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Paige Montfort: Thank you. Greetings, everyone. Thank you so much for joining us today. This is the second of the Center for Strategic and International Studies Ukraine Updates Press Briefing Series. My name is Paige Montfort. I am the media relations coordinator here at CSIS. And it is an honor to host you and to gather six of our brilliant experts to provide their most recent analysis today on the evolving situation in Ukraine and around the world.

So, as a reminder to those of you who may already be familiar, we are continually updating a curated collection of independent bipartisan analysis from across the Center called “Crisis Crossroads: Ukraine.” I encourage you to check it out if you have not yet on CSIS.org. It has up-to-date information on all of our latest events, research, analysis, and more. We’ve also been releasing a number of podcasts on what’s happening in Ukraine and globally as a result of the Russian invasion, as well as a new video series which is also called “Crisis Crossroads: Ukraine.” And you can check that out on our YouTube channel.

To give you an idea of what to expect today, each of our six experts is going to open with about five or so minutes of their analysis and then we will open it up to your questions. Our moderator is going to instruct you on how to join that queue when the time comes. And finally, as a reminder, we will as always have a transcript available for this call within just a few hours today.

So, without further ado, I’m going to briefly introduce our experts in the order in which they’ll be speaking.

First we’ll have Mark Cancian. He is senior adviser at CSIS in the International Security Program and a retired U.S. Marine Corps colonel.

And then, after Mark, we’ll have Emily Harding. She is deputy director and senior fellow also in the International Security Program here. She has a range of expertise including the possibility of cyberattacks and mis- and disinformation, and we’ll discuss this further shortly.

And then, third, we’ll have Jacob Kurtzer. He is the director of our Humanitarian Agenda at CSIS. He actually today hosted a discussion on the unfolding humanitarian crisis in Ukraine.

And following, we’ll have Bill Reinsch. He is senior adviser and Scholl Chair in International Business here at CSIS. He’ll be talking about the reassessment of consumer and political risks that this is forcing, long-term systemic implications, export controls, and more.

Then next we’ll have Gerard DiPippo. He is a senior fellow in our Economics Program. He is going to build on Bill’s comments about sanctions and talk more about financial and exchange rate issues, inflationary pressures, and more.

And finally, we will have Bonny Lin. She directs our China Power Project here at CSIS and she's going to talk about how China's position on Ukraine has shifted during the course of the war. She also recently moderated a discussion on parallels between Ukraine and Taiwan and early lessons learned.

So now I'm going to turn it over to Mark Cancian to get us started. Mark.

Mark F. Cancian: Thanks a lot, Paige. I thought I would talk about the military operations and how the war seems to have moved into a third phase. And to recap, you know, the first phase was the blitzkrieg that the Russians attempted. You know, in the first couple of days they tried to push columns into city centers, particularly to Kyiv, to achieve a quick victory, knock-off the government, maybe surround the capital. That, of course, failed, you know, for a variety of reasons. We can talk about that, but I think most of you are familiar with those.

Then we more went into a second phase, where the Russians were trying to move forward along the four axes that they had attacked along. And those are in the north towards Kyiv, and the northeast coming – bypassing Kharkiv and heading both west and south. In the east, in the Donbas, although the Russians have not been particularly active there, and then in the south coming out of Crimea, where in fact they had their greatest success. You know, in that phase they tried to – you know, they reinforced and tried to move forward. In the north they tried to, you know, encircle Kyiv.

You know, that has failed. They made a little progress in the northeast, pushing towards the outskirts of Kyiv from the east. But they seem to have been stopped there. In the south they made a lot of progress, in the – moving west towards Odesa. They already took Kherson. They moved north and then they moved east towards Mariupol. They surrounded Mariupol, as you're all well aware, and are reducing the city, but they've been stopped in the west and not getting close to Odesa. And their push north has stopped also.

So now we're into a stalemate. The Russians are digging in. The Ukrainians are conducting some small counterattacks. And looks like a war of attrition. The Russians will continue to reduce Mariupol. They'll probably get some – you know, get some forces available when they are able to do that. They might try to pinch off the Ukrainian forces in the east. But a lot of our attention now is focused on how long the war will go on, and particularly Russian casualties. And I just want to say a word that, you know, you've seen numbers about, you know, 7,000 to 15,000. You know, with wounded that's probably double that number.

So Russians have maybe lost, you know, 30,000 or even 40,000 troops. And that's out of a group force of maybe 150,000. So it's a – you know, it's a very significant loss. You know, maybe 20 percent, even 25 percent. And this Russian Army is not very large. It's only about 280,000. The whole Russian military is only about 900,000. Keep in mind, the U.S. is about 1.3 million. So this is not the

Russian military that marched to victory over the bodies of its dead. You know, this is a much smaller army, much more sensitive to casualties. And it's not clear how much longer they can keep this up.

You know, there's a split in the community. Some people think that, you know, the Russians will win a war of attrition. I tend to think that they will run out of energy, of military supplies, troops, and morale in a couple weeks. So let me start there and turn things over to Emily.

Emily Harding: Thanks, Mark. I appreciate it. As bleak a picture as that is, I'm going to attempt to provide a little bit of hope here.

As Mark was saying, we've seen the original offensive stall, and with that I think we're going to see a tactics shift on the cyber front as well. The president, President Biden, recently put out this statement talking about how now is the time to prepare for potential assaults on institutions here in the United States. Ann Neuberger came out and gave a press conference and issued a warning. I think now is actually a time to be very concerned about this, and that's partially because of the stalling of the offensive on the ground in Ukraine. It's time to shift tactics, not just in Ukraine but also around the world.

The other piece of it I think is that the sanctions are really beginning to bite in Russia. And I know my colleagues will talk about that more later. But that – I could see Putin seeing cyberattacks on Western financial institutions, the places that make Western governments function, as a proportional attack to the sanctions piece.

Cyberweapons have been a tool of choice for Moscow. They are deniable-ish; at least mostly deniable, where Putin can kind of hide his hand and say, well, that wasn't me; that was cybercriminals. Also I think there is still debate to be had about just how escalatory cyberweapons really are. Generally, people tend to see them as sort of contained within the cyber domain. They're not quite as much risk of escalation, and Putin may not want there to be a risk of escalation with the West right now but still be able to strike back. I am not so certain that we should be comfortable and confident there will not be escalation out of the cyber domain, but I'm happy to talk more about that later.

There's also been a lot of speculation about cyber being the dog that didn't bark in this conflict. You know, there were a lot of people, me included, who were predicting there would be massive cyberattacks on Ukraine as a precursor to the start of ground offenses, and that was to, you know, gut Ukrainian command and control so that they couldn't fight back quite as effectively. And we didn't really see so much of that. And the big question was, you know, why.

The Financial Times actually had a really good piece out a couple of days ago that ran through some of the things that have happened in Ukraine with the cyber-

on-cyber domain. And really, if you put it all together, it hasn't been so quiet. In the middle of January there was the defacement of the Ukrainian government websites, and there were government websites that were key to some of the functioning of the government. Then there were attacks on energy and communications companies, but those were very well defended. The power-structure company Ukrenergo, which I know I'm pronouncing incorrectly, there was a concerted attack on them, but then that was repelled.

Of course, in late February, right as the offensive was really starting, we saw the attack on Viasat. Some European modems are still down. So those severed connections, I think, could have proven really difficult for the Ukrainians, but they've managed to be resilient and get around that issue. Telecom overall has been very resilient, despite, you know, continual assaults. And then in mid-March we saw the wiper attack on a financial institution, which caused, you know, some trouble, but not as much as it could have.

And I think this really goes back to two pieces of good news, as promised at the beginning of my little briefing here. First of all, after the NotPetya attacks and the takedown of the Ukrainian grid in 2015, they really learned and stepped up their defenses and reached out to allies to help with the cyber defense of Ukraine.

One of those allies, of course, was the United States government. CYBERCOM's hunt-forward initiative, I know, was partnering with the Ukrainians. And last week, during the worldwide-threat testimony, General Nakasone, the head of CYBERCOM and NSA, sort of half-suggested that maybe CYBERCOM deserves a little bit of credit here because of the work they have done with these hunt-forward teams and with allies to really defend in the cyber domain.

So I think that it's sort of starting to trickle out that there was more activity than originally thought in this domain, and also that there has been a really excellent defense. This may be a case study in how to defend a country against an aggressive cyber adversary.

So I will stop there and pass it off to my next colleague. And I'm so sorry, Paige. I know I was supposed to know who that is. Who's next?

Ms. Montfort: No, that's totally OK. It's Jake. (Laughs.)

Sorry, Jake. Over to you.

Jacob Kurtzer: No problem. I'll bring it back to bad news.

I think the framing that we got from Mark in terms of the status on the battlefield and the concerns about cyber provide a nice segue to what I want to talk about in terms of the humanitarian situation on the ground and some of the key humanitarian considerations.

When I look at the situation now, one month into the war, I think it's worth thinking about the humanitarian implications in three different zones. One is the humanitarian situation for those Ukrainians who have left the country and are now in neighboring countries or further afield; the situation for Ukrainians inside Ukraine but in Ukrainian-controlled territory; and then the third zone, and the area I think with the greatest concern, would be civilians in areas either under direct Russian attack or in Russian-held areas.

In the neighboring countries, we know that the United States has already provided a substantial amount of bilateral assistance. But the concern right now is both a disorganized humanitarian response, because the neighboring countries are not places where the humanitarian infrastructure was built up. These are not places where NGOs or U.N. agencies that have historically led a large humanitarian response had any sort of presence prior to the conflict.

The second priority concern, I think, is that what we have seen so far in terms of being welcomed with open arms by Polish, Romanian and Moldovan citizens, that initial response will wane, and there's already concerns about unease and discontent on the part of host populations about the lack of support that they're getting from the international community but also from their governments. And so there's a concern about what's going to happen for the millions of Ukrainians currently in neighboring countries when the initial moment of solidarity and support passes.

Inside Ukrainian-controlled areas, the priority concern remains the provision of basic services, including food and shelter for people who have been displaced, but the priority threat that we're concerned about is the collapse of health care services. We know that over 34 health care facilities have been damaged in a pattern that we recognize very closely from Russian military activity in Syria, often in direct-targeting attacks, and the collapse of the health care system will have multiple knock-on effects in terms of the spread of disease but also in the inability of civilians to access the basic care, you know, for people who have long-term care concerns, disease concerns. In Russian-controlled areas, obviously the concern remains just the protection of the civilian population, Russian tactics targeting civilian infrastructure. Targeting civilians seeking to flee remains a concern, conditions in cities under siege like Mariupol but others. It's an incredibly disconcerting environment, and you've seen terminology from humanitarian actors like the ICRC referring to the situation as apocalyptic, that you don't normally see from organizations that try to have a measured approach, given the fact that they're operating in hostile territory. So we're cognizant of the need for a massive, robust humanitarian response, and while the figures that have been pledged so far are substantial, it creates a second set of concerns from the humanitarian community, which is the knock-on effect that this crisis will have elsewhere in the world. There's been plenty written about the impact on wheat

and global food supplies, but we've already seen money being pulled from other humanitarian crises to respond to this crisis inside Ukraine.

And the last point that I would make is perhaps a little bit outside of my lane, but I do think it's important to recognize that if this situation becomes – you know, stalemates in the country and we see things like cyberattacks, I think it's also likely that we will see – well, it's an area of concern that we would see escalation of hostilities or escalation of Russian tactics in other contexts, like Syria or where Russian forces are present.

The last point that I would make is that we have also seen in the past when there's a political and tactical stalemate that humanitarian issues become a point of negotiation and diplomatic engagement, and I would caution and express concern that the negotiations around things like humanitarian corridors or humanitarian access should not be at that political level. Those are responsibilities incumbent upon the states. These are not things to be negotiated. The provision of basic services to people in situations of armed conflict is not a negotiation point, it's an obligation under international humanitarian law, and so there's a concern that if the battlefield stalemates, then the proxy conflict will be about the provision of humanitarian assistance, which would be deeply disconcerting for the humanitarian response.

I'll stop there and turn it over to my colleague Bill Reinsch.

William Alan
Reinsch:

Thank you very much. I'm going to talk about the economics of this and I think the first point is that looking at the economic situation, you want to put it in context. The war has been an accelerant of some trends that have been going on anyway, thanks to Trump tariffs and thanks to COVID in particular. Companies are reevaluating their supply chains, they're moving away from looking only at price, quality, and delivery, and looking also at resilience and redundancy. Those things were happening anyway; the war has made that all the more important for companies to do that. You're seeing increased amount of supply chain disruptions to the point of we have what I'd call sort of whac-a-mole disruptions. Every week there's a new thing that we're short of and no one can quite figure out why. Supply and demand are out of whack and what's going on in Russia and Ukraine is contributing to that, but it's not the sole factor.

The two big impacts, I think, have been an appreciation of sort of revised risk assessment in two areas. What Putin has done, really sadly, is to, in the space of a month, destroy the – you know, what Western powers have spent 75 years building up, which is a series of institutions and structures to make sure this kind of thing didn't happen again. And particularly on the economic side, the implication of what Putin is doing is sort of every country for himself or itself, might makes right, and countries should do what is in their interest to do.

COVID is a precedent for that. And you saw that in the vaccine issue, where countries, despite all the good statements and good intentions, nevertheless made sure that their people were taken care of first and the other countries got the leftovers. You're going to see more of that now in a variety of areas, as in some areas we're going to run into food shortages, particularly in the Middle East and North Africa, because of Ukrainian and Russian production being suspended, if you will, or exports being suspended. And you're going to see other supply disruptions and companies looking to see how can we protect our interest, governments looking to see how they can protect their interests as well.

Related to that, you're going to see an increased reassessment of appreciation of consumer risk. And that's because, among other things, this is a much – this is an odd word, but it's a much more public war than before in the sense that everybody has an iPhone. Everybody has a phone in Ukraine, and what you're seeing in real time are videos and photos of buildings burning, bodies in the street, confrontations with Russian soldiers. When it appears in the newspaper the next day, it's different. When you see it and it goes viral on your phone in real time, it's made a huge difference.

And the unprovoked nature of the aggression has, I think, mobilized public opinion, at least outside of Russia and probably outside of China, in a way that has produced something that I had not expected, which is a wave of self-sanctioning in the economic sphere – companies simply deciding on their own, without government fiat, that they're not going to do business with Russia; they're not going to buy and they're not going to sell. Now, not everybody has done that, but this has been, I think, a significant supplement to the sanctions that people have not expected, and it is causing companies to reassess the risk of basically doing business in situations that's going to get them on the wrong side of their customers. So if you're in a – if you're in retail, if you're in the food services, if you're in a consumer-facing business, you get very nervous about visibly doing business with bad guys, which is what – how this is being characterized.

This is also an accelerant of an existing trend. You've seen the same thing happen with the forced-labor issue in Xinjiang province, with companies being criticized because their products are allegedly or presumably made with forced labor. The Russian case is, you know, far more egregious, but it's the same kind of thing. Companies are learning quickly that, you know, there are a growing number of consumers and customers and investors who are going to insist that the companies they're investing in or the companies they're buying from adhere to the social model that is preferred.

And this has made – it's forcing companies to scramble to, you know, revise their supply chains literally for the long term. And I think that, in turn, produces an adjustment. Supply chains don't change overnight. There are contractual obligations that you've heard about. There are also simply the need – you know,

finding somebody else is not the easiest thing to do, and finding somebody else who can scale up to your level of demand and produce consistent quality over time is something that takes time to do. And you're going to see a lot of ferment in the system and you're going to see a lot more disruption.

On sanctions in specific – and I'll close with this – Gerard is going to talk about the financial sanctions, which I think are those that are having the greatest short-term impact. My background is in export controls, and export controls I think tend to have a longer-term impact because they're relevant when things break or when the army runs out of things. What you've seen is an extraordinary degree of Western cooperation to extraterritorialize, if that's the word, the sanctions in the West. So we are now embargoing, if you will, or controlling exports of products not only directly to Russia, but to secondary locations, primarily China, and telling the Chinese, for example, you cannot export – further export your products to Russia if they are – if they contain Western content or if they were made with Western technology. That's a real expansion of authority. It's surprising, frankly, that the Europeans agreed to it, because they have not wanted to do that in the past.

The issue that I think you'll see going forward is a compliance issue. The president alluded to this an hour ago or two hours ago in his – in his press conference. The issue fundamentally is going to be Chinese compliance or noncompliance with Western sanctions. And, you know, they're not going to announce their noncompliance. But there's going to be leakage. And the question that we're all going to have to deal with is what are the Western countries going to do about it when that leakage is identified and noticed? And it will be identified and noticed. But the question of what happens next is an area of uncertainty.

And I'll stop there and turn it over to Gerard to talk about the financial aspects.

Gerard DiPippo:

Thank you, Bill. So picking up on what Bill was saying I'll talk about what we know about what's happening in the Russian economy, and also the financial aspect that he mentioned. So we know that sanctions are impacting the Russian economy, as Bill said. On the financial side, they've had a lot of bite. If you had to pick one set of sanctions that made a big difference, it would be the sanctions on the Russian central bank, which effectively froze more than half of their reserves and is preventing the central bank from intervening in the market to prop up the ruble. So basically, they can't touch all the major currencies, except for the Chinese renminbi.

In terms of sanctions, it's also worth mentioning there were new sanctions released today or announced today in coordination with U.S. allies. These include designating some Russian defense firms, going after 328 members of the Russian state Duma, their legislature, naming the CEO of Sberbank, one of their largest

banks, and then also Treasury issuing guidance on gold transactions. This is basically in response to congressional pressure, where they wanted separate sanctions on gold for the central bank. And essentially what Treasury said was these are already covered by the sanctions but thank you.

In terms of what it will do to the Russian economy, there are a range of estimates. It's anywhere from, say, 10 to 15 percent contraction in Russian GDP this year, which is huge. The immediate impact, you know, manifests in the ruble depreciation, which I'll talk more about in a bit. But also, as Bill mentioned, foreign firms pulling out, including through self-sanctioning, as you mentioned. In the longer term, what we're looking for is seeing how much of a brain drain there is, meaning emigration for more skilled Russians. And as also Bill mentioned, the impact of export controls, which is a little more of a slow burn because essentially what you're doing is requiring the manufacturing sector and other high-tech sectors in Russia to sort of burn through their inventories of existing products. And eventually they'll have a hard time getting replacements.

In terms of figuring out what's happening within Russia, it's hard because of the censorship and the foreign press has been essentially shut down. The Russian government is still producing some data. And actually, what the federal state statistics service in Russia said, with consumer prices, is as of the 18th of March, prices had jumped 7 percent since the invasion started. So for context, the Russian economy had about 8 percent inflation last year. So essentially, they're – in a little over a month, they've had a year's worth of inflation. And that's with the official data, mind you, so it does look pretty bad.

And those numbers are still creeping up. There were reportages of – reports of shortages, which might just be panic hoarding. It might also be – the more quiet thing, as I mentioned, is sort of the draining of high-tech intermediate goods that are needed for the industrial sector, which is not going to be as public but matters a lot. The Russian manufacturing sector is nowhere close to being self-sufficient. There was a Russian entity that did a survey last year that found that more – a survey of Russian manufacturers. And more than 80 percent said they would not be able to find domestic substitutes for their parts if necessary.

And looking at the Russian consumer economy, more than 75 percent of their non-food consumer goods are imported. And those – that percentage gets higher if you're talking about high-tech things like cellphones. Today the Russian government finally partially reopened the stock market. And actually, it rebounded a little bit, about 4 percent. But that's because trading was restricted and they also were preventing foreign investors from selling, and they also were preventing short selling, which helps prop prices up.

Getting to more on the finances side, the Russian government had built up the so-called fortress Russia ahead of this. I mean, Putin failed really on microeconomic reforms to diversify the Russian economy, but he did empower macroeconomic

policymakers at the finance ministry and central bank, so they put some protective measures in place including reserves, which got frozen, but also that the Russian government actually does not have a lot of debt. And most of the external debt in Russia is owed by corporations.

You might have seen last week that Russia almost defaulted on bonds. They owed \$117 million with interest payments on sovereign bonds. They ended up paying. So the concern was they might attempt to pay in rubles using the so-called alternative payments clause, although it wouldn't actually apply to those bonds because it wasn't in that. Incidentally, I heard one legal scholar say – I haven't verified this personally – that but it's only the bonds that are issued after 2014 that have that alternative payments clause, which is part of fortress Russia and also suspicious of where Putin was going. The Russian government ordered that the bonds be – the interest be paid in dollars, and essentially dared the U.S. Treasury to block it. Treasury said, look, this is still allowed under the sanctions through May. So they authorized the payment and it was done.

In terms of Russia's external finances, the really big thing is they're still exporting energy and commodities. Russia's earning something like \$750 million per day from selling energy to Europe alone. Those hard currency inflows, which are really in euros and dollars, are what's propping up the ruble. So the ruble fell dramatically when the war started. It has since recovered somewhat. So now it's about 103 rubles to buy one dollar. It was 75 (rubles) before the war. So we're talking about a 30 percent depreciation. Part of that is because of capital controls. Part of that is because the central bank doubled the domestic interest rate. But really it's from the stabilizing impacts of those export flows.

Something somewhat strange happened yesterday, where Moscow announced that they would require so-called “unfriendly” countries to pay for gas in rubles as opposed to euro or dollars. It's a bit odd. I think that we're debating why this happened. The financial rationale is they – it is already the case that Russian exporters that get euros have to convert 80 percent of that into rubles. So it essentially boosts demand for rubles in a sort of backhanded intervention from the central bank. This would essentially cover that last 20 percent.

But I actually think that's not the real issue. This is probably a political move where the Russian government was trying to fracture the Western alliance to essentially put pressure on maybe Germany and Italy, those who are more concerned about an energy boycott. And by saying you have to pay us in our own currency, it might compel others to pressure towards that boycott. So trying to fracture the alliance, which we have not seen yet, but it might have been a strategy.

And then just zooming out globally, the big issue is inflation. And there were already issues with the global economy irrespective of the war, including China's growth slowing. The IMF had their October forecast for the global GDP which

had it at about 4 ½ percent. They'll revise that in April. Based on what other people are saying, it's probably going to be at least a percentage point revision downward, maybe more. If you compare that to previous energy shocks, and you adjust for prices – so basically doing it in real terms versus nominal terms – what you'll see is this actually is not as severe as the 1970s oil shocks, or even the runup to the global financial crisis where there was a big run-up in energy prices.

But on the gas side, the natural gas side, this is much bigger for Europe than anything that's happened in recent history. The other big thing to keep in mind is inflation was already high, including in the United States. So it's making central bankers' jobs more difficult. But when we talk about commodities, we don't want to lose sight of things that matter for the developing world, which is especially food prices, especially wheat and some other staples. A lot of African countries depend on Russian and Ukrainian wheat imports.

The G-7 released a joint statement today that actually highlighted this issue and talked about the need to support global food security. They called for an extraordinary session of the Council of the Food and Agricultural Organization which is part of the U.N. That might be to coordinate a sort of release of wheat reserves that major countries have. And this is also in the context of the World Bank saying in February, so really before all this happened, that there were 30 low-income countries that were at risk of external debt distress, and five that were already in distress. So it's happening at a bad time for the global economy.

And with that, I will pivot to Bonny.

Bonny Lin:

Thank you, Gerard.

So I will be talking about China's shifting position on Ukraine. For the past couple of weeks, China has been trying to position itself as a neutral peacemaker in the Ukraine crisis. And it's also imposed – reimposed some limits on its relations with Russia. In particular, Chinese experts view Beijing as making substantial moves towards neutrality on Ukraine, even as China seeks to maintain close relations with Russia. Western allies, however, assess that China is not doing enough and China's rhetorical support for Ukraine is not backed by significant actions, and it's further undermined by other PRC efforts.

So let me unpack this a little. So prior – if you recall, prior to and in the early days of the Russian invasion Beijing largely echoed Moscow's talking points. So China said that Russia has legitimate security interests, blamed NATO, the United States, and even Ukraine for provoking the crisis. We saw that many commentators refused to call Russian aggression invasion and have portrayed it as a special military operation. Also early on many Chinese experts, including even Chinese MOFA spokesperson Hua Chunying, had reiterated Russian propaganda that Russia will not conduct any missile or artillery strikes on any Ukrainian city. Much of the earlier PRC commentary on Russia were proven

false by actual Russian aggression in the days that followed. It's possible that Chinese analysts, as well as some officials, did not know the full extent of Russian ambitions for Ukraine and did not expect Russian military operations to expand beyond Eastern Europe – I'm sorry, eastern Ukraine.

So what we've seen is that China has tried to shift its position on Ukraine to be less clearly pro-Russian. So Chinese interlocutors have pointed out that China has tried to engage in diplomacy with both sides of those involved in the Ukrainian conflict, but Western analysts have pointed out that Xi has yet to call Zelensky. Chinese commentators have pointed out that President Xi Jinping, for example, spoke with Vladimir Putin the second day of the conflict. And when he urged Russia to hold peace talks, Russia responded positively and subsequently engaged in peace talks. We've also seen that Chinese Foreign Minister Wang Yi has proposed a six-point initiative to address a massive humanitarian crisis in Ukraine, and has also shared that China has provided humanitarian aid to Ukraine. And contra some of the earlier statements from China, Wang and others in China have – are now advocating for the legitimate security concerns of all parties involved.

We've also seen that Xi has reached out to European leaders as well as had a call with Biden. And during these meetings, Xi has expressed that he is deeply grieved by the outbreak of war again on the European continent. This implies that China recognizes what's happened in Ukraine is much more than a limited military operation. We've seen that China's ambassador to Ukraine has voiced support for the path chosen by Ukraine and praised a great many of the Ukrainian people.

However, despite all this news, it's important to point out that China's position on Ukraine is far from neutral. To date, China has not been willing to condemn Russia or to call its aggression an invasion. There is also no evidence that China has sought to proactively pressure Russia in any way or form. Beijing appears to be using dialogue to try to persuade Russia to change course. Although we saw that China abstained from several U.N. votes related to Russia's invasion of Ukraine in late February, we also saw that China vetoed a March U.N. International Court of Justice order that Russia suspend its military operations in Ukraine, and also recently that China supported the Russian humanitarian resolution on Ukraine. In addition, we've seen PRC amplification of Russian disinformation that the United States is financing biological weapons in Ukraine, and there's concern that China could be helping Russia to justify its invasion and this could create the pretext for Russia to use chemical or biological weapons in Ukraine. We've seen in the past couple of days and in the past – sorry, past two or so weeks that China has been messaging a number of countries, including African countries but also its counterparts in its neighborhood, and this messaging has emphasized the need to oppose unilateral weapons sanctions against Russia.

I would note that so far, at least based on the publicly available information, China does appear to be abiding by sanctions on Russia. So despite its criticism of Western sanctions and its desire to maintain normal economic relations with Russia, China has stated that it does not want to be affected by the sanctions. So we've seen China withhold the sales of aircraft spare parts to Russia. We've also seen some Chinese firms pause financing purchases of Russian commodities. However, there's quite a bit of speculation as to what is actually causing this pause. Some believe it could be caused by higher transportation costs. So, as Bill mentioned, we need to continue to monitor Chinese actions, and there is - there is a potential moving forward that there will be greater Chinese incentive to support Russia in some way or form.

Ms. Montfort: Great. Thank you so much, Bonny. And thank you to all of our experts for your insights.

At this time I'm going to turn it back over to our moderator briefly to give the queuing instructions. And those of you with questions, now is the time to ask them.

Operator: (Gives queuing instructions.)

And we'll go now to the line of George Condon with the National Journal. Please go ahead.

Q: Great. Thanks.

I wanted to ask about American leadership and something we saw today in Brussels. When Trump went to NATO, he complained loudly about spending money on a new building, he fought with other leaders, and he shoved aside the head of Montenegro. He planned to pull out of NATO if he had a second term. Today, Biden seemed in his element and the alliance is united. Despite all this, you had a German reporter ask the president about European concerns that Trump will be back and undo all this.

My question is, what did today tell us about the differences between President Biden and President Trump and continuing European concerns? And if I could, a quick second question to Jacob: Do you expect the president's visit to Poland to help the humanitarian situation?

Ms. Montfort: Thank you, George.

Who would like to take that first question?

Mr. Kurtzer: Paige, maybe I can just jump in on the second part while my colleagues make a decision about the first part.

Ms. Montfort: Sure. Thanks, Jake.

Mr. Kurtzer: To the question on the visit, I believe so. And I believe that the administration announced an additional contribution of a billion dollars to the countries that are accepting the displaced population. I think that's a critical step. Part of the devil will be in the details there, how that money is spent, both in terms of contributions to the governments themselves to allow them to be perceived by their citizens as meeting their concerns, as well as the concerns of the refugees.

If Polish citizens and other recipient countries can see that the benefits, you know, outweigh the challenges, if their governments are well-resourced and able to pass that forward in terms of provision of social services, then I think we'll have a better chance at ensuring that there's a safe refuge for a longer period of time until violence ceases.

I think the announcement of the financial contribution was importantly reinforced by an announcement that the United States will increase the number of refugees it itself is willing to accept, because I think it is an important message to send to the people of Poland, but also the other neighboring countries, that the onus will not be on them alone but that many Ukrainians are going to seek to go to third parties, and that the United States is willing to accept some share of the population, I think, is critical.

And so, you know, yes, I think this visit is important. I think these two announcements are important. And to the question of U.S. leadership, I mean, from the get-go of this crisis, I think the Biden administration has admirably, you know, marshaled the community, you know, in our sector, on the humanitarian response, but throughout in terms of the political response. And so I do think we're fortunate to have leadership now that recognizes the value of international institutions and recognizes the value of the various different alliances, because I think it's been critical at minimum from the humanitarian response.

Over.

Mr. Cancian: Mark Cancian here.

Let me –

Ms. Montfort: Go ahead, Mark.

Mr. Cancian: No, I was just going to say a word about the first question. There is no question, in terms of personal style, you've got a tremendous difference between President Biden, of course, who is very attuned to allies, and Trump, you know, who sandpapered our allies, particularly in NATO, complaining that, you know, they weren't spending enough.

I think you do need to also recognize that there was a bifurcated Trump strategy in the sense that the president had, you know, very anti-allied sentiments and talked about withdrawing from NATO, but his administration poured money into NATO. You know, the European Defense Deterrence Initiative, you know, rose to \$6 ½ billion under Trump, and we are benefiting from a lot of that now as, you know, that money kept U.S. units in Europe, increased the rotations and the exercise, and built up infrastructure. So you had this very bifurcated approach under Trump.

Ms. Harding: Yeah. I would just add that I think U.S. leadership has been really important in this conflict, but I wouldn't – I wouldn't neglect mentioning the Brits as well and the Germans as well. I think that the Brits stepping up early on in the conflict and being willing to marshal NATO support and to send a lot of support of their own, and then the Germans making just a tremendous turnaround in their policy and, you know, upping their NATO spending and then agreeing to send a lot of weaponry to Ukraine, has been a huge help.

I think everyone in the NATO alliance and in Europe, frankly, has been pleasantly surprised by the amount of unity and the amount of consensus over what needs to happen. I think they're also – just in talking to our European allies, they're also kind of looking at each other, saying, OK, you know, this is going to hold, right? We're going to make this hold, right? And I think American leadership is going to go a long way in trying to keep that, but once the sanctions regime, you know, really does start to cause problems for Russia and then some of that flashes back into Europe, I think that that's going to be the real critical moment to see if the unity does hold, and that's going to be a time when the Biden administration will once again be called on to show leadership.

Ms. Montfort: Great. Thank you, Emily.

And thank you, Mark and Jake, as well.

I'll turn it back over to the moderator to just remind everyone of the queuing instructions, and then if no one else on the line has a question, we do have a few that were submitted prior to the call.

Operator: (Gives queuing instructions.)

And we'll go now to the line of Anson Mersereau with Asahi Shimbun. Go ahead, please.

Q: Hi. Thank you very much.

You were talking about the withholding of aerial parts from China to Russia. In your opinion, do you see that the halting of equipment used to repair land vehicles and air vehicles might stall – might be the reason for the stall and the Russian advance, and how long do you think that this stall will eventually lead to a complete shutdown of any Russian forward movement? Thanks.

Dr. Lin: I think – this is Bonny Lin. I think – so I referenced the Chinese unwillingness to provide the airplane spare parts to Russia, so I guess I'll comment on it from the perspective of China and maybe broaden this question a bit. From China's perspective, and I think what's been in the news is the concern that China might provide military aid or support to Russia, so so far we do not see evidence of that, but one of the reasons why the administration has been very clear in sharing this information publicly but also messaging China about this is that there is concern, as we were talking about, that as this conflict further evolves and that Russia gets either bogged down or if we see more losses that there will be more pressure from China's side to provide spare parts that are dual-use or parts that may directly support military efforts. So to date, we have not seen that.

I can't really comment on the extent to which the parts specifically from China impact how much the Russian military performs, so I'll just wrap up my answer like that.

Mr. Reinsch: If I can add to that – this is Bill – I think it's unlikely that there was an immediate impact on affecting their offensive. We're talking about stuff that they're going to run out of or things that are going to break, not things that happened, you know, the first couple weeks.

Mr. Cancian: Yeah, Mark Cancian here to jump in on Bonny's response. The Russians have apparently reached out to the Chinese trying to get, you know, supplies and equipment. You know, their stocks are running low. You know, they can keep going for a while, but they don't have the pipeline that the Ukrainians do, so at some point it will start – you know, the reductions in their pipeline – their stockpiles, rather, you know, will affect their operations. You're starting to see that, for example, with precision munitions. They've expended a lot. They're holding some back, so they're starting to use more dumb bombs, which increases the vulnerability of their aircraft.

Ms. Montfort: Thank you, Mark.

Thank you, Bill and Bonny.

Does anyone also on the line have any questions? If not, I will go to a pre-submitted question before we wrap up today.

Operator: (Gives queuing instructions.)

And with that prompt, we have no additional callers queuing up.

Ms. Montfort: Great. Thank you very much.

So I did have one last question that was pre-submitted. This one is probably for Emily. It is about Ukraine and the information war, and why Ukraine seems to be winning.

Ms. Harding: They do seem to be winning. So I think this is a two-part answer.

Part one is the work done by Western governments, including the United States government, to pre-bunk some of the Russian attempts to fabricate a reason to go to war. The releases of intelligence products before the war, where they tried to lay out these are the various reasons that Russia might cite against Ukraine to justify or attempt to justify going in in a ground offensive, that, I think, set up the Western mindset, at least, to assume that anything coming out of Russia was a lie. I think that actually, more than anything, probably led to some of the initial phases of unity among the Europeans that there was going – there wasn't going to be that pause, that beat of a question of is Russia actually telling the truth about any of this, let's figure that out, and then respond. It was just an assumption of a flat lie. That's part one.

I think part two really rests – (laughs) – on the shoulders of an astonishingly brave and wonderful man, Zelensky, and the fact that he came out and really used his previous training in the media, his previous presence on television, and his ability to speak directly to people all over the world to really raise the profile of what was going on in Ukraine and speak about his people, inspire his people. I've been very impressed to see as he went around to all of the different legislatures around the – around the world how he has picked out something from each country's history to speak directly to the soul of that country. Like, when he talked to the United States Congress, he spoke about "I have a dream," referencing Martin Luther King. When he spoke to the Germans, he talked about "never again." He really has picked out, like, a key phrase or a moment in each nation's history in order to really spoke to the – what matters most to that nation.

He's also not been afraid to speak directly to the Russian people. And that, in my mind, is going to be a real interesting moment here in the next few weeks as Putin tries to contain this information, tries to create a media bubble inside Russia so that Russians don't know what's actually going on on the ground in Ukraine, and then Zelensky's direct address in Russian to the Russian people, and then efforts to push that through the bubble, seem to be bearing some fruit. Just the other day, the anchor – or, the employee of the media station coming out and standing behind the anchor with a sign that said, "they're lying to you." And that's

astonishing, that she did that, number one. And that, you know, the message seems to have somewhat gotten through.

I do think that we can't ignore that there are large parts of the world – you know, certainly in Russia, definitely in China, probably also in India – where these messages are not penetrating, and it's more the Russian line that's being repeated. But I think overall, you know, this is going to be another case study in how to fight a war on social media.

Ms. Montfort: Thank you, Emily. And with that, I'm going to wrap up a few minutes early today. So thank you so much to all of our experts for taking the time to join us for this briefing. And thank you to all of you who called in to listen and to ask questions.

As I mentioned earlier, we are going to have a transcript available for this call within just a few hours here today. It's going to be emailed out and also posted to CSIS.org. If you did not get your questions answered today or you want to speak to another one of our brilliant experts at CSIS, please don't hesitate to reach out to me, Paige Montfort, or to our chief communications officer, Andrew Schwartz. Thank you, again, and have a great rest of your day.