukraine's annual economic output.

Assuming that a cease-fire can be negotiated in the next two months, the EBRD expects Ukraine's gross domestic product to contract by a fifth this year, compared with its previous estimate of 3.5% growth. The economy should then rebound and grow by 23% in 2023 if it receives assistance.

[License this article from Dow Jones Reprint Service](#)

CO eubrd : European Bank for Reconstruction and Development

NS ecat : Economic News | nmajev : Major News Events | npred : Economic Predictions/Forecasts | ntop : Top Wire News | ncat : Content Types | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE ukrn : Ukraine | russ : Russia | eurz : Europe | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | eeurz : Central/Eastern Europe | ussrz : CIS Countries

IPC EMB

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0001c

HD The **Ukraine Crisis: Germany Braces For Drop in Supplies**

BY By Bojan Pancevski

WC 123 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A7

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

BERLIN -- Germany began bracing for a sudden drop in Russian natural-gas supplies amid Russian threats to slash energy exports, the German government said on Wednesday.

Economy Minister Robert Habeck said Berlin has triggered the early warning stage of a contingency plan that aims to insulate the country against any possible reduction in Russian gas deliveries, adding that Russian supplies continue uninterrupted.

TD

The triggering of the early warning stage is a formality in Germany's elaborate contingency plan for possible energy shortages.

It means a special government task force will be formed to monitor developments in global gas markets and intervene if needed.

[License this article from Dow Jones Reprint Service](#)

CO fgvger : Federal Government of Germany

IN i1 : Energy

NS nmajev : Major News Events | ntop : Top Wire News | ndj : Dow Jones Top Stories | redit : Selection of Top Stories/Trends/Analysis

RE gfr : Germany | russ : Russia | ukrn : Ukraine | asiaz : Asia | bric : BRICS Countries | dach : DACH Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | eurz : Europe | ussrz : CIS Countries | weurz : Western Europe

IPC GEGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0000v

HD The Ukraine Crisis: European Nations Weigh Broader Sanctions

BY By Laurence Norman

WC 634 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A8

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

European countries are weighing new steps to raise pressure on Russia's economy including targeting more banks and other family members of oligarchs, diplomats and officials familiar with discussions said.

The efforts come as the U.S. and the European Union prepare joint task forces aimed at ensuring the sanctions already announced on Russia over its invasion of Ukraine can be effectively implemented. The trans-Atlantic efforts include work to pressure third countries that are making it possible for Russian people and companies to move assets located outside Russia beyond the reach of Western sanctions.

TD

Among the measures that EU officials are discussing is how to deploy the bloc's anti-money-laundering blacklist against countries found to be helping circumvent Western sanctions. Those discussions include whether to place Russia on the EU blacklist, although officials say no decision is imminent on that.

A proposal on the new sanctions is expected next week from the European Commission, the EU's executive arm. The proposal would then need to be agreed on by all 27 member states.

After four sets of broad financial, economic, technology and targeted sanctions against oligarchs and other leading Russian businesspeople, the focus in Brussels, and to some extent Washington, has switched away from hitting new sectors of Russia's economy and moved toward closing loopholes in the sanctions package and tightening their impact.

U.S. officials are currently in Brussels discussing sanctions enforcement. Deputy Treasury Secretary Wally Adeyemo said in London on Tuesday that the U.S. government and its allies plan to impose sanctions on institutions and individuals who help Russian oligarchs hide their assets. Governments are also working on new measures intended to disrupt supply chains in order to deny Russia means to pursue its war.

On Wednesday, the U.K. government said it had put in place new legal powers to prevent Russian oligarchs getting access to the country's aviation and maritime industries and engineers. It also said the government was extending to Russian-controlled Ukrainian territory in Donetsk and Luhansk a trade ban put in place for Crimea after the peninsula was annexed by Russia in 2014.

In the aftermath of Russia's Feb. 24 invasion of Ukraine, the EU's member states placed sanctions on several Russian banks, including development bank VEB RF, Bank Rossiya and Bank Otkritie. The EU also delisted seven Russian banks from the Swift financial network, including VTB, Russia's second-biggest lender.

EU officials are considering hitting the four nonsanctioned banks that were removed from Swift, including VTB. That bank's assets were frozen by the U.S. and the U.K., but the EU has held off new sanctions on it.

There are no plans at this point to list Gazprombank or Sberbank, which handle energy payments by European firms to Russia. The EU has so far steered clear of banning gas, oil or coal imports from Russia.

Officials say the bloc is also looking at much broader sanctions on family members of targeted Russian business elites or oligarchs, to stem their movement of assets abroad.

The EU's sanctions have already targeted Russian Foreign Minister Sergei Lavrov's son-in-law and the former wife of Igor Sechin, the chief executive of oil producer Rosneft. But its targeted asset freezes and travel bans on oligarchs' family members have so far been very limited.

European officials are also looking at how to stymie the use of cryptocurrencies to evade sanctions. The EU had already said the ban on providing loans and credit to sanctioned people and entities included crypto assets. However, the bloc is looking at how to prevent sanctioned individuals from trading between crypto assets to evade sanctions.

[License this article from Dow Jones Reprint Service](#)

CO euruno : European Union

IN i814 : Banking | ibnk : Banking/Credit | ifinal : Financial Services

NS gesanc : International Sanctions | c13 : Regulation/Government Policy | gdip : International Relations | gtrade : Trade Barriers/Restrictions | neqac : Equities Asset Class News | nmajev : Major News Events | ntop : Top Wire News | ccat : Corporate/Industrial News | e51 : Trade/External Payments | ecat : Economic News | gcat : Political/General News | gpir : Politics/International Relations | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis

RE russ : Russia | ukrn : Ukraine | eurz : Europe | usa : United States | asiaz : Asia | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | namz : North America | ussrz : CIS Countries

IPC ABO

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0000o

HD **Russia Could Still Salvage Victory in Ukraine**

BY By Samir Puri

WC 823 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A17

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

The year I served in east Ukraine as a cease-fire monitor was framed by dramatic events. I arrived in September 2014, shortly after a Malaysia Airlines flight was shot down by a Russian missile above the Donbas. I left in September 2015, as Russia switched its military attention to Syria. Russia was then fighting only in Ukraine's eastern regions, but that first incarnation of the Russia-Ukraine war has lessons for today.

Russia has shown that no matter how badly things go, it can find a way to impose its influence on Ukraine. In 2014 Russia annexed Crimea but the uprisings it inspired in Odessa and Kharkiv fizzled, while its separatist republics in Donetsk and Luhansk gained only incomplete footholds in these regions. Yet that was enough to destabilize Ukraine: Russia's proxies waged a limited war in the Donbas for eight years, giving Vladimir Putin his veneer-thin justification for invading this February.

TD

Mr. Putin may settle for less than he set out to achieve, recasting this botched invasion as the next chapter in regaining Russia's postimperial influence in Ukraine.

As Ukrainian and Russian negotiators meet this week in Turkey, Russian officials may try to impose a fresh set of destabilizing terms on Ukraine. Russia's military has declared an end to the first phase of the invasion and a shift in operational priorities to east Ukraine -- a declaration widely seen by Ukraine's supporters in the U.S. and the U.K. as an admission that the invasion is failing.

The move follows a crucial tenet of war: Modify your strategic goals instead of sticking doggedly to unachievable ones. Russia's goal moderation can be derided as face-saving but in fact Moscow's less-ambitious aims are more achievable than Mr. Putin's dream of regime change.

Strategic failure beckons when maximalist campaign goals are maintained amid a faltering military effort. Afghanistan is a recent example: The North Atlantic Treaty Organization clung to its nation-building goal for almost two decades before leaving in a rout last summer. Goal moderation can be a sensible way to stay in the fight on more advantageous terms, by still advancing some strategic aims while jettisoning others as setbacks mount.

Mr. Putin will be desperate to emerge from the war with something to show for it to counter internal critics who see this as a botched invasion. If he moderates his strategic goals, there are two logical outcomes of Russia's campaign: Either Russia will "butcher and bolt" by withdrawing on terms at least partly favorable to some Russian objectives, or its forces will remain and bisect a greater portion of Ukraine.

"Butcher and bolt" is a 19th-century phrase for a punitive expedition that wreaks havoc on disobedient imperial subjects after which the aggressor withdraws. Russian forces have demolished cities and shattered many Ukrainians' lives. The city of Mariupol, where local officials say 5,000 Ukrainians have died, has suffered the sort of devastation once meted out by Russia's air force in Syria. The Ukrainians may seek reparations if there is discussion of withdrawing Russian forces, but the toll on the country already is huge.

Russian forces are more likely to try to remain in parts of Ukraine. Kyrylo Budanov, head of Ukrainian military intelligence, said Russia wants to "create North, South Korea." But South Korea retains huge

U.S. military garrisons to deter future land grabs. A comparable scenario is unlikely here unless the U.S. sends major troop deployments to western Ukraine.

Divided Cyprus offers another analogy. Since Turkey invaded in 1974, Ankara has sustained the "Turkish Republic of Northern Cyprus" and Turkish forces are based there despite low levels of diplomatic recognition. That didn't stop the Republic of Cyprus from joining the European Union in 2004. The division has evolved into a feature on Europe's political map.

Russia may try to secure a stretch of land from the Donbas to Crimea even if it faces insurgency later on. Ukraine will never willfully give up its territory, but barring an unforeseen escalation that brings other countries into the fight, a total Russian rout looks unlikely. Even if Ukraine dislodges Russian forces from the 2022 territorial gains, evicting Russia from the 2014 gains will be almost impossible.

This is a bleak prognosis for Ukraine, which is no stranger to division. Its lands were bisected by Austria-Hungary in the west and Russia in the east until both empires collapsed in World War I. Mr. Putin is bent on securing something from his military misadventure. Whether he can depends on his awareness of the shrinking reality of what Russia's invasion force can achieve.

Mr. Puri is senior fellow in hybrid warfare and urban security at the International Institute for Strategic Studies and author of "The Shadows of Empire."

[License this article from Dow Jones Reprint Service](#)

NS gvio : Military Action | gdef : Armed Forces | nedc : Commentaries/Opinions | gcat : Political/General News | gcns : National/Public Security | grisk : Risk News | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter

RE ukrn : Ukraine | russ : Russia | crimea : Crimea | donsk : Donbas | turk : Turkey | asiaz : Asia | balkz : Balkan States | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | eurz : Europe | meastz : Middle East | medz : Mediterranean | ussrz : CIS Countries | wasiaz : Western Asia

IPC IGV

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0000p

HD Notable & Quotable: **Ukraine** and Nation-States

WC 477 words

PD 31 March 2022

SN The Wall Street Journal

SC J

PG A15

LA English

CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

LP

The Hudson Institute's Christopher DeMuth in his opening address at the European National Conservatism Conference in Brussels, March 23:

TD

Russia's latest war has been analyzed in terms of spheres of influence, the return of great power competition, dictatorship versus democracy. But the heart of the matter is the integrity of the nation. An imperial power invaded a peaceful self-governing nation for conquest, aiming to seize its territory and farms and industry, to subjugate its people, and to extinguish its traditions and institutions. That is why Ukraine has become a popular cause around the world. The Ukrainians cry out, this is our land, our home, our country. President Zelensky compares his countrymen's struggle and heroism to the historic struggles and heroes of other nations; he is even gauche enough to name names at a time when other nations are toppling their heroes. You don't have to have taken a course in political science to understand this war. Nor to be overwhelmed by the bravery and determination of the Ukrainians and to reflect on your responsibilities for your own national home.

And the response has been a rallying of sovereign nations that no living person has seen before. In the order of nation-states, each nation defends the overall order as its own interests require or permit. Some nations have been constrained by their existential reliance on Russian energy; others have judged that they may play a useful role as diplomatic intermediaries; plus, we are going to need a delegation to inform Putin that he has lost. Close to the fray, fears that one's own nation may be next on Putin's hit list, or that in desperation he may introduce nuclear or chemical weapons into the theater, have produced a spectrum of reactions both among and within nations. But the total response has been the provision of stupendous defensive armaments and intelligence, logistical, and humanitarian support, and repudiation of Putin and isolation the Russian economy. Most striking of all have been the many reversals of national defense, energy, and financial policies that would have been inconceivable the day before the invasion....

The newly engaged nation-states came to the [Ukraine and pandemic] crises woefully unready, following a long period of desuetude, self-indulgent politics, and, for many, mediocre leadership. Sovereignty needs to be earned continuously -- through prudent finance and low public debt, diversification in energy and other requisites of national independence, and ample provision to prepare for natural disasters and military defense. Lacking these fundamentals, we have faced many tragic choices that were more painful and costly than they needed to have been. Having witnessed a display of national self-determination that will ring through history, we may be inspired to greater political seriousness in our own nations.

[License this article from Dow Jones Reprint Service](#)

CO hudson : Hudson Institute

NS gvexe : Executive Branch | gcat : Political/General News | nedc : Commentaries/Opinions | nrgn : Routine General News | gpir : Politics/International Relations | gpol : Domestic Politics | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpx : C&E Executive News Filter

RE ukrn : Ukraine | dvpcz : Developing Economies | eurz : Central/Eastern Europe | eurz : Europe

IPC NND

PUB Dow Jones & Company, Inc.

AN Document J000000020220331ei3v0000I

THE WALL STREET JOURNAL.

CLM World News
SE World
HD **How Many Nuclear Weapons Does [Russia](#) Have? What to Know About Putin's Arsenal; [Russia](#) has invested in a variety of ways to employ its warheads, including land-based ballistic missiles that could reach the U.S.**
BY By Laurence Norman
WC 996 words
PD 30 March 2022
ET 19:44
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

CX

Corrections & Amplifications

Lockheed Martin Corp. makes the F-35 combat jet. An earlier version of the article misspelled the name of the company as Lockhed Martin. (Corrected on March 3)

LP

Russian President Vladimir Putin in the first days of the Russian [invasion of Ukraine](#) ordered his country's nuclear-deterrence forces to be put on alert, a reminder of the threat posed by the war.

How many nuclear weapons does Russia have?

TD

Russia has more than 1,500 warheads deployed on strategic long-range systems and almost 3,000 in reserve, according to [an assessment published](#) in the Bulletin of the Atomic Scientists. Russia has invested in a variety of ways to employ those warheads, including land-based ballistic missiles that could reach the U.S., submarine-based missiles, and bombs and missiles that could be deployed from aircraft.

Has Mr. Putin threatened to use nuclear weapons?

Not explicitly. The Russian president on Feb. 27 raised the alert level of Russia's nuclear forces, though not to the highest level. He previously warned countries supporting Ukraine that there could be "consequences you have never seen." A far-reaching constitutional referendum in Belarus that concluded Feb. 27 [ended the country's status as a nonnuclear state](#).

What other countries have nuclear weapons?

The U.S., France and the U.K. make up the Western nuclear-weapons powers. China also has built up a nuclear arsenal. India, Pakistan and North Korea also are nuclear-weapons powers. Israel is widely believed to have nuclear weapons but has never confirmed it has them. The U.S. and Russia have by far the largest inventories of warheads, followed by China. The arguments these countries often put forward for having nuclear weapons is that they deter others from attacking them.

Does Ukraine have nuclear weapons?

When the Soviet Union collapsed in 1991, Ukraine was home to the third largest nuclear arsenal in the world. Under a 1994 agreement that Russia cosigned, which was supposed to guarantee Ukraine's security and territorial integrity, the country agreed to hand over its warheads and deliver them to Russia. The handover was completed by 2001. Russia's Sergei Lavrov on March 1 accused Ukraine of seeking to acquire nuclear weapons without providing any evidence. The next day, the head of the United Nations atomic agency said there was no evidence of any illicit nuclear work in Ukraine.

Are there defenses against Russian nuclear weapons?

The U.S. has invested heavily into the ability to shoot down ballistic missiles that could carry nuclear warheads although it has no effective defense against Russia's nuclear forces and has no plans to develop such a capacity. The limited anti-missiles system the U.S. has are aimed at a North Korean threat. The U.S. systems have had a mixed success rate in testing.

Have nuclear weapons ever been used in war?

Yes. The U.S. dropped two nuclear bombs against cities in Japan in the closing days of World War II. The U.S., at the time, was the only country with nuclear weapons. Most modern nuclear warheads are far more destructive than the weapons employed against Japan.

What are NATO's nuclear capabilities in Europe?

While the U.S. and NATO don't disclose exact figures for European-deployed weapons, the Arms Control Center estimates 100 U.S.-owned nuclear weapons are stored in five NATO countries. The U.K. said last year it would reverse years of nuclear disarmament and increase the number of warheads to a new ceiling of 260, over 40% above its previous threshold. France is estimated to have just under 300 warheads, according to the Nuclear Threat Initiative, deployable by submarine or air-launch.

In response to Russia's invasion of Ukraine, German Chancellor Olaf Scholz on Feb. 27 said the country was planning to buy Lockheed Martin Corp. F-35 combat jets as he [pledged to increase military spending](#). Germany, which doesn't have its own nuclear weapons, is part of NATO's nuclear sharing agreement. Buying F-35s that are also designed for a nuclear role would sustain Germany's ability to drop U.S.-owned nuclear bombs. The German government on March 14 said it was moving forward with the acquisition of 35 of the radar-evading jets, with the goal of phasing out the Tornado planes now used in the nuclear role by 2030. The F-35s would be stationed at the same Buechel air base, the Luftwaffe said.

Could Putin use tactical nuclear weapons?

Russia also has an unknown number of tactical or so-called nonstrategic nuclear weapons that could be used on the battlefield, according to the Nuclear Threat Initiative. Such weapons are less powerful than strategic nuclear weapons, though their explosive yield can vary widely. The NTI says these warheads aren't connected up to delivery systems but kept in central storage facilities.

The U.N. atomic agency has [warned of the threat](#) posed by war in a country with 15 nuclear reactors at four sites, a concern renewed when a Russian projectile caused a fire at [Europe's largest nuclear power plant](#). Ukrainian authorities said a power cut caused by Russian attacks on Kyiv could deprive [the Chernobyl nuclear site](#) of power, leading to a potential meltdown of spent nuclear fuel, though the U.N. agency played down risks of an imminent problem at the site.

NATO Secretary-General Jens Stoltenberg, ahead of a March 24 alliance summit, said "Russia must stop its nuclear saber-rattling," calling Moscow's suggestions it might use such weapons "dangerous."

At the close of the summit, he said the alliance would provide Ukraine with [protective gear](#) to help address chemical, biological, radiological and nuclear threats. That includes detection equipment, medical support, and training for decontamination, he said.

This explanatory article may be periodically updated.

[How Many Nuclear Weapons Does Russia Have? What to Know About Putin's Arsenal](#)

NS gnuclw : Nuclear Weapons Programs | gvio : Military Action | gvexe : Executive Branch | gpir : Politics/International Relations | gpol : Domestic Politics | gvbod : Government Bodies | ncolu : Columns | ncor : Corrections | ncrx : Corrected Items | gcat : Political/General News | gcns : National/Public Security | gdef : Armed Forces | grisk : Risk News | gwepa : Weapons Programs | ncat : Content Types

RE russ : Russia | ukrn : Ukraine | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | gfr : Germany | namz : North America | uk : United Kingdom | usa : United States | ussrz : CIS Countries | apacz : Asia Pacific | bric : BRICS Countries | dach : DACH Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eecz : European Union Countries | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD WSJ

IPC G/GEGV

PUB Dow Jones & Company, Inc.

THE WALL STREET JOURNAL.

CLM Politics and Policy
SE Politics
HD **U.S. Trade Chief Outlines Policy Shift, Citing [Ukraine](#) War and Pandemic; Tai said that traditional trade policy tools, including tariffs, are no longer sufficient**
BY By Yuka Hayashi
WC 654 words
PD 31 March 2022
ET 00:40
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.

CX

Corrections & Amplifications

Rep. Adrian Smith represents a district in Nebraska. An earlier version of this article incorrectly said he represented a district in Nevada. (Corrected on March 31)

LP

WASHINGTON—U.S. Trade Representative Katherine Tai said Wednesday that the U.S. must shift the focus of its trade policy to rebuilding its domestic manufacturing industries, and lessening ties to unfriendly economies.

Appearing before the House Ways and Means Committee, Ms. Tai said that global events such as Russia's invasion of Ukraine and the supply-chain disruptions triggered by the Covid-19 pandemic point to the need for new priorities.

TD

"The problem that we are confronted with today—after two years of Covid and also Russia's invasion of Ukraine—is that this version of globalization that we are living in has not taken us to a place where we feel more secure," Ms. Tai told lawmakers. "We are feeling increasing senses of insecurity in terms of our supply chains, and our reliance on partners who we aren't comfortable relying on."

Ms. Tai, President Biden's chief trade negotiator, said that traditional trade policy tools, including tariffs, are no longer sufficient.

The tariffs on Chinese imports imposed by former President Donald Trump, Ms. Tai said, haven't convinced Beijing to abandon policies that the U.S. claims discriminate against foreign businesses.

The U.S. posted a [record trade deficit last year](#), with the deficit with China growing 14.5% after shrinking in the previous few years.

Ms. Tai's remarks came after her agency said the administration is realigning its trade policy toward China, looking at existing tools and potentially new ones, to combat Beijing's nonmarket practices.

With her remarks Wednesday, she elaborated on what constituted such [new policy tools](#).

Bilateral discussions since last fall to hold China accountable for failing to meet its purchase commitments for American products under Mr. Trump's Phase One trade agreement have been "unduly difficult," she said, highlighting the need for the U.S. to "turn the page on the old playbook."

"We can't just wait for China to change," she said. "We need to start doing things on our side [such as] the reshoring and the rebuilding of our manufacturing base."

Ms. Tai said another pillar of the administration's trade policy is to strengthen cooperation with allies and friendly partners, while pursuing new ways of engagements different from traditional market-opening measures.

Some Republican lawmakers criticized the administration's trade policy for focusing too much on bolstering the domestic economy and not pursuing market-opening measures through traditional trade agreements to expand opportunities for U.S. businesses overseas.

Some expressed concern that the new policy framework the administration is [currently negotiating with Asia-Pacific nations](#) may lack concrete measures to expand U.S. business opportunities in the region.

"I'm concerned that the administration will not seek to address actual market-access issues," said Rep. Adrian Smith (R., Neb.). "Endless dialogues and frameworks are no substitute for trade agreements that open markets for American products."

The administration's efforts since last year to mend trade relations with European nations—through the resolution of a longstanding aircraft subsidies dispute and removal of the Trump-era tariffs on European steel and aluminum imposed—have contributed to the swift policy coordination to sanction Russia over its invasion of Ukraine, Ms. Tai said.

"All of that work we have done is paying off now," Ms. Tai said last week during an event hosted by the American Chamber of Commerce to the European Union.

Ongoing negotiations on steel and aluminum with the EU will address global overcapacity of metals, as well as addressing climate concerns by promoting cleaner products, she told lawmakers, describing it as an example of a new way of trade policy engagement.

Write to Yuka Hayashi at yuka.hayashi@wsj.com

[U.S. Trade Chief Outlines Policy Shift, Citing Ukraine War and Pandemic](#)

NS gtrade : Trade Barriers/Restrictions | gsars : Novel Coronaviruses | gvio : Military Action | gcat : Political/General News | e51 : Trade/External Payments | ecat : Economic News | ghea : Health | gpir : Politics/International Relations | gpol : Domestic Politics | ncolu : Columns | ncor : Corrections | ncrx : Corrected Items | gcns : National/Public Security | gcolu : Respiratory Tract Diseases | gdip : International Relations | gmed : Medical Conditions | grisk : Risk News | gpox : Infectious Diseases | ncat : Content Types

RE ukrn : Ukraine | china : China | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | russ : Russia | uk : United Kingdom | usa : United States | apacz : Asia Pacific | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | ussrz : CIS Countries | weurz : Western Europe

IPD Wires

IPC N/CMR

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220330ei3u005v5

THE WALL STREET JOURNAL.

CLM Commentary (U.S.)
SE Opinion
HD **International Order Is on the Line in Ukraine; If Western resolve holds and Russia fails, this noble vision will be closer than ever to realization.**
BY By Joshua Muravchik
WC 1,080 words
PD 31 March 2022
ET 00:11
SN The Wall Street Journal Online
SC WSJO
LA English
CY Copyright 2022 Dow Jones & Company, Inc. All Rights Reserved.
LP



PHOTO: Phil Foster

TD

Until Russia invaded Ukraine, much of the Western elite imagined that we lived in a "rules-based world order." As Russia's brutal aggression rudely reminded us, that beautiful aspiration is not reality. Yet there is hope amid the heartbreaking carnage in Ukraine that one nation's valiant struggle for survival may bring a rules-based world order closer to realization.

The idea of a peaceful world resting on just rules has historical antecedents going back hundreds of years. But its formulation as a practical program for modern statecraft began in 1918 with President Woodrow Wilson's Fourteen Points, the platform on which the U.S. entered World War I. With that decision, America, having built the world's largest, most dynamic economy, entered the global arena.

Wilson's approach was unprecedented. Never in history has so much potential power whetted so little imperial appetite. Notwithstanding occasional errors of judgment—an ill-considered intervention here, a needless use of force there—America didn't seek "possession goals," in the useful terminology of scholar Arnold Wolfers (1892-1968), but rather "milieu goals." It sought to protect its own security not by seizing territory but by building a more secure world around it.

The initial blueprint was Wilson's brainchild, the League of Nations, which failed disastrously. Its structure was flawed, and isolationists in the Senate blocked the U.S. from joining. A second world war followed, more devastating than the first. After that, the U.S. dreamed up the United Nations, and, chastened by Pearl Harbor and the threat of another totalitarian predator, turned away from isolationism. The U.S. embarked on a globe-spanning policy of peacetime armament, far-flung bases, alliances, foreign aid, free trade and more.

The U.N., like its predecessor, was mostly a flop, but America's newfound internationalism and might created the first traces of global order. To be sure, the Cold War marred this order, but a third world war so far has been averted, although it was anticipated eagerly by Stalin. "We shall recover in 15 or 20 years, and then we'll have another go at it," he confided to visiting Yugoslav Communists as his forces routed Hitler's in 1945.

America's global exertions were rewarded with victory in the Cold War. The aftermath brought the "unipolar moment," an unparalleled opportunity for America to foster, or impose, its vision of a rules-based order. Thus it acted to thwart aggressors like Saddam Hussein when he tried to absorb Kuwait into Iraq, and Slobodan Milosevic when he sought to dismember Croatia and Bosnia. America also stepped up efforts to help newly free states implement democratic systems and encouraged others to follow. Dictators around the globe, when depredating their own subjects or nursing ambitions beyond their borders, had to reckon with the daunting question: What will America do? The rules-based world order came closer to reality.

Yet paradoxically, Americans took their own beneficent accomplishment for granted, as exemplified by Secretary of State John Kerry's ingenuous assertion in 2014, during Russia's previous invasion Ukraine, that "you just don't in the 21st century behave in 19th-century fashion by invading another country on a completely trumped up pretext." He, like others, seemed to think that the absence of interstate war had become the norm, as if by its own accord. They forgot, or never recognized, that this state of affairs was maintained by American power.

Presidents Obama, Trump and Biden have whittled away that power and shrunk America's global role. Mr. Obama slashed the share of gross domestic product spent on defense by a third, withdrew forces prematurely from Iraq, stunted on arms for Ukraine, and squandered credibility by erasing his own "red line" in Syria once it had been crossed. Mr. Trump peevishly weakened alliances and seemed to believe that money rather than security was the supreme goal of foreign policy. Mr. Biden yielded Afghanistan to the Taliban, seeming to assume this would have no consequences elsewhere.

Various predators and would-be predators have smelled weakness in America's retrenchment. On Feb. 4, Russia's Vladimir Putin and China's Xi Jinping issued a manifesto hailing the "redistribution of power in the world" and the "transformation of the global governance architecture and world order." They added that their partnership "has no limits, there are no 'forbidden' areas of cooperation," an explicit declaration that these two will set their own rules in the new world order.

Accordingly, Mr. Putin invaded Ukraine, hoping to absorb it into a reconstituted Russian empire. His success would tempt China to make good on its longstanding threat to invade Taiwan. And these aggressions would presage further threats and attacks in Central Europe and East Asia, as well as in other regions by smaller would-be hegemonies such as Iran.

But two factors may be thwarting this plan. First, much of the world responded as if the rules-based order were real. In contrast to Mr. Kerry's bemused blather, European leaders vented rage and indignation and took meaningful actions. Germany is raising defense spending and has begun to wean itself from Russian energy. Other North Atlantic Treaty Organization members rushed arms to Ukraine. Sweden and Finland raised the prospect of joining NATO. Japan and Switzerland joined economic sanctions. Even Mr. Biden displayed surprising firmness and eloquence.

Second and more important, the Ukrainians have defended their land gallantly and with an effectiveness confounding expert prognostications. Mr. Putin appears to have lost hope of conquering Ukraine and instead has decided to destroy or dismember it. If Washington and others do more to help, that grotesque goal can also be stymied.

The century-old American vision hangs in the balance. The Ukrainian outcome will help to determine its fate. If Russia is clearly defeated, the imagined order will become more real than it has ever been. States everywhere, including China, will think hard before attacking others. But if Mr. Putin succeeds despite the initial setbacks, then the order will be history, an American pipe dream that too few others took seriously and that America did not try hard enough to nurture and sustain.

Mr. Muravchik is author of "Heaven on Earth: The Rise, Fall, and Afterlife of Socialism."

[International Order Is on the Line in Ukraine](#)

- NS** gvexe : Executive Branch | gcat : Political/General News | gpri : Politics/International Relations | gpol : Domestic Politics | ncolu : Columns | nedc : Commentaries/Opinions | nimage : Images | gvbod : Government Bodies | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter
- RE** usa : United States | ukrn : Ukraine | russ : Russia | asiaz : Asia | easiaz : Eastern Asia | eurz : Europe | namz : North America | uk : United Kingdom | ussrz : CIS Countries | apacz : Asia

Pacific | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eeurz : Central/Eastern Europe | weurz : Western Europe

IPD Opinion |

IPC N/GEN

PUB Dow Jones & Company, Inc.

AN Document WSJO000020220330ei3u0058x

Search Summary

Text	hd=ukraine or hd=russia
Date	In the last month
Source	The Wall Street Journal - All sources Or Barron's - All sources
Author	All Authors
Company	All Companies
Subject	All Subjects
Industry	All Industries
Region	All Regions
Language	English
Results Found	701
Timestamp	29 April 2022 11:22