

SPS Global Insights

Russia-Ukraine War 2024 Outlook



This report analyses the evolving Russia-Ukraine conflict's outlook into 2024, delineating three plausible scenarios and their implications. It assesses the associated risks for businesses and foreign travellers, emphasising the complex geopolitical dynamics at play and the imperative for strategic preparedness in an uncertain landscape.

Introduction

As 2024 approaches, almost two years will have passed since the onset of Russia's invasion of Ukraine. With the United States alongside NATO allies sustaining their support for Ukraine through the provision of military equipment, and with Russia allocating resources in its 2024 budget for a protracted conflict, the war in Ukraine is anticipated to persist into the upcoming year.

Presently, the conflict is in a deadlock, with neither side achieving substantial breakthroughs on the battlefield. Ukraine's counteroffensive has not produced the desired results of splitting Russia's land bridge to Melitopol; thus the war is exhibiting characteristics of a protracted struggle. The United States emphasises the critical importance of Ukraine's success in this conflict, recognising that a Russian victory would have significant geopolitical consequences for the Western world.

The success of Russia in this conflict is paramount for President Vladimir Putin's leadership stability, as internal challenges, including potential coups, may arise if the war is perceived as a failure. Additionally, a Russian victory would significantly undermine U.S. hegemony, casting doubts on the Western liberal world order and its capacity to ensure European security.

This report aims to explain the future prospects of the Russia-Ukraine conflict as we enter 2024, presenting three potential scenarios and the accompanying risks. Given the profound geopolitical significance of this conflict, it becomes imperative for businesses to comprehend its trajectory, as the outcomes could have notable repercussions on international affairs, potentially impacting business operations, in Ukraine and the wider region.



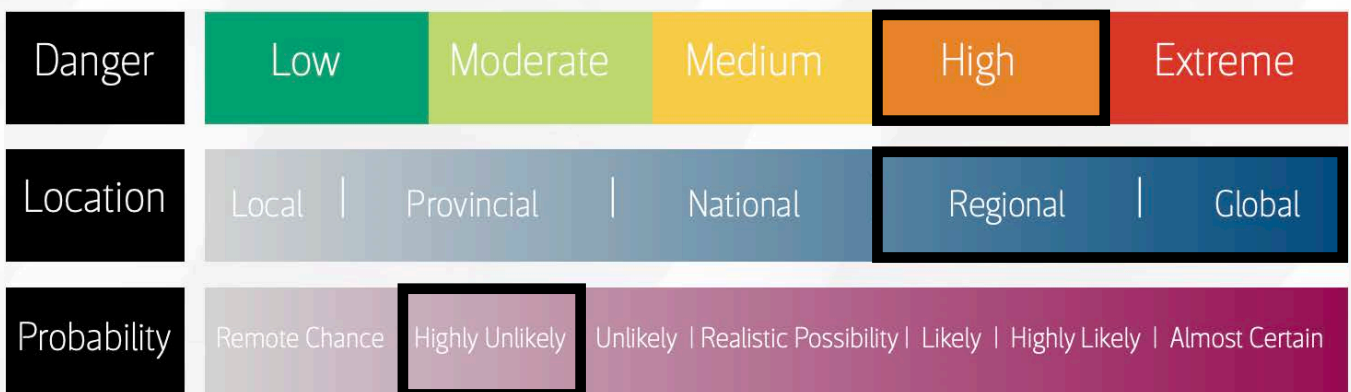
Scenario 1: Ukrainian Victory

The first scenario would entail a victory for the armed forces of Ukraine. Ukraine achieves its military objectives of pushing Russia out of the occupied territories of Donetsk, Luhansk, Zaporizhia, Kherson, and even Crimea which was annexed by Russia in 2014. A Ukrainian victory would potentially prompt rapid NATO and EU membership, ensuring a preventive shield against future invasions. The United States, in this context, would fortify its European standing, as Russia's defeat underscores NATO's military prowess and dedication to defending democracies against authoritarian threats. This ripple effect would extend to East Asia, particularly in Taiwan, where the spectre of a Chinese invasion might diminish substantially. A Ukrainian triumph would compel China to reassess its aspirations for forcibly unifying Taiwan with the mainland. Consequently, American influence might experience a rejuvenation, having successfully countered Russian aggression and potentially dissuaded further Chinese assertiveness in the Asia-Pacific.

Nonetheless, the risks inherent in this scenario are high, including the potential destabilisation of Russia and the collapse of President Putin's regime. The ongoing conflict has already revealed signs of Moscow's fragile leadership, illustrated by the attempted mutiny of the late Wagner leader, Yevgeniy Prigozhin, in June 2023. This revealed that Putin's outwardly strong facade conceals internal weaknesses, which could become glaringly evident in this scenario. The prospect of a civil war and divisions inside the Russian elite in the political

and military circles between those loyal to Putin and those advocating for his overthrow, would become a significant concern. Key figures like Defence Minister, Sergei Shoigu and Chief of the General Staff of Russia, Valery Gerasimov might staunchly defend Putin, while others, including Sergei Surovikin who was sacked as Commander of the Aerospace Forces due to being sympathetic to Prigozhin's views, could push for Putin's removal. Such internal strife within the Russian military could exacerbate the complexities of the conflict. Fractures within Putin's inner circle may extend to more hardline figures like former President Dmitry Medvedev and Secretary of the Security Council of Russia, Nikolai Patrushev, who could attempt to seize power to restore stability in the country. The power struggle within the Russian leadership could intensify, introducing a new level of uncertainty and potential volatility to the conflict and its aftermath.

This scenario is highly unlikely, being contingent on Ukraine achieving a significant victory over Russia. The objective of expelling Russia from Ukrainian regions, including Crimea, appears increasingly challenging as the war persists. The anticipated counteroffensive yielded limited results over four months. If, against continued Russian aggression, Ukraine achieves such a victory, the associated risks will hinge on the stability of Russia. Ongoing irrational actions by Russia will impact businesses present in the country, introducing uncertainties, physical risks and potential disruptions. And ultimately will contribute to the destabilisation of global security.



Scenario 2: Continuation of Conflict

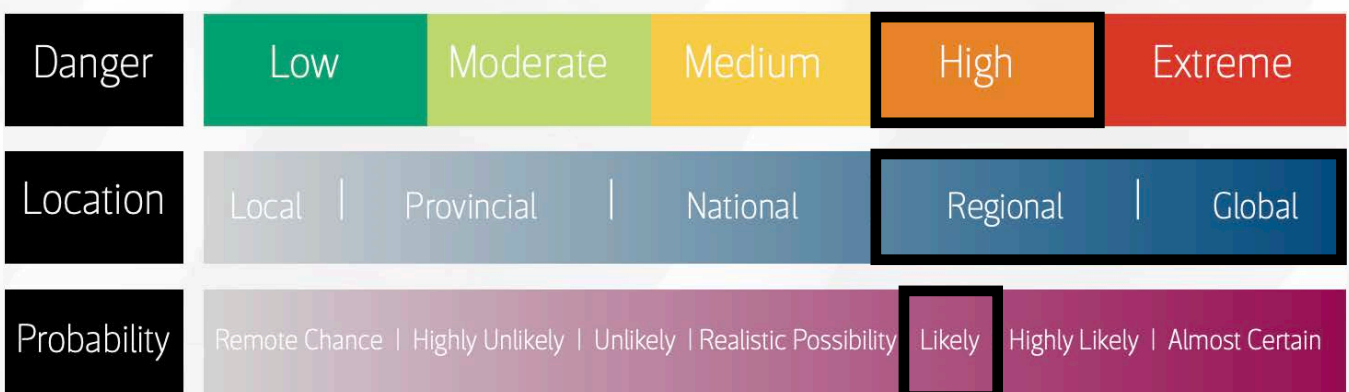
The second scenario involves a continuation of the conflict in its current form. The prevailing stalemate in the four regions under Russian occupation is likely to persist. This outcome is more probable in the short to medium term, given Ukraine's unsuccessful counteroffensive aimed at splitting the Russian land bridge toward the city of Melitopol. Russia's robust defensive lines across the battlefield and the heavy use of landmines have so far proven effective against Ukraine's counteroffensive. Hence, the perpetuation of a stalemate is sustained with ongoing military support for Ukraine from the US and its allies.

The US, in particular, will likely persist in providing substantial military aid, as evidenced by US President, Joe Biden in an October Oval Office speech, in which he made the case for more aid to Ukraine. Additionally, Secretary of Defense Lloyd Austin's November visit to Ukraine has reaffirmed the US commitment to supply air defence systems, ammunition, and other military hardware for countering Russian aggression. NATO member states are also expected to maintain their weapon supply to Ukraine, viewing a Russian victory as a threat to European security.

Conversely, Russia, leveraging its substantial industrial capacity, will persist in increasing its military production output. Nevertheless, limited territorial gains achieved by Russia underscore the protracted nature of the conflict, characterised by slow territorial shifts favouring either Ukraine or

Russia. Substantial, sustained assistance from the United States has played a significant role in repelling many of Russia's advances, contributing to the current state of attrition. For instance, ongoing Russian offensives directed at the city of Avdeevka, notable for being the second most fortified city after Kyiv, have encountered formidable resistance. Both sides have reportedly suffered significant casualties, as both Ukraine and Russia ferociously fight for this a strategically crucial settlement in the Donetsk region.

Anticipating the trajectory into 2024, the conflict appears to be evolving into a protracted state resembling trench warfare of slow territorial gains. Efforts by the West to diplomatically and economically isolate Russia have proven ineffective, with major allies such as China remaining neutral and refraining from criticising Russia's invasion. Consequently, the persisting risks include Cold War-style distrust between Russia and the United States, limited diplomatic engagement, and further impacts on supply chains, food and energy security. These factors can potentially impede business operations across Europe and beyond, contributing to heightened economic uncertainty. Moreover, Western businesses still present in Russia can be affected by newly enacted Russian laws compelling Western investors to sell their shareholdings to the Russian state. This heightens the risk of facing financial jeopardy or being detained on charges of espionage.



Scenario 3: Russian Victory

The third and most alarming scenario for the West would be a military victory for Russia in Ukraine. This would involve Russia achieving complete control over the four regions, thereby pushing Ukrainian forces out and potentially annexing other regions like Odessa, resulting in Ukraine becoming a landlocked country.

This scenario is more plausible if US assistance significantly decreases. This may be due to domestic political changes or a diversion of funds to conflicts notably the ongoing conflict in the Middle East between Israel and Hamas. As a result, American focus may pivot to concentrate on containing that conflict. Currently, although US assistance is persisting, it has led to internal divisions within US politics. In October 2023, economic and military support to Ukraine emerged as one of the most disputed issues during budget deliberations on Capitol Hill. Congress averted a government shutdown by passing a temporary spending bill, notable for its omission of aid to Ukraine. Presently, a growing schism within the Republican Party regarding support for Ukraine is apparent. This worrisome trend may persist into 2024, particularly as former President and potential Republican nominee, Donald Trump has articulated his stance against funding the conflict.

Furthermore, given the protracted nature of the conflict resembling a war of attrition, historical precedents suggest that this form of warfare tends to favour nations with larger populations and greater industrial outputs.

Russia holds an advantage in both aspects, with the capacity to mobilise more troops on the front lines and produce a higher volume of military resources. In contrast, Ukraine faces the challenge of dealing with a smaller population that is diminishing due to a significant civilian exodus from the country. Additionally, Ukraine's economic and industrial stability relies heavily on American assistance and external aid, creating an unsustainable situation. Instances like Slovakia's President Robert Fico declaring a cessation of assistance and Poland discontinuing aid due to disagreements on grain exports underscore the mounting fractures within Europe and the global pressures to restrict Ukrainian aid.

Hence, this scenario emerges as a realistic possibility, with US assistance coming into question. The shifting dynamics of the conflict into a war of attrition pose increasing concerns for Ukraine given Russia's military advantage. Amidst new global security challenges, the United States might be diverted, diminishing its focus on Ukraine and making a Russian victory more conceivable. A triumph for Russia could herald a substantial reshaping of Europe's security architecture and elevate the risks of Russia becoming more emboldened to confront the West in other geopolitical arenas. Hence, the potential risks for businesses loom significantly large, particularly as a resurgent Russia may be emboldened. This newfound confidence could bring about shifts in regional dynamics, potentially affecting safety and security.

Danger	Low	Moderate	Medium	High	Extreme
Location	Local	Provincial	National	Regional	Global
Probability	Remote Chance	Highly Unlikely	Unlikely	Realistic Possibility	Likely Highly Likely Almost Certain

Conclusion

In conclusion, the trajectory of the Russia-Ukraine conflict as it progresses into 2024, provides ramifications of these scenarios, posing significant evolving risks for businesses, with intricate geopolitical dynamics.

The prolonged conflict between Russia and Ukraine is poised to persist into 2024, characterised by Ukraine's resilient efforts to withstand Russian aggression, consistent military aid from the United States and allies, and Russia's unwavering determination to secure victory. This ongoing struggle underscores a particular emerging trend of multipolarity in a world that has long been shaped by US hegemony since the Cold War's conclusion. The United States, accustomed to unipolarity, is committed to preserving its dominant position, ensuring it remains unchallenged by other major powers.

The complex dynamics of this conflict reflect a shifting global order, with multiple powers vying for

influence, challenging the dominant narrative of unipolar stability. As 2024 unfolds, the risks associated with this protracted struggle will persist, reflecting not only the geopolitical complexities of the region but also the broader trend toward a multipolar world order. Particularly, US concerns of China's rising power has been evident of this trend and the Ukraine conflict will be seen as a test for the US if it can ensure security in Europe. If not, the growing risks of a potential Chinese invasion of Taiwan would become ever greater.

In this complex geopolitical landscape, with its inherent uncertainties, businesses and foreign travellers will remain vigilant. Navigating potential disruptions, whether arising from a significant Ukrainian victory, a prolonged stalemate, or a Russian triumph, necessitates a nuanced understanding of evolving dynamics. Proactive measures, adaptability, and contingency planning are imperative to mitigate the multifaceted risks intertwined with the evolving Russia-Ukraine conflict.



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Based in Birmingham, UK, Daniel is a geopolitical expert. Holding an exemplary academic record with a first class Bachelor's degree in International Relations, with a dissertation focusing on great power politics answering one of the foremost security questions of our world: "Why will the rise of China be a threat for the United States?"

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