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SOURCE: WIKIPEDIA.ORG

9 February 2018

THE BASE IN ŠIAULIAI ON THE RUSSIAN TARGET

Revealed information about the detainment of Lithuanians suspected of spying for Russia confirms, that the main object of interest of the Russian intelligence service is the Air Force Base in Šiauliai, which is a headquarters of NATO's aircrafts participating in the Baltic Air Policing. Information about this facility was allegedly being passed to the Russian by two already detained Lithuanians, with a former military pilot among them. An officer in Šiauliai, captain Sergey Pushin was also sentenced last year to 5 years in prison for spying for Russia. A decision concerning his appeal will be pronounced in March.

As Lithuanian law enforcement authorities revealed, during last two months three citizens of Lithuania suspected of spying for Russia had been detained. Two of them used to serve in the army. None of the suspects had an access to the secret information. They all were supposed to have been paid for their activities. They may be sentenced to up to 15 years in prison. It is known that detainments resulted from two separate investigations conducted by the military counterintelligence service (Second Investigation Department under MND). One of the investigations led to the detainment of the Klaipeda dweller, who

was to have been passing information to the Russian about the installation in the Port of Klaipeda and the navy. But the second case seems to be more important as it concerns espionage in Šiauliai. One of the suspects is a former military pilot and the second one is a senior of the Ministry of Defence who has a permanent residence permit in Russia.

They both were supposed to have been collecting and conveying information about the military facility in Šiauliai to the Russian. It is another act of the Russian espionage aimed at the Lithuania's First Air Force

Base beside the Šiauliai airport. Taking into consideration a minimal potential of the Lithuanian air forces, it is obvious that what interests Moscow the most is the unit of NATO's allies. Changing every few months aircrafts of the respective members of the Alliance are stationed in the nearby Zokniai military airport. They participate in the mission of protecting the airspace of Lithuania, Latvia and Estonia (Baltic Air Policing mission) and especially in last years they have to frequently react on provocative flights of the Russian air forces

in that region.

The suspects presumably worked for the Russian military intelligence agency GRU. But Russian civil services are as well active on the Lithuanian territory. In July 2017, an FSB agent, who was accused of trying to wiretap the President Dalia Grybauskaitė, was sentenced for espionage to 10 years in prison. Since 2014 in Lithuania, twelve people suspected of spying for Russia and Belarus have been denounced. Five were judged and sentenced to prison.



SOURCE: KREMLIN.RU

9 February 2018

CHEMEZOV'S PRE-ELECTION OFFENSIVE

After the upcoming presidential elections in Russia and the reelection of Vladimir Putin, one may expect big personal changes among highest-ranking officials. Key players of the Russian ruling elite have already been fighting for influence, new positions and sources of income. Judging by the form of the campaign, the main winner will probably be Sergey Chemezov, CEO of Rostec State Corporation. His people seem to play important roles in the campaign; in addition, last year, Chemezov appeared to be very effective in all kinds of political games.

Rostec chief executive, who served together with Putin in the KGB in Dresden, is said to be associated with such people as the official co-chairman of Putin's presidential campaign team and the actual head of the campaign. Sergei Kogogin is one of the three heads of Putin's campaign team. He is a long-term head of KamAZ (the state-controlled truck manufacturer); Rostec owns 49,9% of its shares whereas another 12% belongs to Vitaliy Machitski, a friend of Chemezov. However, it is current head of Putin's administration, Anton Vaino, who is actually in charge of his election campaign (according to some unofficial information). Due to the model adopted, that is the one of a "non-partisan candidate" (or even "people's" one, as some tend to say), Putin's campaign headquarters should not be composed of high-ranking officials.

Since his nomination for the head of the presidential administration in August 2016 (it was reportedly Chemezov himself who had lobbied for this designation), Vaino has been very active and has been gaining his political capital. His father Eduard is an old friend of Sergey Chemezov and holds the position of the vice president for international relations and cooperation with shareholders of the company AVTOVAZ (a one-third of its shares is owned by Rostec Corporation). When he was appointed head of the Kremlin administration, Vaino had already been a member of the Supervisory Board of Rostec Corporation. Vaino is even expected to become a new prime minister after the presidential election. In April 2017, we informed that Chemezov and the Rotenberg brothers had been lobbying for Vaino's candidacy for this position.

Chemezov has gained considerable influence in the services as well in the regional administration. He became active in the second half of 2017 when he achieved

a number of successes (we have discussed this issue in *Russia Monitor*). He constitutes one of the three strongest figures in the FSB, next to the FSB director Alexander Bortnikov and the head of Rosneft Igor Sechin, which seems to be corroborated by the events of July last year when a group of FSB officers tried to force taking bribes in one of the companies subordinate to Rostec. Eventually, the situation ended up with their detention. In October 2017, with the use of the FSB, Chemezov forced the resignation of the Deputy Interior Minister Alexander Makhonov. It was all about corruption allegations against his subordinate officials who had been in conflict with Chemezov.

CEO of Rostec Corporation has been responsible for appointing many officials. His circle of associates includes the Minister of Industry and Trade of the Russian Federation Denis Manturov (he is a member of the Supervisory Board of Rostec) and a group of governors appointed in recent years (referred as so-called young technocrats). Among them, there are such officials as the governor of Sevastopol Oblast Dmitry Ovsyannikov, the governor of Kaliningrad Oblast Anton Alikhanov, acting governor of Nizhny Novgorod Oblast Gleb Nikitin and acting governor of Samara Oblast Dmitry Azarov. In September 2017, the latter replaced Nikolay Merkushkin who was in conflict with Chemezov.

In addition, CEO of Rostec Corporation remains in friendly relations with Viktor Zolotov (the current Director of the National Guard of Russia) and Yury Tchayka (Prosecutor General). Recently, they have clearly strengthened their positions and influence. It is possible that CEO of Rostec will cooperate with them, basing on so-called young technocrats (including Vaino), in order to gain even more influence in the Putin regime.



SOURCE: SYRIA.MIL.RU

14 February 2018

OIL, ELECTIONS AND MERCENARIES. THE MASSACRE IN THE DEIR AL-ZOR PROVINCE

The massacre of the Russian mercenaries by the American air forces and artillery in the Deir al-Zor province is a sign for Kremlin that the USA will not allow for crossing certain “red lines” in Syria. It is a part of a struggle for a post-war order in the country, not only when it comes to a political division, but also to an access to rich oil and gas resources. For Vladimir Putin it is a punch which has already considerably disturbed his election campaign. As a result, a Russian reaction, which can be forceful, should be expected not necessarily in Syria, but for instance in Donbass.

On February 7, American aircrafts and artillery bombed pro-Assad forces in Deir al-Zor province, when the latter, with approx half a thousand people, attacked the headquarters of the Kurdish-Arab SDF alliance forces and their American instructors. According to different data, from 100 to 200 people were killed. Many, if not most, of them, are Russian. The statement of the Russian Ministry of Defence that Russian soldiers

were not present in this area was of course true. Because it was not a regular army, but mercenaries trained by GRU sponsored by the state. It is not clearly known what they were doing in that area. Much points to the fact, that the competition for oil and gas deposits in Deir al-Zor is intensifying. Most of them are controlled by Kurds supported by the USA, but Assad and the Russian also crave for these treasures. It is worth mentioning,

that in the same week when the massacre of the mercenaries happened, the Russian Ministry of Energy and the government in Damascus signed a treaty on “rehabilitation, modernisation and construction of new energy facilities in Syria.” Minister Alexander Novak said, that it was a kind of route map of the Russian engagement into the restoration of the Syrian power industry, not only in the field of electricity, but also of oil and gas. In this context, it is easier to understand the presence of Russian mercenaries in eastern Syria. It is necessary to recall that their beginnings in Syria are connected with the security of the petroleum and gas installations (Slavic Corps in 2013).

Ruthless suppression of the assailants, who dared to attack the American SDF ally is also an important sign for Turkey. After the beginning of the assault on the Kurdish Afrin enclave, Ankara almost directly threatened the American that it would attack on Manbij, regardless of the presence of any American military advisors there. A bloodbath of the Russian should make the Turk think twice before taking decisions threatening the position of the Kurdish-Arab SDF alliance supported by the USA.

The massacre in Deir al-Zor causes severe domestic troubles for Putin. Russian social and independent media, but also the environment of mercenaries and veterans of the wars in Donbass and Syria were shocked by the fact that mercenaries were left alone against the American ultramodern weapon. What is more, American servicemen did disservice to their colleagues from Moscow by revealing that during the blitz on the column they stayed in contact (via a special hotline) with the Russian. Therefore, Russian leadership was perfectly aware of the attack on the mercenaries, but obviously did nothing to rescue them. The question is whether they informed their countrymen at all what the American were up to. Maybe this image crisis is the reason for the chaos in Putin’s political schedule. Most of his meetings and tours were cancelled. A determined, forceful Russian response – a clear-cut signal to the USA – should be expected. And not necessarily in Syria; it can possibly happen for example in Ukraine. It is probable that a recent warning of Petro Poroshenko about several Russian troops in the Donbass area may result from the Kiev concerns that Russia will take revenge on Ukraine for the humiliation in Syria.

20 February 2018

THE SAGA OF T-14 ARMATA: AN END IN SIGHT?

A famous Russian super tank, which has once become an object of ridicule over the world when it broke down during the parade on Red Square, is closer to serve in the Russian army. According to recent statements of high officials and military leaders, a construction process of the T-14 Armata is about to be completed and in 2-year time Russian army could start being equipped with tens, if not hundreds of tanks.

Construction works on the high-tech T-14 Armata tank have lasted for many years, and despite different promises it is still not possessed by the Russian armed forces. It is worth recalling, that the first basic model of the Armata was introduced in July, 2012.

But some problems, also concerning the construction, were still occurring during the works on the tank. In last days, however, there were signals indicating that this process is coming to an end. On February 16, Uralvagonzavod (UVZ) company has



VIA WIKIPEDIA

begun testing the T-14 on the testing ground in Nizhny Tagil. Tanks are being checked for shooting accuracy. Deputy Prime Minister Dmitry Rogozin, responsible for military industry, said, that the Russian army would start an operating assessment of Armatas in 2019. In turn, Deputy Minister of Defence Yuriy Borisov during his visit in the UVZ factory stated, that servicemen would be to decide in the matter of big contracts on T-14 purchase after 2020, when the tests had been completed. But there is an agreement on purchase of some number of tanks for training purpose. It entails two battalions of Armata tanks and one battalion of armoured vehicles on the Armata platform. Taking into

consideration the fact that a tank battalion in the Russian armed forces counts 42 units, it means that the servicemen should obtain around 80 T-14 tanks throughout the year.

It is difficult to presume, whether or not the new terms proposed by UVZ, the army and government will be complied with. What is known, is that new armour for Armata, different from the one presented before, is being prepared. UWZ leadership does not eliminate the possibility of unmanned Armata's construction. The T-14 chassis will be also used in designing new armoured carriers or self-propelled guns.



SOURCE: SLEDCOM.RU

20 February 2018

BASTRYKIN'S LONELY END. RUSSIAN PRESIDENTIAL ELECTION

An annual expanded meeting of the Russian Prosecutor General's Office Board took place on February 15. On February 6, a similar convention took place within the structures of the Investigative Committee. Nevertheless, both events seem to differ in a significant way. Russia's president took part in the first one where he gave a speech. The second one was attended only by Russia's deputy prime minister, though. One conclusion can be drawn: the days of the Investigative Committee are numbered, which has been already predicted by the Warsaw Institute.

We have recently described the problems of the head of the Investigative Committee Alexander Bastrykin in January caused mostly due to the case of thief in law Shakro Molodoy (corruption scandal at the highest levels of Russia's Investigative Committee). The fact that the institution governed by Bastrykin had fallen into deep disgrace has been confirmed by the list of guests who arrived to an annual expanded meeting of the Investigative Committee's Board on February 6. No representative of the

Kremlin, the government nor the parliament attended the meeting. The presidential administration was represented only by the Presidential Plenipotentiary Envoy to the Northwestern Federal District Alexander Beglov. The State Duma's delegate was its deputy chairman, Irina Yarovaya, whereas the government was represented by deputy prime minister Dmitry Rogozin. As for the Prosecutor General's Office, its representative was Viktor Grin, Deputy Prosecutor General. Such a state of affairs is in stark contrast

to previous years. In 2015, Putin met with Bastrykin right after the meeting. In 2016, the event was attended by the Chief of Staff of the Presidential Administration Sergei Ivanov. In 2017, the meeting hosted chiefs of two important subdivisions of the presidential administration: control and anti-corruption directorates.

The Investigate Committee will probably be liquidated right after the presidential election as a part of a wider and deeper reorganisation of the power structures. One of the options, which are currently being discussed, involves creating the Russian counterpart of the FBI, referred as the Federal Investigation Service. It would incorporate the Investigative Committee as well as all investigative structures of other services, including the FSB Investigation Directorate and the MVD (Russia's Ministry of Interior) Department of Investigation. However, it seems that such an option is not advocated by the Lubyanka, which would prefer a completely different scenario; instead, it would opt for

establishing the so-called MGB (Ministry of State Security), who would bring together the current FSB, SVR (Foreign Intelligence Service of the Russian Federation) and FSO (Federal Protective Service) and FSB as a dominant service. The new institution would also dispose of all investigative powers. The FSB has already used the above-mentioned competences, excluding the Investigative Committee. In December 2017, Senator Alexey Alexandrov introduced a bill that would provide the Prosecutor General and his deputies with the right to transfer to the FSB any materials or cases disclosed by the service. However, there is the Prosecutor General's Office and Putin will probably not risk to concentrate most operational and investigative competences in one place, namely in Lubyanka Square. President's presence at the expanded meeting of the Russian Prosecutor General's Office Board may suggest that the Investigative Committee is very likely to become again a part of the Prosecutor's General Office (both institutions were separated one from another in 2011).

22 February 2018

LUKOIL ON SALE?

Shareholders of one of the biggest Russian oil companies have recently made several decisions, which suggest their willingness to sell shares for the highest possible price. Lukoil is an object of desire for powerful, state-owned companies, such as Rosneft and Gazprom. Not without significance is also the engagement of the USA authorities in the matter of sanctions on Russia – it touches also the Lukoil owners and chiefs. It is only another motive to dispose of an increasingly risky business.

The CEO of Lukoil Vagit Alekperov is aware of possible problems with obtaining credits for the co-partnership due to the "Kremlin report". After publication of the report, in which the CEO of the company's name also appeared, Lukoil shares got cheaper. Alekperov himself lost 226 million dollars, which is the biggest amount among Russian billionaires. The "Kremlin report" and a threat of consecutive sanctions can only accelerate

the decision of the Lukoil chiefs on the most profitable sale of the company.

Not long ago, Alekperov informed that in the second half of 2018 the co-partnership planned to begin redeeming their shares (which were released to the market and then repurchased). 2-3 billion dollars were planned to be channelled for this purpose. But such a mechanism may be considered as leading



© SOURCE: LUKOIL.COM

the money out of the state and as a strategy of Lukoil, which hypes their shares increasing their value before selling. In January, the Lukoil's board of directors accepted the decision on launching a shares buyback program. Mentioned 2-3 million dollars are channelled for an off-shore co-partnership Lukoil Investments Cyprus Ltd. registered in Cyprus. On its account shares bought by Lukoil in years 2010-2011 from their former partner, the American ConocoPhillips, were relocated. The papers were left for 7 years and now the co-partnership decided that it would not sell, but redeem them. It means an increase in other Lukoil shares' value – in January they reached a historically record-breaking price. Even though real economic

indicators of the company do not look better and point to a constant stagnation. Lukoil announced that it was not to increase the oil extraction in the coming decade. There are also rumours about selling a part of the assets (refineries, etc.). The program of investments is alleged to be limited.

It seems that the leadership of Lukoil struggles with all means to reach the highest possible price of the shares in order to obtain the highest dividend after the sale. It all points to their intention of selling either the whole, or a big part of the co-partnership to a new investor. There are only two possible purchasers: Rosneft and Gazprom Neft.



SOURCE: WIKIPEDIA.ORG

23 February 2018

RUSSIA'S MIND GAMES WITH ISKANDER MISSILES

The dislocation of the Iskander missile systems in the Kaliningrad Oblast is of major political significance. On the one hand, it is an attempt to put pressure on the West and to fuel fears of a military threat aimed at stopping the process of strengthening NATO's Eastern flank. On the other hand, it is a demonstration of strength and a signal sent to the Russian voters entering the home stretch of the presidential election. In this way, Vladimir Putin shows that he is a strong player capable of responding effectively to the alleged threat coming from the appearance of allied troops in the neighbouring countries of Russia.

At the beginning of February, the representatives of the Lithuanian authorities announced that according to their information the Iskander missile systems have already arrived at the 152nd Guards Missile Brigade in Chernyakhovsk. In contrast to the previous transfers of these weapons to the exclave during military exercises, this time happens to be a permanent dislocation. These reports were confirmed by the representatives of Russia and by the Kremlin's spokesman Dmitry Peskov who stated that Russia has every right to decide where to deploy military

assets on its own territory. Iskander missiles are going to replace the Tochka missile system, which was up to this time used by the missile forces in the Kaliningrad Oblast.

The presence of Iskander missiles in the Kaliningrad Oblast may threaten not only the capitals of the Baltic countries, but also the capital cities of Warsaw, Berlin, Copenhagen and Stockholm. In addition, there are many indications suggesting that the actual Iskander range is much larger than the official 500 kilometres. This would be in violation of the

1987 Intermediate-Range Nuclear Forces Treaty (INF Treaty) prohibiting the possession and production of missiles with ranges of 500 to 5,500 kilometres. The permanent installation of Iskander missiles in Kaliningrad means that Russia wants to show that it is

able to provide a military response to the strengthening of NATO's Eastern flank. This is a signal sent both to the Alliance and to the Russians themselves, which is important on the eve of the presidential election.



SOURCE: KREMLIN.RU

25 February 2018

SHOIGU'S REVENGE

There are many indications that Russian troops in Syria intentionally exposed mercenaries from so-called Wagner Group to slaughter. Conflicts between the army and warriors appeared a long time ago. Now Russia's Defence Minister Sergei Shoigu and his generals seized the opportunity to attack Yevgeny Prigozhin, a businessman widely referred to as "Putin's chef", who deprived Russian soldiers of not only a part of the Syrian war revenues.

According to various sources, between 100 and 300 Russian mercenaries were killed as a result of the American attack on pro-Assad forces on the night of 7 to 8 February in the province of Deir ez-Zor. The massacre may be considered as the defeat of Prigozhin as he finances the activities of the Wagner Company in Syria and uses it to pursue his own interests. Among them, one can distinguish for example the occupation of oil installations, which

eventually turned out to be unsuccessful. The Russian military headquarters in Syria knew about everything; similarly; it could realise that the Americans aimed to destroy the column of mercenaries. However, the Russians did not provide any help; it did not warn about the danger, either. Characteristically, Russian liaison officers asked the Americans to cease the fire and allow the injured to evacuate only after a few hours of slaughter.

So why did the Russian army allow mercenaries to enter a deadly trap? The reason seems to be obvious. For a long time, Prigozhin has appeared to be troublesome both for the generals and the defence minister. First of all, mercenaries from Wagner Group and businessmen could participate in state orders and donations for the war as well as they could cooperate with the Assad regime. From the very beginning, the above-mentioned profits belonged entirely to the military. Secondly, the conflict between Prigozhin and Shoigu has intensified for

a long time in Russia. Enjoying Putin's support, the businessman received further contracts for supplying food to the army; thus he managed to enter a profitable market, previously reserved exclusively for the defence ministry. Finally, the third issue: the military officials are not in favour of the legislative work on the status of private mercenary companies in Russia, which are currently being discussed in the State Duma. The generals do not want mercenaries to participate (and earn) in foreign conflict in which the Russian state is involved.

25 February 2018

FEDERAL CLEAN-UP IN DAGESTAN

The head of the government and the mayor of the capital are put behind bars, a lot of resignations are handed in and the landings of officials from the outside are made – this is how the anti-corruption operation in Dagestan is being carried out. The operation in the largest and most populous republic of the North Caucasus has adopted a scale so far unknown. For the first time in the history of the Russian Federation, the prime minister of the federation subject and his deputy are detained on serious corruption charges. The Kremlin is all about breaking up local clan connections and showing other regional leaders that there are no untouchable politicians. Spectacular detention of “bad boyars” is part of Putin’s the “good tsar” election campaign. These are just one of many steps in disciplining the elites, following the trials of former minister Ulyukaev and former governors.

Dagestan is one of the poorest regions of Russia, as much as 70 percent of its budget comes from the subsidies from Moscow. There is also the overlapping problem with clans, that is, groups related not so much by blood, but by business and criminal deals. Nowhere else in Russia is the clanship as strong as it is in Dagestan. Therefore, systemic corruption in this republic is no surprise. According to the acting president of the republic (from autumn 2017), Vladimir Vasilyev, “for many years a certain system has been built in the republic, a system which enabled one to bribe somebody and to connect to a gas pipeline or a power grid; to

bribe somebody and to refuse to pay taxes”. It was as early as in 2005 when Dmitry Kozak, the then plenipotentiary representative of the president in the Southern Federal District, wrote all about it in his report to Putin. Why hasn't the Kremlin decided to do something about it then? Why now?

The change in the office of the head of the republic itself has already foreshadowed a purge. Four months ago, Dagestani politician Ramazan Abdulatipov was replaced by Vladimir Vasilyev, a man from Moscow and an experienced general from the Ministry of Internal Affairs. It was at his



SOURCE: E-DAG.RU

request that at the beginning of the year the unprecedented control led by 38 prosecutors and 40 specialists from Moscow has started. Officially, all 19 ministries, various republican institutions and the four largest cities were inspected. In fact, it is known that the local power structures and external links of Dagestani “barons” were not disturbed. The arrests began in January (including the one of the mayor of Makhachkala), but the “real earthquake” occurred on February 5. On that day, FSB officers arrived from Moscow and arrested the head of the government, Abdusamad Gamidov, his deputies Rajuddin Yusufov and Shamil Isayev and former education minister, Shakhabbas Shakov. They were immediately transported by plane to Moscow, where the court ruled in favour of a two-month pre-trial detention. All four of them are suspected of the embezzlement of the budget funds from social programmes on a large scale. The amount of money that is being speculated is a total of 95-100 million roubles (1.62-1.71 million dollars).

Vasilyev deposed the entire government on the day when the prime minister was detained. On the following day he appointed

Artiom Zdunov, the former minister of economy of Tatarstan, as the new prime minister. The 39-year-old Zdunov belongs to the “young technocrats”. He used to serve at the FSB. Vladimir Ivanov, Vasilyev’s former colleague from the Duma, was appointed the head of presidential administration, Galina Jemeljanova (also from the Duma) became the head of advisers and Denis Popov took the position of the head of the prosecutor’s office. Many inhabitants of Dagestan do not approve of this landing of outsiders for key positions. It is recalled that “even under the Communists, the leader of Dagestan was a Dagestani”. In order to calm down the situation, Vasilyev and Zdunov promised that the new mayor of Makhachkala and the new government will be elected from local units.

The changes taking place in Dagestan are part of the processes of the centralisation of state and the limitation of the real power of regional elites (read more in the Report). Besides, the Kremlin did not exclude the possibility that the anti-corruption operation could go beyond Dagestan and take over other republics.



SOURCE: TURKSTREAM.INFO

26 February 2018

PROBLEMS WITH THE TURKISH STREAM PROJECT

There are black clouds over one of Gazprom's flagship projects, which has three main goals. The Turkish Stream may enable the resignation of the transit of Russian gas through Europe, increase gas exports to Europe as well as it may make it possible to transfer public funds to companies that belong to businessmen from Putin's circle. However, it turns out that it is problematic to plan the gas pipeline infrastructure and, more importantly, to finance the entire project.

The Turkish Stream project envisages the construction of a gas pipeline that would cross the Black Sea bed and go along till the European part of Turkey. The pipeline stipulates laying two stretches with a capacity of 7.75 billion cubic a year each. The former is supposed to supply raw material for Turkish recipients whereas the latter should go further to the Balkans. On May 2017, Gazprom began construction of the Turkish section of the Turkish Stream pipeline in the Russian Black Sea coast; in addition, the company announced its completion in 2019. In June 2017, Gazprom Deputy Chief Executive Andrei Kruglov declared that the company

had already begun talks on financing the project, both with Russian and foreign banks. Incidentally, in August 2017, the United State introduced new sanctions against Russia, which give the president the right to sanction entities that once invested at least 1 billion dollars in the construction of Russian export pipelines or provided equipment, technologies or services for these purposes. As a result, Gazprom finds it difficult to get any external financing. According to Kruglov, the gas pipeline will probably be financed from the Gazprom budget. Moreover, the project cost increased from 6 to 7 billion dollars. It basically means that subcontractors

(companies that belong to businessmen associated with Putin) will get more money. All expenses will have to be paid by Russia's state-owned Gazprom; however, the company has not made any profits in the last quarters. All funds are spent on such large projects as Turkish Stream, Power of Siberia, Nord Stream 2 or Sakhalin-Khabarovsk-Vladivostok gas transmission system. From the economic point of view, the Turkish Stream project does not make any sense whereas Gazprom is expected to be a cash cow for subcontractors in this project; hence, the increase in the value of individual parts of the project. The fact that Gazprom will be the only company to finance the Turkish Stream, and, at the same time, to build Nord Stream 2 and Power of Siberia, has already resulted in a record increase in investment funds. And in the next two years, Gazprom will have to pay debts with a total value of over 20 billion dollars.

Nonetheless, even if the seabed part of the

gas pipeline is almost half-located, Ankara still has not agreed for a land stretch for European consumers. Interestingly, the Turks want the Russian to be provided a discount on gas; instead, they declare their eagerness to transit raw material to Europe by the second stretch. There is no guarantee that second stretch will be operational in 2019. There is no such infrastructure through which Europe could possibly accept the gas. Location of the second stretch has not been determined yet; although it is said to begin either on the Turkish-Bulgarian or Turkish-Greek border. In addition, the competition never sleeps. Azerbaijan's state oil company SOCAR has announced that first gas supplies from the Shah Deniz gas field will be delivered to Europe through the Southern Gas Corridor as it had been previously planned, i.e. in 2020. The gas delivery to Turkey via the Trans-Anatolian Natural Gas Pipeline (TANAP) will start in July this year.

26 February 2018

ANTI-RUSSIAN THEATRE OF THE OLIGARCH VLAD PLAHOTNIUC

The Prime Minister repeats his appeal in Munich for retreating the Russian army from Transnistria, an act restricting the Russian propaganda comes into force, and the Head of the Parliament warns, that the closer the election, the bigger the Moscow's interference in domestic issues of Moldova. Additionally, the pro-Russian president's moves are limited. But a strongly pro-Western course of Moldova is only apparent. It is only an element of a game played by the omnipotent oligarch Vlad Plahotniuc. What is worse, polls show that pro-Russian socialists are to win a crushing victory in autumn parliamentary elections.

The example of Moldova shows how dangerous Russian plans of "giving back" the occupied Donbass under the Ukrainian control, while retaining Russian influence there, are. Such a reintegration of the separatist Transnistria with the rest of Moldova caused a significant increase of the pro-Russian camp's influence on the whole

country's policy. The most radical example was the victory of Igor Dodon in the presidential elections. A supporter of a close alliance with Moscow has to share the authority with a pro-European government, which has recently taken several steps aimed at Russia.

An act forbidding the media broadcasting



SOURCE: PLAHOTNIUC.MD

informational and analytical programmes i.a. from Russia came into force. Dodon rejected the act twice before, so the Constitutional Tribunal controlled by the ruling camp decreed, that the President could not again reject the act accepted twice by the parliament. The Head of the Parliament mentioned, Andrian Candu judges, that the Russian interference in domestic policy of Moldova will increase before the autumn parliamentary elections. Parliament approved a declaration denouncing alleged Russian cyber attacks on national security structures and accusing the Russian secret services of funding the Moldavian political parties.

A conflict between the leader of the Democratic Party Vlad Plahotniuc, who controls almost all the institutions of the country, and the officially opposition President Dodon and supporting him Socialist Party is majorly staged. Plahotniuc cares mostly about

the power and money, and fights more against the pro-Western opposition, than against Dodon himself. Anti-Russian movements are just supposed to authenticate himself in the eyes of the West and enable him a struggle for pro-European electorate, which already majorly support the opposition. Plahotniuc's party reached merely about 5% of support, while pro-Russian socialists about 50%, and pro-Western opposition about 25%. Before the autumn elections, thus, one can expect an escalation of the anti-Russian policy by the Plahotniuc's party, so as to, even in the case of the current ruling coalition's failure, be able to force – with the help of the West – the current pro-Western opposition to cooperate with the current ruling parties. The oligarch would like to cause a situation in which without his involvement, it would not be possible to take over the power in Moldova by the openly pro-Russian Dodon's grouping.



Официальный интернет-сайт КПРФ / KPRF.RU
SOURCE: KPRERU

27 February 2018

COMMUNISTS' UNFORTUNATE MANEUVER

Replacing the eternal candidate Gennady Zyuganov with a new face in the upcoming presidential election was supposed to constitute an invigorating impulse for the Russian communists. However, the experiment with Pavel Grudinin shows something else, namely that the communist electorate in Russia is not going to change. Such a state of matters may eventually result with the party's collapse.

The aim of replacing “used” Gennady Zyuganov with a new face was to unite the communists and make them believe in success after a series of electoral defeats. Meanwhile, a strong opposition to Pavel Grudinin emerged within the party structures. These are mainly representatives of extreme left-wing structures associated with the CPRF. The only organization that supports the candidate appeared to be the Left Front led by Sergey Udaltsov. Proposing a more modern communist candidate has been met with dissatisfaction by the left-wing part of the party as well as the hardest electorate. Grudinin will probably finish second in the election. However, a new candidate

will probably get lower result than it was expected in the case of Zyuganov. It is true that Grudinin seems to be attractive for such centre-oriented voters, which have been deterred by Zyuganov; nevertheless, at the same time, he may not get votes from the most fanatical part of the communist electorate. It seems that Grudinin's campaign staff does notice this situation; hence there are more references to the Soviet era and even to Stalin. The question is how more moderate voters will react. Such a deep ideologization of the Russian communists results in some serious difficulties in finding new electorate. Without the modernization of its program, the CPRF is doomed to a slow but irreversible decline.

In the perspective of ten years, such result may down to slightly over 5% support, which

would considerably affect the party.



SOURCE: WIKIPEDIA.ORG

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RUSSIANS THREATEN WITH THE “INVISIBLE” FIGHTER

After shooting down the fighter by the rebels and the massacre of mercenaries in the Euphrates Valley, Russia returns with full power to the war in Syria. Two Russian stealth Su-57 aircrafts of the latest generation landed at Khmeimim Air Base. These fighters are not officially in service and their presence in Syria may be considered as a demonstration of strength. It is also possible that they will be tested in warlike operations. The deployment of the high-tech fighters also shows that Moscow expects further escalation of the conflict in Syria.

So far, Russia has produced almost a dozen of Su-57. They are called “F-22 killers” because they were constructed as direct rivals of the American Raptors. The machine is still being tested and a supply contract for the Russian army is due to be signed. Even though, Su-57 occurred in Syria, which is a war territory. The first reports, based on amateur photos which appeared on the Internet, confirmed the Israeli satellite operator.

Deployment of the high-tech fighters and the early warning and control A-50 aircraft to Syria means a significant enforcement of the Russian power in Syria. What is important, it is not about the enemy such as rebels or Islamic State. Such a modern weapon may be useful mainly in case of conflict with other world powers, with the USA ahead. As Al-Masdar, a media service connected with the Syrian army, writes “the arrival of Su-57 (and other aircrafts) points to the fact that

Moscow expects a severe escalation of the situation in Syria in 2018 and wants to be fully prepared for every drastic exacerbation of the situation.” Although, it is doubtful that the Russian would use Su-57 in battle missions.

They would rather only test the machines in a safety manner, yet on a war territory. But if Su-57 were used in a battle, it would be at the earliest a participation in the blitz on rebel-held Eastern Ghouta enclave.



SOURCE: KREMLIN.RU

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MORE PRIVILEGES FOR THE FEDERAL PROTECTIVE SERVICE

President Vladimir Putin extended the privileges of the Federal Protective Service. FSO will be entitled, inter alia, to operate in cyberspace. The enforcement of this service suggests that, at least in the nearest future, FSB, SVR and FSO will not merge into one super security resort. The extension of the Federal Protective Service’s privileges must evoke dissatisfaction among other services, especially FSB.

A new presidential decree provides FSO with much more competence in the field of information warfare, including the possibility of detecting, preventing and eliminating hacking attacks on Russian information resources. FSO is also entitled to taking actions protecting personal data, and their agreement on working with such data of people protected by the state and their families

will be required. Now FSO can not only ensure the organisational basics, but also train staff of foreign secret services.

FSO was established on the basis of the IX Chief Directorate of KGB. Officially, its main function is to protect state facilities and high officials. It is responsible for control and surveillance in the sphere of national

security, and for presidential, governmental and other kinds of special communication. But its most important mission is an unofficial surveillance and monitoring of all other power structures. FSO, counting about 20 000 officials, is the most select service – in terms of staff, equipment and finances. It is FSO which obtained the major part of devices and technical – gigantic – surveiling possibilities from the well-known FAPSI agency (equivalent of the American NSA, which is an electronic intelligence agency).

In May 2016, Dmitry Kochnev was designated

to the position of the service director. Until then, he served as a deputy of the former director Evgeny Murov and at the same time, as the head of the included in FSO on autonomous rights Russian Presidential Security Service (SBP), which is responsible for personal security of the Kremlin host. A former Putin's adjutant Alexei Rubezhnoi became a new head of SBP. Unofficially considerable influence of FSO can be supported by the fact, that its former officers now occupy seats such as the Chief of the National Guard, a Deputy Director of FSB or governors of Tula and Yaroslavl.

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A BLOW INTO THE RUSSIAN MONEY LAUNDRY

A scandal concerning laundering Russian money in Baltic countries constantly evolves. It has already led to the bankruptcy of the third biggest in terms of stock Latvian ABLV bank, and now targets the biggest Danish bank. It is all an effect of actions taken by financial secret services of the USA, which may appear more acute for the Russian ruling elite than official sanctions.

Stock of the biggest Danish bank, Danske Bank, fell by almost 4 per cent and its capitalisation decreased by 1,6 billion dollars in a day, as a result of released information that the bank's branch in Estonia could have been used for money laundering by Russians connected with secret services and Kremlin. A cousin of the Russian president, Igor Putin, and people close to FSB were supposed to have been complicit in the suspicious transactions. The practices were to take place from 2011 to 2014 – through the Estonian “daughter” Danske Bank and the Russian Promsberbank, which lost its banking licence in 2015. Danske Bank itself was to discover suspicious transactions and in 2013 closed about 20 accounts of co-partnerships linked to Russia. Currently, the internal investigation on this matter is being conducted within the bank. The case is also looked into by Estonian institutions regulating the banking sector.

The case of Danske Bank Estonia may connect with previously revealed similar scandal in neighbouring Latvia. The American administration faulted the third biggest in terms of stock Latvian ABLV bank that it served as a money laundry for Russians. The bank is not solvable and is to be closed. What is more, the chief of the central bank of Latvia, Ilmārs Rimšēvičs was detained for taking a bribe of 100 thousand euro. Rimšēvičs claims that he is innocent and is not going to resign. It does not change the fact, however, that he did little to stop the procedure of transferring Russian capital to EU via Latvian banking system. The peak started in 2013, when after the banking crisis in Cyprus, Latvia took over the role of “a gate to Europe” for Russian money, often of suspicious background.

Leaks in media, internal investigations in banks, but also determined actions of Latvian



SOURCE: WIKIPEDIA.ORG

and Estonian authorities point to the fact, that the USA decided to hit oligarchs and Putin's environment in a sore point, which is

a possibility of half-illegal money transferring to the West.

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