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Massive morning attack in Ukraine's Lviv region targeted a gas storage facility —

Two waves of missiles, including Kinzhals, early in the morning of March 14, directed at Ukraine's Lviv region. It took most of the day to extinguish the fire.

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Transport facilities of Ukraine's Gas Transport System. Photo: Naftogaz (Illustrative photo)

According to Ukraine's governor of Lviv Oblast, **Maksym Kozytskyi**, the first wave of cruise missiles hit the "object of critical infrastructure." A few hours later, during the next wave of attack, Russia fired its most dangerous Kinzhal missiles against the very same object, Kozytrkyi said.

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In his evening statement, he said that the firefighters completely extinguished the fire ten hours later.

"A low bow to the 61 rescuers who have been working since the morning until now to eliminate the fire," Kozytskyi wrote.

At the same time, Ukraine's CEO of state-owned oil and gas company Naftogaz, **Oleksiy Chernyshov**, **wrote** in his evening statement that Russia had targeted an underground gas storage facility in Lviv Oblast in its morning attack. As a result, the ground infrastructure was damaged. However, this situation will not critically impact the company's operations since the gas is stored underground.

"The damaged surface infrastructure will need repairs. However, we have sufficient backup capacities to mitigate any immediate impacts. The supply of natural gas to Ukrainian consumers remains unaffected by the attack," Chernyshov wrote.

It remains unclear whether Russia attacked only this gas facility or some other objects as well during its largest in recent months attack against Lviv Oblast in Ukraine's west.

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The Oil Weapon Against Moscow

In 1986 the U.S. and Saudi Arabia raised production. That move contributed to the Soviet collapse.

By Andriy Yermak

March 26, 2024 4:09 pm ET

Kyiv, Ukraine

Russia's economy depends on the country's natural resources, as it did in the Soviet era. Its growth depends on the price of oil—which contributed to the collapse of the Soviet empire and will determine Vladimir Putin's current bid to restore the regime. It is oil that can thwart the Russian dictator's revanchist ambitions.

In 1984, 613 million tons of oil were extracted in the Soviet Union—3 million tons less than in 1983 and well below that year's target of 624 million tons. The Soviets sustained enormous financial losses because of the shortfall, exposing the vulnerability of the economy, which was depleting old oil deposits. To increase production, the U.S.S.R. needed Western technology. It also needed Western money, which it funneled into its military-industrial complex to threaten the West. When Mr. Putin turned energy into a geopolitical weapon, he was using an old Soviet playbook.

Then, the West saw an opportunity to erode Moscow's finances by lowering oil prices and increasing output—as it should today. In 1986, President Ronald Reagan and King Fahd of Saudi Arabia developed a plan to lower the price of oil. A reduction of \$10 a barrel would mean a \$10 billion loss for the Soviets over a year. Saudi Arabia, the most influential player in the Organization of the Petroleum Exporting Countries, bucked OPEC's consensus and increased production. The U.S. also stepped up production—and imposed an embargo on

technology exports to the U.S.S.R. Oil prices plummeted even more than expected—to \$12 a barrel. The colossal losses, combined with massive military spending, undermined the Soviet economy.

What happened later is well known: The U.S.S.R. collapsed in 1991. The world's largest nuclear arsenal couldn't save it.

But history shows that when Russia is flush with oil money, it tries to reassert its global dominance. Russia's growth under Mr. Putin is thanks to soaring oil prices. In 2011-14, oil and gas revenue in Russia exceeded 50% of federal revenue. In recent years, oil and gas have accounted for up to 60% of Russia's total goods exports and 40% of federal revenue.

Billions of dollars in oil and gas profits fuel the Kremlin's imperialism and revanchism. The West must ratchet up sanctions to make Russia's oil trade less profitable, while also increasing Saudi and U.S. oil output. The West should also cut off Russia's access to technologies, including by imposing sanctions on intermediaries. Lowering oil's price to \$30 a barrel would help. But without new supply sources, price caps won't work. Ukraine and the world need Saudi Arabia and the U.S. to take the lead. As in the 1980s, increasing production will tame both Moscow and Tehran, which is the key to peace in Europe and the Middle East.

I co-chair an international working group on sanctions with Michael McFaul, a former U.S. ambassador to Russia. According to estimates by our group, restrictions on Russian oil, including the European Union embargo and Group of Seven price cap, have cost Moscow \$113 billion in export revenue since the invasion. Russia still allocated \$102 billion for military spending in 2023, keeping the war machine well-funded and giving Mr. Putin scant incentive to negotiate. For Ukraine to prevail, oil prices must come down significantly.

The Kremlin is incapable of engaging in equal dialogue—it only pretends to do so. From 2014 to 2022, Ukraine conducted some 200 rounds of negotiations with Russia, seeking a peaceful resolution to Moscow's attempted annexation of Crimea and temporary occupation of parts of Eastern Ukraine. Every time, Russia violated any arrangements. As long as Moscow refuses to recognize Ukraine's international sovereignty, efforts at peace are futile.

Mr. Putin's Russia, fueled by oil revenue, has no incentive to pursue peace, but instead aims to restore the U.S.S.R. and its sphere of influence. Mr. Putin isn't bound by ideological principles other than a lust for power and will support extremists around the world to promote chaos. Pursuing this malign agenda requires oil revenue.

To save the world from another century of turmoil, the West must replicate the successful example from the 1980s. Once again, it can outmaneuver Moscow and Tehran and reclaim the initiative.

Mr. Yermak is head of the Office of the president of Ukraine.



Pumpjacks extract oil from a well in Tatarstan, Russia, March 20. PHOTO: YEGOR ALEYEV/ZUMA PRESS

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