



US Tells Europe That Russia Wanted Armed Drones And Beijing “Responded Positively”

Description

USA: Update (2315ET): The U.S. and China held their first high-level talks since the start of the Ukraine war, and the White House warned allies that Moscow sought armed drones from Beijing in late February as it started its assault, Bloomberg reported citing people familiar with the matter.

The Biden administration and China described their in-person talks as “substantial” and “constructive,” respectively, although neither announced any specific outcomes. Rabobank’s Michael Every had a slightly different take: the “key meeting between the US and China in Rome obviously did not go well. Pre-meeting, I was informed the article doing the rounds from a Chinese academic saying Beijing should dump Russia for the West was banned from circulation in China. The official US read-out was bare bones, which is the diplomatic practice when there is nothing positive to say.”

Meanwhile, the U.S. has warned European allies that Russia asked China for surface-to-air missiles, drones, armored vehicles, logistics vehicles, and intelligence-related equipment – and that China responded positively. Bloomberg notes that the request has alarmed Biden administration officials who are seeking to prevent China from coming to Vladimir Putin’s aid in the war, which could potentially escalate it into a truly World War.

Going back to Every, he writes that “naturally, the implications are enormous – the White House says there will be “consequences” for China if this occurs and the State Department that “we will ensure that no country is able to get away with trying to bail out Russia”. A D.C.-based analyst also Tweets to underline: *“The view from Washington is unanimous: a decision by China to aid Russia’s war in Ukraine would be a betrayal of its commitment to act as a responsible great power and would severely and irrevocably damage what remains of the US-China relationship. There is no doubt that China would share in the unprecedented economic and political pain that Russia now suffers as a pariah state. Much of the favor Beijing has had cultivated in Europe over the past 30 years would evaporate overnight.”*

Update(1920ET): Going into his Monday meeting in Rome with top Chinese diplomat Yang Jiechi,

Jake Sullivan told CNN the US had been “communicating directly, privately to Beijing that there will absolutely be consequences for large-scale sanctions evasion efforts or support to Russia to backfill them” amid the Ukraine war.

In the meeting’s aftermath, a senior Biden admin official was cited in multiple reports as describing Washington’s ‘deep concerns’ conveyed directly lengthy [7-hour meeting](#):

“It was an intense seven-hour session reflecting the gravity of the moment as well as our commitment to maintaining open lines of communication,” the official said, describing the conversation as “candid” and “direct.”

The official declined comment on whether the U.S. has information that China is providing or is open to providing Moscow with financial and military assistance but did say Sullivan spoke directly about concerns and the “potential implications and consequences of certain actions.”

After discussion in Rome that ended about 7 hours after it started, White House says Jake Sullivan “raised a range of issues in US-China relations, with substantial discussion of Russia’s war against Ukraine.” Not many details about meeting with China’s top diplomat, Yang Jiechi.

— Jennifer Jacobs (@JenniferJJacobs) [March 14, 2022](#)

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Update(1340ET): The Sunday “revelation” – or at least [Biden admin ‘official leaks’](#) – claiming that Russia has formally requested military assistance from China amid the Ukraine invasion has been given more detail in a fresh FT report Monday. It was previously said based on unnamed US sources that Moscow had requested military equipment and arms, [including drones](#) – alongside economic assistance. The Chinese embassy in the US had quickly denied knowing anything about such a request.

The new FT report [cites classified](#) “cables, which were sent by the US state department to allies in Europe and Asia, did not say whether China had signalled that it would help Russia in the future or if it had already started providing military support. Nor did they say at which point in the conflict Beijing appeared open to offering the help.”

Despite what seems vague assertions and scant evidence, a US defense official in the new FT piece warned China of serious “consequences” if it provides support to Russia:

“If China does choose to materially support Russia in this war, there will likely be consequences for China,” the defense official said.

[#ChinaRussiaSCOOP](#)

US has told allies that China has responded positively to Russia's request for military equipment. Cables to allies in Europe & Asia do not say if China has provided help or just told Moscow that it would provide support. (@FT)<https://t.co/YoknDAYWar>

— Demetri?Financial Times (@Dimi) [March 14, 2022](#)

Following the heels of the new, slightly more detailed reporting on the allegations – and as White House national security adviser Jake Sullivan meets with his Chinese counterpart, Yang Jiechi, in Rome on Monday, Beijing has issued a new statement.

China's foreign ministry states that it has the **“right” to “safeguard” its legitimate interests.**

Pentagon official: Russian forces do not have enough men and equipment to encircle Kyiv, let alone take it — Sky News

— Rag?p Soylu (@ragipsoylu) [March 14, 2022](#)

And the State Dept. has confirmed what are now official allegations of the Russian request of Beijing:

- U.S. STATE DEPT SAYS SULLIVAN HAS RAISED DIRECTLY AND VERY CLEARLY OUR CONCERNS ABOUT CHINA'S SUPPORT TO RUSSIA IN THE WAKE OF THE INVASION
- U.S. STATE DEPT SAYS U.S. HAS COMMUNICATED VERY CLEARLY TO BEIJING THAT WE WON'T STAND BY
- SENIOR ADMINISTRATION OFFICIAL SAYS U.S. HAS “DEEP CONCERNS” ABOUT CHINA'S ALIGNMENT WITH RUSSIA AT THIS TIME U.S. OFFICAL WON'T COMMENT ON WHETHER CHINA AIDING RUSSIA U.S. CONCERNED ABOUT ESCALATORY ACTIONS FROM N. KOREA

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Update(10:45ET): Following what were generally upbeat weekend assessments of how Russia-Ukraine ceasefire talks are going, the fourth round of talks have taken a “pause” after a reported more than five hours in negotiations.

A technical pause has been taken in the negotiations until tomorrow. For additional work in the working subgroups and clarification of individual definitions. Negotiations continue...

— ??????? ??????? (@Podolyak_M) [March 14, 2022](#)

Ukraine's top negotiator called it a “technical pause” until their planned resumption on Tuesday, but confirmed that “negotiations continue”. During Monday's talks President Zelensky had separately announced he plans to give a virtual address to US Congress on Wednesday, which will start in the morning (US time). It will mark his second time to address both the House and Senate together since the commencement of the war on Feb.24.

Zelensky is expected to reiterate his calls for a Western-imposed no-fly zone, and make an

appeal for more weapons and aircraft. A letter sent to House and Senate members by Speaker Nancy Pelosi and Majority Leader Chuck Schumer had this to say:

“The Congress, our country and the world are in awe of the people of Ukraine, who have shown extraordinary courage, resilience and determination in the face of Russia’s unprovoked, vicious, and illegal war.”

News: Ukrainian President Volodymyr Zelenskyy will address the US Congress virtually this Wednesday March 16, per Pelosi/Schumer. pic.twitter.com/Gi7Ku9fypG

— Sahil Kapur (@sahilkapur) [March 14, 2022](#)

We can expect the message will be somewhere along the lines of “Help Ukraine force Putin into failure and you will avert a larger war” – according to Ukraine’s foreign minister Dmytro Kuleba.

This as Western officials and without doubt much of the public are increasingly wary of a WW3 scenario. The Biden administration has stated clearly that it’s fully aware a no-fly zone would mean “US planes shooting at Russian jets.” It would immediately bring the US and Russia into a direct state of war. **“To those abroad scared of being ‘dragged into WWII’. Ukraine fights back successfully. We need you to help us fight.** Provide us with all necessary weapons. Apply more sanctions on Russia and isolate it fully. Help Ukraine force Putin into failure and you will avert a larger war,” Kuleba tweeted Monday.

To those abroad scared of being ‘dragged into WWII’. Ukraine fights back successfully. We need you to help us fight. Provide us with all necessary weapons. Apply more sanctions on Russia and isolate it fully. Help Ukraine force Putin into failure and you will avert a larger war.

— Dmytro Kuleba (@DmytroKuleba) [March 14, 2022](#)

Meanwhile, some of the latest headlines of the last hour:

- EU TO IMPOSE NEW SANCTIONS ON ROSNEFT, TRANSNEFT, GAZPROM NEFT, BLOCKING INVESTMENTS IN FOSSIL FUELS – SOURCE EU GOVERNMENTS PUSHED TO ADJUST SANCTIONS TO ENSURE EU CAN STILL BUY OIL FROM RUSSIAN OIL COMPANIES – SOURCE
- RUSSIA IS COUNTING ON RESUMPTION OF DIALOGUE WITH U.S. ON CYBER SECURITY – TASS CITES FOREIGN MINISTRY
- RUSSIA THREATENS TO BAN YOUTUBE IF GOOGLE DOES NOT RESPOND TO ITS REQUEST TO LIFT THE BAN ON ITS YOUTUBE MEDIA CHANNELS
- UKRAINE ARMY DENIES ACCUSATION BY RUSSIA, PRO-RUSSIAN SEPARATISTS THAT IT LAUNCHED MISSILE ATTACK ON DONETSK ON MONDAY – ARMY SPOKESMAN
- RUSSIAN DELEGATION SUSPENDS ITS PARTICIPATION IN PARLIAMENTARY ASSEMBLY OF COUNCIL OF EUROPE – RIA CITES RUSSIAN DELEGATE

An updated United Nations announcement says at this point over 2.8 million refugees have [fled war-torn Ukraine](#):

As of Monday, **more than 2.8 million people have fled Ukraine for neighboring countries, including 127,000 third-country nationals**, the International Organization for Migration (IOM), a UN agency, said.

“People continue to flee the war in Ukraine every minute,” the [IOM tweeted Monday](#), adding that they need “continued support.”

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With newsflow out of Ukraine having become a firehose, with market moving headlines firing every minute, traders can be forgiven if they have just given up following the narrative. To help out, here is a snapshot of all the latest market-moving news out of Ukraine from the last few hours courtesy of [Newsquawk](#):

Discussions/ Negotiations

- Russian and Ukrainian officials on Sunday gave their most upbeat assessments so far on the progress of talks and suggested there could be positive results within days. The Ukrainian negotiator reiterated they will not concede in principle on any positions and that Russia now understands this, while he added that Russia is already beginning to talk constructively. Furthermore, the Russian delegate said talks with Ukraine may soon produce draft agreements and US Deputy Secretary of State Sherman commented that Russia showed signs of willingness to engage in substantive negotiations about ending the conflict.
- Ukraine Presidential adviser says the next round of discussions with Russia will be on peace, ceasefire, immediate withdrawal of troops and security guarantees. Note, talks began around 08:30GMT/04:30EDT
- Ukrainian President Zelensky said some small towns in Ukraine do not exist anymore due to the war and that negotiations must start with a ceasefire, while he added that the west is not involved enough in peace negotiations and he doesn't see a common consensus to accept Ukraine in NATO. Furthermore, Zelensky called for software giants to stop supporting their products in Russia.
- Ukrainian Foreign Minister Kuleba said on Saturday that they are ready to negotiate but won't surrender and that more needs to be done to hit the Russian economy, while he added that they have to remain open to diplomacy and that they are talking, but Russia continues to put forward demands that are unacceptable to Ukraine.

Energy/Economic Updates

- Russian Foreign Ministry official said the EU faces soaring energy prices in the wake of sanctions imposed against Moscow and the situation on global energy markets will lead to the EU paying at least three times more for oil, gas and electricity, while the official added Russia is prepared for a tough confrontation with the EU in the energy sector if necessary, according to Interfax.

- Ukraine's atomic energy ministry said power was restored at the Chernobyl nuclear power plant and that cooling systems for spent nuclear assemblies at the plant will operate normally without using backup power.
- EU ambassadors met in Brussels on Sunday to discuss a proposed list of individuals being targeted in the latest round of sanctions with Roman Abramovich one of the 15 individuals being considered, according to FT.
- Australia announced new sanctions affecting 33 Russian oligarchs and family members.
- Russian Finance Minister Siluanov said Russia will fulfil its state debt obligations and pay in RUB until state reserves are unfrozen. Siluanov said sanctions have frozen around USD 300bln in Russian gold and forex reserves, while he added that western countries are pressuring China to limit Russian access to its Yuan reserves, according to Reuters and Ria. Furthermore, Reuters noted that Russia is due to pay USD 117mln on two dollar-denominated bonds on Wednesday and is signalling it may default or pay it in RUB.
- Russia's central bank decided to not resume trading of the stock market on the Moscow Exchange between March 14th-18th.
- UK Chancellor Sunak said he is urging firms to think carefully about investments in Russia and how they may aid President Putin's regime, while Sunak added that he is clear that there is no case for new investment in Russia.
- India is considering a Russian offer to sell oil and other commodities at discount amid sanctions, according to officials.

Defense/Military

- US officials said Russia requested military equipment from China to support its invasion of Ukraine, which the White House fears is a sign of increasingly close ties between Beijing and Moscow. However, the Chinese Embassy in the US said that the high priority now is to prevent the tense situation from escalating or getting out of control and a spokesperson said they "never heard of that" when asked about the report of Russian request for military assistance.
- Subsequently, Chinese Foreign Minister is to arrive in Moscow on March 15th, according to Russian media citing Iranian sources via Sky News Arabia.
- US President Biden spoke with French President Macron on Ukraine in which they underscored their commitment to hold Russia accountable for its actions and support the government and people of Ukraine, according to the White House
- Ukraine's International Peacekeeping and Security Centre in Yavoriv, near the Polish border was bombed and the Russian Defence Ministry said it attacked the training facility in Yavoriv in western Ukraine, which was being used to store military equipment that had been delivered from foreign nations, according to Interfax and Ria. Furthermore, Ukrainian Defence Minister Reznikov said that foreign military instructors worked at the facility, but it was not clear if any were present at the time of the strike. NATO thereafter confirmed that no personnel were hit by the attack.
- US Secretary of State Blinken condemned Russia's attack on the International Centre of Peacekeeping and Security in Yavoriv.
- US National Security Adviser Sullivan said Russian attacks near the Polish border show President Putin is expanding targets and reflects frustration about a lack of progress, while US and allies will continue to escalate pressure on President Putin. Sullivan also said the US is consulting with allies and communicating directly with Russia to warn against the use of chemical weapons and said if Russia takes a shot at NATO territory, it would trigger Article 5 and would

bring the full force of NATO in response. Furthermore,

- Sullivan has communicated to Beijing that US will not allow any country to compensate Russia for losses from sanctions and is to meet with Chinese top diplomat Yang Jie in Rome on Monday.
- UK Cabinet Minister Gove said the attack on the military centre is a significant escalation, while he added that he wants to explore the option that would allow the use of homes and property of sanctioned individuals for humanitarian and other purposes.
- UK PM Johnson spoke to Ukrainian President Zelensky in which he outlined support the UK continues to deliver to Ukraine and said that President Putin's actions were testing not just Ukraine but all of humanity, while he added the UK would continue to pursue more options for bolstering Ukraine's self-defence.
- UK Ministry of Defense said Russian naval forces established a distant blockade of Ukraine's Black Sea, isolating Ukraine from international maritime trade, adds Russian naval forces are also continuing missile strikes against targets throughout Ukraine
- Ukraine said its troops were launching counterattacks against Russian soldiers in Ukraine's Mykolaiv region and the eastern Kharkiv region.
- Ukraine NSDC Secretary Danilov said Russia is developing a special operation to disguise Belarusian soldiers in Russian uniform and send them to Ukraine, according to NEXTA.
- Air raid alerts were reported in at least 19 out of 24 Ukrainian regions, according to Kyiv Independent.

Other

- Russian prosecutors reportedly warned companies they may seize assets and trademarks of companies that pull back from Russia and may arrest company leaders that criticise the government, according to WSJ. However, the Russian Embassy in the US refuted media claims that western companies are being threatened, according to Sputnik.
- Iranian Foreign Minister will travel to Russia on Tuesday to meet with Foreign Minister Lavrov, according to a spokesperson cited by journalist Aslani; separately, Iranian Foreign Ministry spokesperson says the US needs to make a decision before a nuclear deal is possible.
- Iranian Top Security Official says Iran will remain in nuclear discussions until Tehran's "legal and logical" demands are met and a strong deal is reached.
- Turkey and Greece agreed on talks to improve ties amid the Ukraine conflict.

by Tyler Durden

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