Sino-Russia Energy Deals to Defeat US/NATO Expansionism

While the recent meeting between Russia’s Vladimir Putin and China’s Xi in Beijing may not in itself be an extraordinary event, its significance against the backdrop of the on-going tussle between Russia and the US/NATO is quite unmistakable - not only for Russia itself, but for the US/NATO as well. Even though Russia does not really need China’s help to defend its sovereignty militarily or otherwise, it remains that China’s open support for Russia’s stance against the US plan to push NATO into Ukraine as a geo-political tool does debunk the US propaganda of Russian “isolation.” More than anything else, China’s growing strategic alliance allows Russia a great opportunity to withstand possible Western sanctions, or European decision to reduce its supply of gas from Russia. But co-operation in one field is often not possible without co-operation in other fields. That’s why the long joint statement issued after the meeting laid a lot of stress on jointly opposing Western plans to destabilise regions adjacent to mainland China and Russia i.e., Ukraine, Taiwan, and Hong Kong. As the sides reiterated:

“The sides oppose further enlargement of NATO and call on the North Atlantic Alliance to abandon its ideologized cold war approaches, to respect the sovereignty, security and interests of other countries, the diversity of their civilizational, cultural and historical backgrounds, and to exercise a fair and objective attitude towards the peaceful development of other States.”

While the fact that both Russia and China oppose Western expansionism both via NATO or anti-China AUKUS (Australia, United Kingdom and United States) treaty has already unsettled Western echelons of power, it is the growing co-operation between Russia and China in the energy sector that is most likely to defeat US designs vis-à-vis forcing Russia to submit. This is particularly significant given that the US is particularly interested in hurting
Russia’s gas and oil sales. US President Biden recently said this, while standing next to his German counterpart, without mincing any words only recently on February 7:

“What everybody forgets here is Russia needs to be able to sell that gas and sell that oil. Russia relies — a significant part of Russia’s budget — it’s the only thing they really have to export. And if, in fact, it’s cut off, then they’re going to be hurt very badly, as well. And it’s of consequence to them as well. This is not just a one-way street.”

Moscow is, obviously, not unaware of this design. When Putin visited Beijing, he did not just attend the Winter Olympics; in fact, Putin signed a billion dollar oil and gas deal with Beijing. “Our oilmen have prepared very good new solutions on hydrocarbon supplies to the People’s Republic of China,” Putin said in Beijing. Besides the new deal, China also promised to ramp up Russia’s Far East exports. A new 30-year contract to supply 10 billion cubic meters (bcm) per year to China from Russia’s Far East was signed. With China supporting Russia’s stance on Ukraine, China’s increasing purchase of Russian oil and gas sent a powerful signal to the world that both superpowers will be taking care of each other’s interests against the combined strength of predatory western alliance, making their claims of punishing Russia hollow.

The announcement also comes against the backdrop of US claims that they – US and its allies – have a wide range of “tools” at their disposal to punish any state, including China, if they try to “backfill US exports controls” imposed on Russia. As Ned Price of the White House recently claimed in his press briefing:

“Putin knows that this would be of massive consequence to his country and to his economy. This – a closer relationship with the PRC, a closer relationship between Russia and the PRC – is not going to make up for that; it is not going to account for that. One final point. We have – and when I say we I mean collectively, the United States and our allies and partners – we have an array of tools that we can deploy if we see foreign companies, including those in China, doing their best to backfill U.S. export control actions, to evade them, to get around them.”

China’s deal, therefore, very clearly defies US threats, showing how the politics of sanctions – which is Washington’s favourite geo-political “tool” – cannot really deter states like China and Russia, who, too, posses enough “tools” to stage a counter-attack. The oil & gas deals are a manifestation of that counter-attack.

Even as many political pundits in the West have highlighted, the US plan against Russia cannot work unless Washington can first wean China away. The fact that Washington’s ties with Beijing are as bad as with Moscow means that Washington does not have enough geo-political capacity to dictate policies and decisions by really isolating Russia. Although it might still impose sanctions, China is unlikely to be bothered by them, thus defeating Washington’s plan to inflict an unacceptable level of damage on Russia, which also already has US$640 billion in foreign exchange reserves to withstand western sanctions.

But, as mentioned above, the real factor bothering the West is not what Russia can or might do in the wake of a conflict around Ukraine; the real factor is the almost absolute convergence between Russia and China on almost all issues of global politics – a fact duly highlighted via the said joint statement. This statement is not about their bilateral relations; in fact, it is an elaborate commentary on the challenges they are facing from the West and how these very challenges have transformed and elevated their ties to a level not known in the contemporary era.

Therefore, in the wake of US/European pressure on Russia and Moscow’s massive new deals with China means the Biden administration will now have to come up with a new plan to defeat Russia, or altogether drop its project. With Russia now clearly able to diversify its oil and gas deals away from Europe, the question is: can Europe itself do without Russia and without facing any economic backlash? It was only last week the UK government announced a whopping 54 per cent increase in domestic energy bills, causing a political outcry against the Johnson administration. The unnecessary war in Russia is already starting to bite back the war-wagers themselves.

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