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'Unified' G7 Hits Russia With New Sanctions

By Sarah Hussein for AFP and Sebastian Smith for AFP

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A G7 Hiroshima sign, decorated with flowers, stands at the Hiroshima Peace Memorial, the central location for the G7 Summit in Hiroshima. **Michael Kappeler/dpa/TASS**

The United States and its G7 allies rolled out new sanctions against Russia's "war machine" Friday, targeting Moscow's lucrative diamond trade and more entities linked to the invasion of Ukraine.

Leaders from the Group of Seven wealthy democracies are meeting in Hiroshima, Japan, with Russia's $4-5 billion annual trade in diamonds in the crosshairs.

Vladimir Putin's invasion of Ukraine 15 months ago has prompted waves of sanctions that have helped plunge his country into recession and drained the Kremlin's war chest.

The G7 is now looking to tighten the screws further, strengthening existing sanctions, closing loopholes and subjecting more Russian firms and their international partners to punitive

restrictions.

Ukrainian President Volodymyr Zelensky is expected to address the summit over the weekend by videolink, with hosts Japan tamping down speculation he could make a last-minute, in-person appearance.

Washington got the ball rolling on more sanctions early Friday, with a senior U.S. administration official saying 70 more entities from Russia and "other countries" would be placed on a U.S. blacklist.

"And there will be upwards of 300 new sanctions against individuals, entities, vessels and aircraft," the official said.

As the G7 weighs how to collectively choke Russia's trade in diamonds — including high-tech methods of tracing — Britain announced its own "ban on Russian diamonds."

London said it was also targeting imports of aluminum, copper and nickel.

"As today's sanctions announcements demonstrate, the G7 remains unified in the face of the threat from Russia and steadfast in our support for Ukraine," said Prime Minister Rishi Sunak.

The G7 is likely to stop short of an outright ban on Russian diamonds, at least for now. But according to officials, the summit will signal a determination to act.

"Russian diamonds are not forever," said EU Council President Charles Michel. "We will restrict trade in Russian diamonds."

EU member state Belgium is among the largest wholesale buyers of Russian diamonds, along with India and the United Arab Emirates.

The United States is a major end-market for the finished product.

Economists are divided about just how much G7 and other sanctions have hurt the Russian war effort.

The Russian economy contracted 2.1% in 2022, a trend that continued early this year.

But Moscow has adapted quickly, introducing strict capital controls, diverting trade to allies like China and reportedly borrowing evasion techniques from much-sanctioned countries like Cuba, Iran and North Korea.

The International Monetary Fund has projected a modest 0.7% economic rebound in 2023.

G7 leaders will also use the summit to woo invited leaders from India and Brazil, two regional powers that have sometimes been reluctant to criticize Moscow, or China.

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Peace park visit

Talks will officially open Friday afternoon after Prime Minister Fumio Kishida takes leaders to Hiroshima's peace park memorials and museum, where they will see evidence of the suffering and devastation caused by the 1945 atomic bombing of the city.

In a moment heavy with symbolism, they will lay wreaths at the Hiroshima cenotaph, which commemorates the estimated 140,000 people killed in the attack and its aftermath.

Kishida, who comes from Hiroshima, has tried to move nuclear disarmament up the agenda.

"I hope that here in Hiroshima, the G7 and leaders from elsewhere will show their commitment to peace, which will be remembered in history," he said Thursday.

However, there is little appetite to reduce stockpiles at a time when Moscow has made thinly veiled threats to use the weapons, and while North Korea is stoking fears of a new nuclear test with a barrage of missile launches.

Eighty-two-year-old Masao Ito survived the bombing as a small child. If given the chance, he said, he would warn leaders: "As long as there are nuclear weapons in the world, there is a possibility that your city could become like Hiroshima."

"Is that really something you are willing to accept?"

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China 'de-risking'

Apart from Ukraine, China will dominate the three days of meetings.

There the focus will be on diversifying crucial supply chains away from China and insulating sectors from "economic coercion."

But European countries insist that doesn't mean breaking ties with China, one of the world's largest markets.

"Not a single country" is pursuing "decoupling," German Chancellor Olaf Scholz told reporters in Hiroshima.

"However, we want to organize global supply relations, trade and investment relations, in such a way that the risks are not increased by dependence on individual countries," he said.

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