# Russia's Gas Sales Struggle as European Supply Cut Backfires



**Russia Struggles to Sell Gas Following European Supply Cut**

**May 25, 2024**

Moscow, Russia—President Vladimir Putin's strategy to leverage gas supplies against Europe has backfired, causing Russia significant difficulties in selling its gas reserves. Gazprom, Russia's state-owned energy giant, faces extensive challenges breaking into new markets after restricting gas supplies to Europe in 2022. This decision aimed to pressure Kyiv's allies during the winter, but Western nations quickly transitioned to self-sufficiency, reducing dependence on Russian gas.

Gazprom's financial performance has been severely impacted, with a 41% revenue drop in the first half of 2023, a 71% decline in sales profits, and a 25% decrease in gas production. The company reported a net loss of 629 billion rubles ($6.9 billion) for the previous year. Compounding the issue, a proposed pipeline to China—an anticipated new market—is projected to cost around $100 billion, which Russia cannot presently afford. Moreover, China is unlikely to need additional gas supplies until after 2040. Experts indicate Gazprom is in a "limbo" state indefinitely.

**Ukrainian Forces Claim Control Amid Russian Push in Kharkiv**

**May 25, 2024**

Kyiv, Ukraine—Ukrainian President Volodymyr Zelensky announced that Ukrainian forces have secured areas in the northeastern Kharkiv region, previously entered by Russian troops since early May. Russian forces have targeted capturing villages around Kharkiv, approximately 12 miles from the Russian border. Analysts suggest this strategy may aim to place Kharkiv within artillery range.

Local authorities report that over 11,000 people have been evacuated from the region since the offensive began on May 10. On Saturday, an aerial attack resulted in two fatalities in Kharkiv city. Despite Zelensky's claims of regaining control, Russian state news contradicts this, stating Russian forces hold more than half of Vovchansk, three miles inside the border.

Additionally, Russia's Defense Ministry reported capturing Arkhanhelske village in the Donetsk region, part of a broader offensive along Ukraine’s 620-mile front line. Continuous missile, bomb, and drone attacks by Russia have exacerbated the situation, leading to civilian casualties and widespread destruction. The ongoing conflict marks a critical period for Ukraine as it faces mounting pressure from the larger Russian force.