

Remarks on the Situation in Ukraine and an Exchange With Reporters
July 29, 2014

The President. Good afternoon, everybody.

In the Netherlands, Malaysia, Australia, and countries around the world, families are still in shock over the sudden and tragic loss of nearly 300 loved ones senselessly killed when their civilian airliner was shot down over territory controlled by Russian-backed separatists in Ukraine. These grieving families and their nations are our friends and our allies. And amid our prayers and our outrage, the United States continues to do everything in our power to help bring home their loved ones, support the international investigation, and make sure justice is done.

Since the shoot-down, however, Russia and its proxies in Ukraine have failed to cooperate with the investigation and to take the opportunity to pursue a diplomatic solution to the conflict in Ukraine. These Russian-backed separatists have continued to interfere in the crash investigation and to tamper with the evidence. They have continued to shoot down Ukrainian aircraft in the region. And because of their actions, scores of Ukrainian civilians continue to die needlessly every day.

Meanwhile, Russia continues to support the separatists and encourage them and train them and arm them. Satellite images, along with information we've declassified in recent days, show that forces inside Russia have launched artillery strikes into Ukraine, another major violation of Ukraine's sovereignty. And we have information that Russia continues to build up its own forces near the Ukrainian border and that more Russian military equipment, including artillery, armored vehicles, and air defense equipment, has been transferred across the border to these separatists.

Now, since the beginning of the crisis in Ukraine, the United States has worked to build a strong international coalition to support Ukraine, its sovereignty, its territorial integrity, its right to determine its own destiny, and to increase the pressure on Russia for actions that have undermined Ukraine's sovereignty, territorial integrity, and ability to make its own decisions. The core of that coalition is the United States and our European allies.

In recent days, I've continued to coordinate closely with our allies and our partners to ensure a unified response to the shoot-down of Malaysian Airlines Flight 17 and Russia's continued arming of the separatists. And I've spoken several times with Prime Minister Rutte of the Netherlands and Prime Minister Abbott of Australia.

Yesterday I had a chance to speak with Prime Minister Cameron of the United Kingdom, President Hollande of France, Chancellor Merkel of Germany, and Prime Minister Renzi of Italy. We are united in our view that the situation in Ukraine ought to be resolved diplomatically and that a sovereign, independent Ukraine is no threat to Russian interests. But we've also made it clear, as I have many times, that if Russia continues on its current path, the cost on Russia will continue to grow. And today is a reminder that the United States means what it says. And we will rally the international community in standing up for the rights and freedom of people around the world.

Today, and building on the measures we announced 2 weeks ago, the United States is imposing new sanctions in key sectors of the Russian economy: energy, arms, and finance.

We're blocking the exports of specific goods and technologies to the Russian energy sector. We're expanding our sanctions to more Russian banks and defense companies. And we're formally suspending credit that encourages exports to Russia and financing for economic development projects in Russia.

At the same time, the European Union is joining us in imposing major sanctions on Russia, its most significant and wide-ranging sanctions to date. In the financial sector, the EU is cutting off certain financing to state-owned banks in Russia. In the energy sector, the EU will stop exporting specific goods and technologies to Russia, which will make it more difficult for Russia to develop its oil resources over the long term. In the defense sector, the EU is prohibiting new arms imports and exports and is halting the export of sensitive technology to Russia's military users.

And because we're closely coordinating our actions with Europe, the sanctions we're announcing today will have an even bigger bite.

Now, Russia's actions in Ukraine and the sanctions that we've already imposed have made a weak Russian economy even weaker. Foreign investors already are increasingly staying away. Even before our actions today, nearly \$100 billion in capital was expected to flee Russia. Russia's energy, financial, and defense sectors are feeling the pain. Projections for Russian economic growth are down to near zero. The major sanctions we're announcing today will continue to ratchet up the pressure on Russia, including the cronies and companies that are supporting Russia's illegal actions in Ukraine.

In other words, today, Russia is once again isolating itself from the international community, setting back decades of genuine progress. And it doesn't have to come to this—it didn't have to come to this. It does not have to be this way. This is a choice that Russia, and President Putin in particular, has made. There continues to be a better choice: the choice of deescalation, the choice of joining the world in a diplomatic solution to this situation, a choice in which Russia recognizes that it can be a good neighbor and trading partner with Ukraine even as Ukraine is also developing ties with Europe and other parts of the world.

I'm going to continue to engage President Putin as well as President Poroshenko and our European partners in pursuit of such a diplomatic solution. But it is important for Russia to understand that, meanwhile, we will continue to support the people of Ukraine, who have elected a new President, who have deepened their ties with Europe and the United States, and that the path for a peaceful resolution to this crisis involves recognizing the sovereignty, the territorial integrity, and the independence of the Ukrainian people.

Today the people of Ukraine I hope are seeing once again that the United States keeps its word. We're going to continue to lead the international community in our support for the Ukrainian people and for the peace, the security, and the freedom that they very richly deserve.

Thanks very much.

Russia-U.S. Relations/Russia-Ukraine Relations

Q. Is this a new cold war, sir?

The President. No, it's not a new cold war. What it is, is a very specific issue related to Russia's unwillingness to recognize that Ukraine can chart its own path.

And I think that if you listen to President Poroshenko, if you listen to the Ukrainian people, they've consistently said they seek good relations with Russia. What they can't accept is Russia arming separatists who are carrying out terribly destructive activities inside of Ukraine, thereby undermining the ability of Ukraine to govern itself peacefully. That's something that no country should have to accept.

And the sooner that Russians recognize that the best chance for them to have influence inside of Ukraine is by being good neighbors and maintaining trade and commerce, rather than trying to dictate what the Ukrainian people can aspire to, rendering Ukraine a vassal state to Russia—the sooner that President Putin and Russia recognizes that, the sooner we can resolve this crisis in ways that doesn't result in the tragic loss of life that we've seen in eastern Ukraine.

[*At this point, several reporters spoke at once.*]

Go ahead.

International Sanctions Against Russia

Q. So far sanctions haven't stopped Vladimir Putin. Are sanctions going to be enough? And are you considering lethal aid for Ukraine?

The President. Well, keep in mind, the issue at this point is not the Ukrainian capacity to outfight separatists. They are better armed than the separatists. The issue is, how do we prevent bloodshed in eastern Ukraine? We're trying to avoid that. And the main tool that we have to influence Russian behavior at this point is the impact that it's having on its economy.

The fact that we've seen Europeans, who have real, legitimate economic concerns in severing certain ties with Russia, stepping up the way they have today, I think, is an indication of both the waning patience that Europe has with nice words from President Putin that are not matched by actions, but also a recognition, as a consequence of what happened with the Malaysian Airlines flight, that it is hard to avoid the spillover of what's happening in Ukraine impacting Europeans across the board.

And so we think that the combination of stronger U.S. and European sanctions is going to have a greater impact on the Russian economy than we've seen so far. Obviously, we can't in the end make President Putin see more clearly. Ultimately, that's something that President Putin has to do by—on his own. But what we can do is make sure that we've increased the costs for actions that I think are not only destructive to Ukraine, but ultimately, are going to be destructive to Russia, as well.

All right. Guys, I've got to get going.

NOTE: The President spoke at 3:39 p.m. on the South Lawn at the White House.

Categories: Addresses and Remarks : Ukraine situation; Interviews With the News Media : Exchanges with reporters :: White House.

Locations: Washington, DC.

Names: Abbott, Anthony J.; Cameron, David; Hollande, François; Merkel, Angela; Poroshenko, Petro; Putin, Vladimir Vladimirovich; Renzi, Matteo; Rutte, Mark.

Subjects: Australia : Prime Minister; France : President; Germany : Chancellor; Italy : Prime Minister; Netherlands : Prime Minister; Russia : International and U.S. sanctions; Russia : President; Russia : Relations with Ukraine; Ukraine : Crash of Malaysia Airlines Flight 17;

Ukraine : Political unrest and violence; Ukraine : President; Ukraine : Russia, role; United Kingdom : Prime Minister.

DCPD Number: DCPD201400577.