

## **Four Years After Russia’s Military Invasion: The Ukraine Crisis and the International Energy Landscape**

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On February 24, 2022, Russia launched a full-scale military invasion of Ukraine, marking the beginning of the Ukraine crisis. Four years have now passed since the outbreak of the war. Both Ukraine and Russia have suffered enormous and far-reaching consequences, yet the future trajectory of the conflict remains highly uncertain. It has been suggested that Russia initially anticipated an early achievement of its war objectives following the commencement of hostilities. However, Ukraine’s determined resistance has prolonged the conflict, transforming it into a devastating war of attrition.

According to the United Nations Office of the High Commissioner for Human Rights, more than 15,000 Ukrainian civilians have lost their lives since the war began. Russian attacks—including those targeting energy-related facilities—have severely damaged essential social infrastructure, dealing an unprecedentedly grave blow to Ukraine’s economy and society. Meanwhile, a recent report by the Center for Strategic and International Studies in the United States estimates that the total number of military casualties has reached approximately 1.8 million, with around 1.2 million on the Russian side and between 500,000 and 600,000 on the Ukrainian side. While ceasefire and peace negotiations have reportedly been underway with the mediation by the Trump administration, the positions of the two nations remain far apart. The outcome of the conflict is highly opaque, and no definitive expectations for its resolution can yet be drawn.

Ukraine’s unwavering determination to continue resisting has been supported by substantial Western assistance over the past four years. Although “support fatigue” has been noted and U.S. assistance has significantly declined under the Trump administration, European nations have dramatically expanded their support, collectively sustaining Ukraine. Meanwhile, President Putin’s administration has expressed its clear intention to continue the so-called “special military operation,” showing no signs of moderating its hardline approach.

Turning to the present state of the Russian economy, multiple structural challenges have become apparent. Although military expansion initially boosted economic activity in the aftermath of the invasion—embodying the classic “guns versus butter” dilemma in which the “guns” (military sector) temporarily propped up the economy—civilian sectors have faced increasing strain. Inflation and other pressures have begun to erode living standards. Moreover, Russia’s energy exports, the backbone of its

economy, initially maintained volume levels and even benefited from soaring global energy prices. Yet, over time, the combination of gradually declining export volumes and falling prices has led to diminishing revenues. According to the International Monetary Fund's *World Economic Outlook* released in January 2026, Russia's GDP growth rate, which stood at 4.3% in 2024, is forecast to fall to 0.6% in 2025 and 0.8% in 2026—clear evidence that various economic difficulties have emerged four years into the war.

The outbreak of the Ukraine crisis thrust the international energy landscape into a state of profound turbulence. Energy prices surged substantially, and the resulting instability in global energy markets became a critical and pressing concern. Consequently, the importance of energy security came to the forefront and was once again recognized worldwide as the most essential issue in the domain of energy policy. The principal reason for this shift was that Russia—formerly one of the world's largest energy exporters—had itself become a destabilizing factor in the global market through the disruption of its own energy exports.

Prior to the crisis, in 2021, Russia's energy exports were immense: 7.81 million barrels per day of oil (12% of global share, ranking second), 240.9 billion cubic meters of natural gas (25%, ranking first), and 6.0 exajoules of coal (18%, ranking third). These colossal export volumes became central targets of economic sanctions, and actual substantial supply reductions heightened uncertainty in global markets. In March 2022, crude oil prices briefly exceeded \$130 per barrel—reaching their highest levels since the global financial crisis. Natural gas prices rose even more dramatically: in August 2022, European gas prices reached approximately \$100 per million BTU, equivalent to nearly \$600 per barrel of oil. This unprecedented spike resulted from the abrupt collapse of pipeline gas supplies from Russia. As Russian gas previously accounted for more than half of Europe's gas imports, Europe was thrust into a full-scale energy crisis, particularly centered around natural gas.

Thus, the Ukraine crisis served as a critical turning point that compelled the international community to reappraise the fundamental importance of energy security. Until then, global discourse on energy issues had been dominated almost exclusively by the pursuit of carbon neutrality and decarbonization. The profound impact of the Ukraine crisis shifted this focus, elevating energy security to a central policy concern. This heightened emphasis has persisted through subsequent developments in the international energy landscape—such as increasing geopolitical volatility in the Middle East, the emergence of supply-security challenges amid growing electricity demand, and the broader fragmentation of the world order accompanied by economic security considerations—and continues to shape global energy policy to this day.

In Europe, which had plunged into an acute energy crisis, policymakers initiated strategies aimed

at achieving both enhanced energy security and progress toward decarbonization. Announced as the “REPowerEU Plan,” this strategy sought to reduce and ultimately eliminate dependence on Russian fossil fuels through a rapid transition to clean energy sources. In doing so, it aimed to pursue energy security—specifically, the diversification away from Russia—while simultaneously advancing decarbonization by phasing out fossil fuels. This “politically correct” approach gained broad support, and thereafter, similar policy directions emerged worldwide, with many countries striving to reconcile energy security with decarbonization objectives. This, too, represents a significant transformation brought about by the Ukraine crisis.

However, the practical implementation of this vision gradually revealed its difficulties. Societies cannot easily accept substantially higher energy costs, a reality increasingly evident in Europe as rising energy prices contributed to inflation and placed strain on livelihoods, economic activity, and industrial competitiveness. While the ideal of balancing energy security and decarbonization remains officially endorsed, actual policy has increasingly prioritized the provision of stable and affordable energy. This represents a broader global trend and a key consequence of the Ukraine crisis.

In international energy markets, prices have moderated from the extreme heights of 2022, and the initial shock has subsided. Crude oil prices have declined from the \$100 range to approximately the \$60 range. European natural gas and LNG spot prices have also fallen, recently remaining in the low \$10-per-million-BTU range. As of 2024, Russia’s export volumes had dropped: oil exports to 7.04 million barrels per day (down 10% from 2021) and gas exports to 152.5 billion cubic meters (down 37%). The sharp decline in Russian pipeline gas flows to Europe explains much of the reduction in gas exports. Yet, increased LNG shipments from the United States and other suppliers helped global energy markets demonstrate notable resilience and adaptability. At the same time, despite reduced export volumes, Russia’s energy exports remain among the highest in the world.

Even four years after the start of the war, the end of this grueling conflict remains out of sight. Both sides continue to carry out attacks on energy infrastructure and other vital systems, with implications for energy supply. Enhancement of economic sanctions targeting Russia’s energy sector may further affect its export capacity. Conversely, should concrete prospects for a ceasefire or peace agreement emerge, market perceptions of Russian energy could shift significantly. In any case, the repercussions of the Ukraine crisis on international energy dynamics are far from over.

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