

RUSSIA/UKRAINE: Conflict moving towards escalation, not resolution

- Russia's largest drone and missile strike on Ukraine on 7 September signals that the war is moving toward further military escalation.
- Divergent strategic interests make a lasting diplomatic resolution between the Putin and Zelensky administrations highly unlikely.
- Additional Western sanctions on Russia might increasingly target third countries seen as supporting the Kremlin's war effort.

Scope for military escalation

Russia has conducted four large-scale air strikes on Ukraine in the past three weeks, each involving more than 500 drones and missiles. This demonstrates not only Moscow's steadily improving long-range strike capabilities but also its growing political will to target sensitive sites across Ukraine.

The 7 September attack marked the first time that a Russian strike hit Ukraine's main government building, the Cabinet of Ministers building in central Kyiv. Other recent attacks have targeted diplomatic and commercial facilities used by Ukraine's allies, including the US, UK, the EU, and Azerbaijan. In addition, several disoriented Russian drones have crashed onto NATO territory in Poland and Lithuania in recent months.

On the frontlines, Russian forces are redeploying troops to the Pokrovsk axis in an effort to encircle this key defensive stronghold. The capture of Pokrovsk would mark an important step toward seizing the remaining parts of the Donetsk region, thereby strengthening Moscow's position in any future negotiations. In addition, Russian forces have remained in or entered the Sumy, Kharkiv, and Dnipropetrovsk regions, each presenting Ukraine with a distinct set of defensive and political challenges.

Meanwhile, Ukrainian strikes on energy and transport infrastructure have caused significant disruption in Russia. Growing demands to repair damaged units have compounded problems stemming from domestic fuel shortages and planned maintenance programs. Given these widespread effects—and the fact these attacks have advanced Kyiv's objective of making the war's consequences felt across Russia—the strike campaign on energy facilities is expected to continue and likely intensify, reaching targets deeper inside the country. The Ukrainian armed forces are set to receive a substantial number of long-range missiles from the US, complementing rapidly expanding domestic capabilities in this area.

Diplomatic deadlock

Three weeks after the [Alaska summit](#), Russia and Ukraine are no closer to an agreement. Moscow's outright rejection of any security guarantees for Ukraine involving Western or NATO peacekeepers underscores the Kremlin's continued pursuit of its maximalist objective—subjugating all of Ukraine, not just the illegally annexed regions. Meanwhile, President Vladimir Putin's persistent refusal to meet with his Ukrainian counterpart Volodymyr Zelensky reflects Moscow's unchanged stance on Zelensky's alleged illegitimacy and its demand for a leadership change in Kyiv.

Putin's maximalist demands on Ukraine stem from his long-held perception of Russia as a major global power with a legitimate sphere of influence, which includes Ukraine, within an emerging multipolar world where Western powers are in decline. This worldview was reinforced at the recent [Shanghai Cooperation Organization summit](#) in Beijing, where Putin received a warm reception and concluded several [agreements](#) designed to help Russia withstand Western sanctions and ease the economic challenges linked to the ongoing war in Ukraine.

From Putin's perspective, the outcome of the war in Ukraine will define not only his personal legacy, but also Russia's future trajectory as a great power. As a result, the Kremlin will reject any diplomatic proposal that places Ukraine outside

Russia's sphere of influence. Given Zelensky's determination to preserve Ukraine's independence and sovereignty, a lasting settlement between Putin and Zelensky is highly unlikely—if not impossible—at this point.

[More sanctions in store](#)

As diplomatic efforts to halt the war continue to stall, European leaders are holding consultations with the Trump administration on new coordinated sanctions against Russia. By the end of the week, the European Commission is expected to unveil its proposal for a 19th sanctions package, which could include additional restrictions on Russia's financial and energy sectors, and measures targeting third countries seen as aiding Russia's war effort.

On the US side, President Donald Trump has recently stated his preparedness to move into a 'phase two' of Russia sanctions over Ukraine, but no specifics have been shared to date. Options under discussion in both Washington and Brussels include secondary tariffs on additional countries (similar to India), stricter enforcement of the oil price cap, and broader targeting of shadow-fleet tankers. With a Trump–Xi summit in preparation, however, Trump is unlikely to pursue overly punitive measures against China—particularly secondary tariffs on Russian oil imports.

Although the Russian economy is slowing down and fiscal tensions are rising, there are no signs of mounting public discontent or an imminent crisis. Unless new sanctions effectively lower Russia's revenue from oil exports, which account for roughly one third of all federal income and is a key source of foreign exchange, another gradual tightening of existing restrictions is unlikely to shift Putin's calculus on the war in Ukraine.

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Andrius Tursa
Central & Eastern Europe
Advisor
andrius.tursa@teneo.com

Emily Stromquist
Managing Director
+1 (202) 672-4293
emily.stromquist@teneo.com

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