

### **Ukrainian Situation 3 and a half Years after Russian Aggression and Future Challenges**

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Three and a half years have passed since Russia's military aggression against Ukraine began in February 2022. While ceasefire and peace efforts for the war in Ukraine, such as U.S. President Donald Trump's talks with Russian and Ukrainian leaders, have been made, fierce fighting still continues between the two countries. The outcome and future of this war, which has dramatically changed the global security environment, are still uncertain and highly unpredictable. In the following, I would like to review the current situation regarding the war and various ceasefire and peace efforts three and a half years after the start of the military aggression, and consider relevant future challenges and the war's impact on the international energy situation.

On February 24, 2022, Russian forces launched a military aggression against Ukraine. Russian forces reportedly tried to achieve an early victory, but were pushed back by Ukraine's thorough resistance. Fierce fighting in Ukraine remains unstoppable, mainly in the eastern and southern parts of the country. In 2023, Ukrainian forces began a reversal offensive in which they recaptured Russian-controlled areas and conducted cross-border attacks on Russian territory. As time passed, however, Russian forces pushed back Ukrainian forces. Currently, Russian forces control almost the entire Luhansk state and about 80% of Donetsk state in the Donbas region, eastern Ukraine, according to a U.S. think tank. There is also a view that Russian forces control more than 70% of the Zaporizhzhia and Kherson states in southern Ukraine. On the other hand, it is reported that the current war situation in eastern and southern Ukraine has reached a stalemate due to the resistance of Ukrainian forces.

The war lasted for as long as three and a half years, causing enormous damage to both sides. In particular, damage to Ukraine, which has been forced to wage war at home, is at an unprecedented level. Its economic and social damage is very serious. Although there has been support from the international community, mainly Western countries, the devastation caused by the three-and-a-half-year war is too great for Ukraine, which continues national efforts to fight desperately to defend the country. According to estimates by the U.S. Center for Strategic and International Studies, as of June, the number of casualties in Ukraine was about 400,000, including 60,000 to 100,000 deaths. Although Russia has seized a significant part of eastern and southern Ukraine through military attacks, the above estimates put the Russian number of casualties at 950,000, including up to 250,000 deaths. Since June, there is no doubt that casualties have increased further in both countries. Human casualties on both sides have become enormous.

It goes without saying that a ceasefire and peace are required to prevent further casualties. However, it is not easy to achieve those. Since the inauguration of his second administration, U.S. President Trump has shown his active efforts to resolve the Ukraine issue, especially since July. He has indicated a plan to exert pressure on Russia, which he sees as too slow or late to move toward a ceasefire and peace, threatening to effectively toughen sanctions on oil export revenues as the main

artery of the Russian economy. Specifically, Trump indicated that he would impose secondary tariffs on China and India, which have continued to import Russian oil, which is subject to an embargo as part of Western sanctions against Russia. If Russia's oil exports decline as a result of the secondary tariffs, crude oil prices in the international oil market may rise in a painful development for the United States. Although the secondary tariffs may become a “double-edged sword” for the United States, Trump has cited the potential secondary tariffs while negotiating with Russia.

President Trump has conducted his talks with relevant leaders toward a ceasefire and peace in Ukraine, including a summit meeting with his Russian counterpart, Vladimir Putin, in Alaska on August 15, followed by Trump's talks with Ukrainian President Volodymyr Zelensky and European leaders at the White House on August 18. The U.S.-Russia summit fell short of producing any deal without the involvement of Ukraine and European countries. Such a deal had been a matter of concern to Ukraine and Europe. The Trump-Putin meeting indicated anew that a path to the ceasefire and peace is not easy, as Ukraine and Russia are widely at odds over the ceasefire and peace conditions. These top-level meetings produced progress regarding the United States' involvement with a security guarantee for Ukraine after the war, which is an important issue towards the ceasefire and peace. President Trump expressed his idea that the United States would help Europe take the lead in guaranteeing security for Ukraine. However, there is a high degree of uncertainty about whether Russia will recognize any security guarantee for Ukraine or what kind of security guarantee will be acceptable to Russia. Regarding future developments, potential trilateral summit talks between the United States, Russia, and Ukraine have become a focus of interest.

Under these circumstances, President Trump, on August 22, made a statement to the effect that he would assess the situation in the next two weeks. He thus indicated that if he concludes that Russia is not positive about a ceasefire and peace in Ukraine, he would impose tougher sanctions against Russia, including secondary tariffs on oil importers from Russia. For the time being, an attention-attracting issue will be what kind of stance Russia will take in response to the U.S. indication. The Russian stance may greatly affect the international situation regarding the Ukraine issue. Depending on the Russian stance, tougher sanctions on Russia may be imposed in a manner to exert upward pressure on energy prices, or on the contrary, efforts toward the ceasefire and peace in Ukraine may gain momentum in a manner to help stabilize the international energy market. In this sense, we should pay attention to future developments.

During the three-and-a-half-year war, the international energy situation has had a tremendous impact. First, the sudden destabilization of the international energy market prompted countries around the world to reaffirm the importance of energy security, leading energy security to become a top energy policy priority again. Second, how to balance energy security with decarbonization has become a major energy issue after the outbreak of the Ukraine crisis. This point is symbolized by the European Union's “REPowerEU Plan,” which aims to achieve both energy security through a breakaway from dependence on Russian fossil fuels and decarbonization through the replacement of Russian fossil fuels with clean energy sources. Third, energy price hikes since the Ukraine crisis have made it difficult for the world, including developed countries, to tolerate energy price increases, widening the gap between the ideal and reality.

Russia's military aggression has greatly changed the global geopolitical environment. Western countries such as Japan, the United States, and Europe have faced a severe geopolitical confrontation with Russia (and China), which has been coupled with the intensification of the U.S.-China confrontation to escalate the division and fragmentation of the world. The emphasis on economic security issues related to strategic goods and technologies has become closely related to

energy security in a broad sense, leading to excessive concentration of capacity to produce clean energy, including nuclear power, to specific sources, and the security of critical minerals has become an important challenge for the world. It is also important to note that energy exports from Russia were subjected to economic sanctions and became a major factor behind the destabilization of the international energy situation. Especially for Europe, it is also a real problem that a significant decline in Russian energy supply, which was the most economically competitive for Europe, has become a heavy burden on the European economy. On the other hand, as mentioned earlier, whether tougher sanctions against Russia would be implemented and produce effects or not has become a matter of concern that would exert a great and directionally different impact on the energy market. Another important change during the past three and a half years may be that interest in nuclear energy as a means to balance energy security and decarbonization has greatly grown amid the various abovementioned changes. As the importance of a stable electricity supply has increased due mainly to the spread of generative artificial intelligence and data centers, the enhancement of nuclear energy initiatives has become a global movement. We will have to pay attention to the extremely broad impact of the outcome of the Ukraine issue on the future international energy situation.

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