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Russia-Ukraine Conflict: How Will Your Supply Chain Be Affected?

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On Thursday, February 24 at 4:30 AM (GMT+2), Russian Federation forces opened fire on multiple structures military and civilian in Ukraine after crossing Senkivka-Veselovka border of Belarus. In response, multiple countries including the <u>US</u>, <u>Japan</u>, and <u>the EU</u> have announced new sanctions on Russia.

Martial law has been invoked by the Ukrainian government, and Ukrainian airspace has been closed to civilian flights. Several airlines including <u>Air France-KLM</u>, Lufthansa, Swiss Air Lines, and Scandinavian Airlines have also cancelled flights in the area. Railway operators in Ukraine have also suspended cargo transport services until further notice.

In Russia, <u>more than 200 domestic and international flights</u> have been cancelled at Moscow airports. Although cargo operations at the ports of St. Petersburg, Novorossiysk, and Vladivostok are reportedly normal, trucking queues have formed at the borders of Poland-Belarus and Lithuania-Belarus.

Some truck operators are also refusing cargo transit to Russia, and the Ukraine-Belarus border is closed until further notice. Highways in parts of Central and South Russia will experience intermittent congestion due to continued military mobilization.

On February 21, 2022, Russia formally recognized the declared independence of the Donetsk People's Republic and the Luhansk People's Republic—both are disputed territories in Donbas, the southeastern region of Ukraine. The NATO General Secretary condemned the move as a violation of the Minsk Agreements respectively vsigned September 5, 2014 and February 12, 2015. On February 23, Russian officials announced a Special Military Operation in the Donbas region and began evacuations of Russian diplomats in Ukraine.

KWE will provide further updates as the situation develops.

