



Putin's unique map



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Last week we all witnessed the annexation of sovereign Ukrainian parcels of land to the Russian territory, following the sham referenda held in the four regions of Donetsk, Luhansk, Kherson and Zaporizhzhia

According to President Putin, besides Crimea that was annexed in 2014, the Russian territory now incorporates the other four regions.

Absurdly, we have two different world geographical maps; one as interpreted by the Russian regime “forever” and another one as recognised under international law. Unquestionably, the correct geographical borders of Ukraine are those agreed and recognised under international law and the principles of the United Nations Charter. Under international law no country is allowed to snatch territories of other sovereign countries through arms aggression. Clearly, the geographical borders were agreed decades ago as part of the security of Europe.

Obviously, the annexation of the four regions to the Russian territory brought international condemnations including the announcement of additional sanctions. The USA and the UK targeted specific actors aiding the war in Ukraine including the governor of the Central Bank of Russia. Correspondingly, the EU, through the President of

the European Commission and the High Representative announced the eighth round of sanctions and restrictive measures. The EU intends to expand the travel blacklist and asset freezes of high-ranking Russian defence officials, as well as additional restrictions to trade including the import bans on Russian products and key technologies needed for military.

Strangely, a proposal to ban European nationals from sitting on governing bodies of Russian state-owned companies was also announced. Hitherto, I am still trying to understand what this prohibition exactly means and we still need to see how it would work in practice, including the accompanying repercussions on European nationals if they do not comply. For those not familiar with the EU institutions' modus operandi, after the announcement of the package of sanctions, the European Commission sends the proposed text to Council and the Working Party of Foreign Relations Counsellors (RELEX) is tasked to scrutinise the legal text. In turn, if some of the elements of the proposed sanctions and listings

are not agreed, they would then go to a higher level within the hierarchy, including the Political and Security Committee. Furthermore, the EU announced its intention to adopt the G7's price cap on Russian oil for third parties. Meanwhile, OPEC+ convened a physical meeting to discuss the possibility of reducing and restricting the supply of oil. Undoubtedly, such decisions will be leaving a number of undesirable economic effects.

Notwithstanding that the annexation of the four regions is condemnable and creates additional instability within the region, as well as the risk of an escalation involving the use of nuclear weapons, history indicates that sanctions rarely removed regimes. Also, if sanctions are not universally applied their effects are limited, as they take a relatively longer time to be effective and eventually the targeted country adjusts.

Undoubtedly, the imposition of additional sanctions will in effect increase the trading complexities for economic operators on the ground to further comply with the new regulations without halting the markets. Hopefully, we do

not see another surge in the prices of food and other un-sanctionable commodities, due to overcompliance and excessive due diligence.

Clearly, the economic figures look grim, especially inflation, and if the European Union is not going to step in to help families this winter, several vulnerable citizens are going to suffer the direct effects. Surely, freedom has a price to pay. The foundations of the European Union were clear; to avoid future wars and work with others to foster peace. We paid the price of peace and liberty decades ago.

However, we are now in a different territory and the escalation is clearly visible on the wall. Sadly, diplomacy was thrown out of the window and we are in a different escalatory stage. Sincerely, I hope that the use of nuclear weapons is just a distant truth, even though in some instances truth is stranger than fiction. Understandably, there cannot be the guarantee of the security of Europe with the exclusion of Ukraine. And that is not just the military security but also the economic security. Ukraine is an important variable in the EU's equation.

The EU cannot achieve its strategic autonomy if it keeps relying on countries like China for critical raw materials. The EU considers China as a partner, but they are also their direct competitors. Clearly, the EU is fighting tooth and nail to aid Ukraine, both financially and militarily to secure future economic trade deals in critical sectors. Ukraine is inherently rich in mineral resources that are in high concentrations and near each other. Mother nature was quite generous with Ukraine, as the country has an abundant amount of iron, titanium, nickel, ore, graphite, timber and mercury, to name a few.

The EU's ambitious path to decarbonise the continent by 2050 can be guaranteed with certainty if Ukraine is in the equation. Obviously, President Putin sniffed that the EU is ditching gas, with the excuse of the Green Deal, to primarily achieve its strategic autonomy. Certainly, Ukraine was a perfect candidate for the EU to achieve its green projections and that meant losses in billions of profits for the Russian economy. Hence, Putin needed a pretext to spoil it. The pretext used was the call for the security guarantees because NATO was expanding its military footprint eastwards. What happened afterwards is now history. In one of my opinion pieces, I explained the contents of the Istanbul Document and the Russian interpretation of the indivisibility concept of the transatlantic when it comes to the security of Europe. However, the escalation of this war is not just for the security of Russia and Europe but also for the distribution of economic wealth and prosperity.

When I wrote against the EU's hasty decisions to impose sanctions, I was speaking from my experience in the Political and Security Committee combined with my economic background and intuition. Frankly, I have my doubts whether the EU can get rid of a neighbouring spoiler and the economic effects of this war will be felt for the years to come. And the cost to humanity will certainly exceed the prosperity created in the past 70 years if nuclear weapons are used, leaving those running the show quivering to take proper economic and military decisions.

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