

# RUSSIA MONITOR

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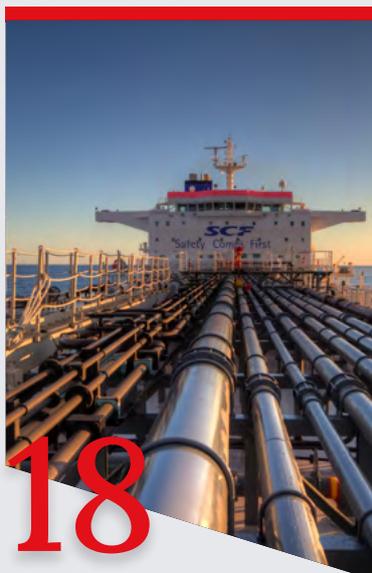
SOURCE: WIKIPEDIA

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SOURCE: TWITTER

9 June 2022

## **RUSSIAN MILITARY GOALS AFTER 100 DAYS OF WAR**

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**As what Moscow refers to as a “special operation” in Ukraine enters a new stage, Moscow has to lower expectations. Russian forces failed to target Ukraine from many sides and toppled the government in Kyiv. Then troops withdrew from Ukraine’s north and northeast to amass forces before the Donbas operation. The Russians remain far from occupying the eastern Ukrainian region. What it now seems is that Moscow is pushing to claim the region at any price and then suggest a truce. This is bad news for Ukraine. That is why the Ukrainian military now fiercely defends some chunks of the Luhansk region with Severodonetsk and the Donetsk region where both Sloviansk and Kramatorsk are located.**

**T**he situation in the eastern Ukrainian city of Severodonetsk mirrors that in Mariupol while the giant Azot chemical plant is likely to become the site of a weeks-long siege similar to the Azovstal steel complex. Ukrainian military reports heavy fighting in the battle

for Severodonetsk, but the Russians are likely to win an advantage there. Ukrainian forces are fiercely opposing the enemy to slow it down not by days, but by weeks. Just as the fighting in the besieged Azovstal steel plant made some Russian troops busy, the fighting

in Severodonetsk engages considerable forces in Donbas. In addition to this section plus some offensive efforts towards Popasna, Iziium, or Lyman, Russian troops are forced to take defensive positions from Ukraine's Kherson and Zaporizhia in the south and Kharkiv in the east. There are some political considerations, too. As Russia's failed attempt to storm the Azovstal steel plant, now the fighting of Severodonetsk shows Russia's being efficient in artillery attacks and enjoying a better tactical position, which is now the case for the Donbas operation. Otherwise, Russian forces feel helpless. Possibly after pushing Ukrainian troops out of the Luhansk and then Donetsk regions, the authorities in Moscow will decide to freeze the war for some time. A week-long campaign could ensue given how efficient Ukrainian soldiers are in Donbas. Russian forces are in a hurry to claim Severodonetsk until June 10, according to what the Kremlin wants. The Ukrainian military receives more weapons from Western nations, varying from tanks to missile systems. Now Russia has more heavy weapons but Ukraine is soon bound to receive Western-made artillery pieces,

including M777 howitzers. But what raises more concern in Moscow is that the United States will supply Ukraine with M142 High Mobility Artillery Rocket Systems (HIMARS), which have a range of 70 kilometers. The systems are to help Ukrainian troops strike Russian artillery that is now fixed permanently to strike Ukrainian positions in Donbas. So Russia will push for a successful struggle in Severodonetsk. The Russian advance from Iziium to Sloviansk and from Popasna to Bakhmut towards the rear of the Ukrainian army is intended to make Ukrainians retreat towards Sloviansk and Kramatorsk. Russia would thus spare itself from weeks-long fighting and efforts to push the enemy to the west. Time matters for the Kremlin. Russia has no resources to wage a months-long war. After seizing Donbas, the Kremlin seeks to cease the offensive, suggest a truce (with some German and French help), and consolidate power across the occupied territories before eventually resuming war. The truce would be beneficial to the Russian economy as Russian officials expect that it would ease some of the sanctions the West had imposed on the country. ■

15 June 2022

## DONBAS OPERATION: COUNTEROFFENSIVE ON OTHER FRONTS

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**Ukraine's fierce defense of the eastern town of Severodonetsk is more strategic than tactical, which resembles the defense of Mariupol. Kyiv is taking advantage of the Russian strategy where politics prevails over purely military considerations. Moscow's efforts to amass troops in Donbas allow Ukraine forces to perform more efficient strikes both in the east and south. So seizing the whole Luhansk region, which is politically important, may mean territorial losses elsewhere, notably in the south.**



SOURCE:FLICKR

One may wonder why Ukraine is pushing for defending the eastern bank of the Donets river even though it has claimed many lives by now. The authorities in Kyiv are playing the Kremlin's political blindness, well aware of the fact that seizing Severodonetsk is now a top priority for Moscow, as was the case of Mariupol a few weeks before. Vladimir Putin has ordered Russian troops to seize the whole Luhansk region by June 22. Russian forces could encircle Severodonetsk within days and plans to “completely cut off” the key eastern city. But fierce battles are now taking place in the town of Lysychansk on the west bank of the Donets River. So Russian forces are unlikely to capture the whole region within a week. This could be possible if Ukraine was afraid of being cut off. But that does not seem to be the case here. Russian advances from the north (Izium, Lyman) and the south (Popasna) are little efficient. There is still a link available between Severodonetsk, Lyman, and the rest of the country. So the Russian invasion of Donbas will last weeks, and not days. Here is where Moscow made a mistake. It deployed

considerable forces to Donbas while exposing the flanks, notably that in the south. While in the northern region of Kharkiv, Russian forces put up some resistance after some initial Ukrainian successes, they are unlucky in the south, from Kherson to Hulaipol through Melitopol. The Ukrainian army is pushing the Russians slowly but steadily towards the lower reaches of the Dnieper river and is now some 10 kilometers off Kherson. No details have been provided on how Kyiv distributed Western weapons and manpower to the front. Perhaps Ukrainian forces will surprise Moscow, by staging a massive attack on the Kherson region and seizing it eventually. Even if they are slowly losing the Donbas region, this could be a strategic success for Kyiv. But to make it happen, Ukrainian troops need to win a firing advantage over Russians along a specific section of the front. Russia is firing as many as 50,000 artillery rounds a day into Ukrainian positions, and the Ukrainians can only hit back with around 5,000 rounds a day. Ukraine liberated some twenty villages around Kherson in the past two weeks. ■



SOURCE:KREMLIN.RU

16 June 2022

## **KREMLIN'S LATIN AMERICAN FOOTHOLD: NICARAGUA AUTHORIZES RUSSIAN MILITARY DEPLOYMENT**

The government of Nicaraguan President Daniel Ortega authorized the deployment of Russian troops, planes, and ships to Nicaragua for training, law enforcement, or emergency response purposes. This is another confirmation of the Russia-Venezuela alliance that resembles the one in the Cold War era when Sandinistas remained staunch allies of the Soviet Union. Russia sees the Ortega regime as a member of the Cuba-Venezuela-Nicaragua club that targets the United States and its Latin American allies. Moscow has played the first two for intelligence and military purposes and now Nicaragua joins the club.

The government of Nicaraguan President Daniel Ortega has authorized Russian troops, planes, and ships to deploy to Nicaragua for purposes of training, law enforcement, or emergency response. This was confirmed on June 10 by Russian foreign ministry spokeswoman Maria Zakharova. “We are talking about a routine procedure – twice a year – for the approval of a Nicaraguan law on the temporary admission of foreign military personnel to its territory in order to develop cooperation in various areas, including humanitarian and emergency responses, the fight against organized crime and drug trafficking,” Zakharova said. Nicaragua also said it will allow the presence of “naval and air forces” from Venezuela, Honduras, Guatemala, the Dominican Republic, Cuba, Mexico, El Salvador, and the United States. It is just for a propaganda purpose, meant to show the world

it is not only about Russia—after all, Ortega is unlikely to permit U.S. troops to enter the country. Ortega has been a staunch ally of Russia since his days leading the 1979 revolution that deposed dictator Anastasio Somoza. Ortega lost Nicaragua’s presidential election in 1990 but won in 2007. Since then, he has tightened his authoritarian grip on the country. Dozens of opposition political leaders have been arrested in Ortega’s Nicaragua, including most potential presidential candidates, in the months leading up to Ortega’s re-election to a fourth consecutive term last year. Nicaragua has enjoyed support from Venezuela, Cuba, and Russia. In 2014, Russian President Vladimir Putin paid a visit to the country. In 2008, Nicaragua was the first world country—after Russia—to recognize Georgia’s breakaway regions of Abkhazia and South Ossetia as independent states. ■

17 June 2022

## **RUSSIA’S “PARTY OF WAR” CLAIMS POLAND IS MOVING TO TAKE UKRAINIAN TERRITORY**

**Amid Russia’s invasion of Ukraine, Poland has emerged as a key supporter of Ukraine. It was enough for Moscow to consider the country hostile to the Kremlin. Russia is fearful of the Poland-Ukraine rapprochement, which resonated in what the country’s foreign minister, chief of the foreign intelligence agency, and the Security Council secretary have said publicly.**

Sergey Lavrov, Russia’s chief diplomat, said Poland was plotting to grab Ukraine while meddling in the Russia-Ukraine peace talks. “For the time being, we see that behind talking about the unacceptability of any dialogue with Russia, Polish colleagues are beginning

to actively master the territory of Ukraine,” Russia’s chief diplomat said. On May 31, Russian Security Council Secretary Nikolai Patrushev, a key ally of Russian President Vladimir Putin, said during a press conference that he believes Poland plans to annex parts of western



SOURCE:KREMLIN.RU

Ukraine. In late April, Sergei Naryshkin, the chief of Russia's Foreign Intelligence Service (SVR), cited unpublished intelligence that he said showed the United States and Poland, NATO allies, were plotting to restore Polish control over part of western Ukraine. On June 9, he went on by saying Poland sought to take control of Ukraine's state offices, claiming that the country attempted to restore control over the whole of Ukraine, not just its part. "Ukraine gave Poland its green light to deploy its backup data processing center to the State Tax Service in Poland while U.S.-based companies, including Dell, IBM, and Cisco, played a vital role in the

whole procedure. The authorities in Kyiv have consented to Poland and the United States to gain access to nationwide information, also on taxpayers, which gives them insight into Ukraine's financial situation," he was quoted as saying. Accusing Poland of allegedly grabbing parts of Ukraine is a vital element of the Russian disinformation campaign. Under this narrative, Ukraine has been fully subordinated to the United States while Poland is serving the role of Kyiv's curator to grab some lands in the country's west. More accusations are to be expected and Russian services are likely to stage more provocations of that kind. ■



SOURCE: PRESIDENT.GOV.UA

19 June 2022

## **FRENCH, ITALIAN, GERMAN LEADERS VISIT UKRAINE, MOUNT PRESSURE ON KYIV**

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**French President Emmanuel Macron, Italian Prime Minister Mario Draghi, and German Chancellor headed to Kyiv, Ukraine, to check whether the Ukrainian authorities are eager to make concessions to Russia to end the war. Perhaps the three Western leaders--all of whom contact regularly Vladimir Putin--have submitted a list of conditions for entering peace talks with Russia.**

Substantially, their visit meant nothing to Ukraine. Recommending that Ukraine be granted E.U. candidate status can hardly come as a breakthrough occurring. In fact, there is no real security guarantee behind the bloc's declaration. Ukraine needs weapons more than anything else now. As the Donbas operation goes on, any extra self-propelled howitzer or long-range missile launcher is worth their weight in gold. But this is the weapon that Kyiv now needs most but got few from the countries whose leaders came to Ukraine. French President Emmanuel Macron announced plans to deliver another six 155mm Caesar self-propelled howitzers to Ukraine, but neither Germany's Scholz nor Italy's Draghi made such promises. Germany said it would supply three Mars II multiple rocket launchers to Ukraine, which is one fewer than announced. Compared to what the United States, the United Kingdom, Poland, and some other Western nations supplied to Ukraine, the German, French, and Italian offer looks somewhat modest. Why is it so? After all, Germany could provide Ukraine

with thousands of armored vehicles, tanks, and howitzers. Such is the French-Italian-German tactic as the three states lead a pro-Russian faction in the European Union. More weaponry for Ukraine is tantamount to a longer Donbas campaign, increasing the likelihood of a Ukrainian counteroffensive in the Kherson region. The war would then drag on a few next months while Macron and some of his Western allies want Kyiv to believe there is no chance of defending Donbas or claiming Kherson so entering peace talks with Russia is somewhat a better option. These talks would put an end to all hostilities, consolidate the Russian grip on Donbas and southern Ukraine, push the country away from the sea, and subordinate it economically to the European Union. An optimal solution for Macron, Scholz, and Draghi is to restore ties with Russia while tying war-ravaged Ukraine closer through some dependencies. A weak Ukraine is a blow to a grand project of Intermarium that is competitive both for Russia and the France-Germany-Italy club. ■

19 June 2022

## **RUSSIAN OIL REVENUE SOAR, FILLING MOSCOW'S WAR CHEST**

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**The Kremlin has earned a record profit from oil although its invasion of Ukraine has continued for more than three months, triggering a set of punitive measures. Russia reports a drop in its exports to the European Union, but sells more to some alternative markets, notably India. Record-breaking oil prices mean more money to the Russian federal budget, also to sponsor the invasion of Ukraine. Oil-related revenues will edge up as the Russian finance ministry is planning to raise an export levy.**



SOURCE:SOVCOMFLOT.RU

From July onwards, Russia's oil export duty will grow by a quarter to \$55.2 per ton, which is a \$10.4 increase, according to the Russian finance ministry. Now the Russian crude export duty stands at \$44.8 per ton. Between May 15 and June 14, Urals crude traded at \$87.49 per barrel, or \$638.7 per ton. Of all oil-producing countries and their allies, Russia had the biggest oil output in May. Oil and condensate output rose by 130,000 barrels per day (bpd), hitting 10.55 million bpd. It is yet 850,000 bpd below the level after the first round of Western sanctions. As a stricter ban on Russian oil is coming from the European Union, Russian oil production will eventually stand at 10.37 million bpd. Now Moscow is making fortune from oil. Although Russia is selling less oil as countries refuse to trade with Moscow, a drop in sales is offset by record-high oil and gas prices. Russia's export prices were on average 60 percent higher than last year

while being 30 percent lower than the world price. The European Union reduced Russian natural gas by nearly a quarter. Despite that, Russian state energy producer Gazprom has earned a record profit. For oil, the drop in export figures makes up for a high price profit. Russia earned some \$97 billion from oil and gas exports during the first 100 days of the war in Ukraine--two-thirds of this revenue was from selling oil while the remaining part--gas. What made up for soaring oil prices was war-triggered sanctions, followed by a drop in supplies to Europe. In consequence, Russia made a lot of money thanks to its invasion of Ukraine. In the past, Russia's energy revenue sponsored the country's military buildup. Russia relies heavily on revenues from oil and natural gas, which in 2021 made up 45 percent of the federal budget, the IEA said in a report. Russia's oil and gas revenue is higher than what the country spends on weapons in Ukraine. ■



SOURCE: WIKIMEDIA COMMONS

19 June 2022

## RUSSIA REMAINS MILITARY INVOLVED IN WAR-TORN SYRIA

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**Still active in Syria, Russia has no intention of giving up in some war-torn places where it has gained an advantage over other players. Although Moscow redirected some troops from Syria to fight in Ukraine, Moscow still occupies a vital role in the Middle Eastern country. Israel and Turkey seem to have realized they both might fill in the void left by the Russian military.**

Syria's defense ministry says the air forces of Russia and Syria on June 7 conducted a joint drill over the war-torn country--the first since Russia invaded Ukraine. The ministry said two Russian SU-35 fighter jets and six Syrian MiG-23 and MiG-29 aircraft simulated facing

"hostile" warplanes and drones. The Russian and Syrian warplanes carried out joint patrols in the country's south where Israel had conducted an air campaign against Iran-linked targets. Moscow seeks to show it has not curbed its military presence in Syria, not only to prevent

the Israeli army from targeting Syrian positions but also to dissuade Turkey from its offensive. Sending combat aircraft and helicopters to the Qamishli airport could be a warning for Turkey while helicopters carry out patrols over Kurdish-controlled enclaves, targeted by the Turkish military. On June 3, the Russians reportedly deployed the Pantsir-S1 air defense system to the Qamishli airport. They also sent extra troops to Kurds-controlled enclaves. Russia has been militarily involved in northern Syria where Turkey could stage an offensive against Kurds in Tel Rifaat. The Iranian-backed forces sought to deploy missile launchers there but their efforts were eventually thwarted by a Russian patrol nearby. The following day, the Russians alerted the Kurds and the Syrian army

when Iranian-backed forces attempted to enter the environs of the YPG-controlled Minnig air base to the northwest of Tel Rifaat. Russian efforts to keep the status quo in northern Syria and deter Turkey and Iran mean that Moscow will not give back its gains in Syria. Despite some problems in Ukraine, Russia will not reduce the number of its troops in Syria. Dana Stroul, the Pentagon's top Middle East policy official, told members of the Senate's Foreign Relations panel that Russia remained deeply committed to Syria's Assad. She said Russia has been redirecting small numbers of its troops from Syria to fight in Ukraine, dismissing recent claims that the Kremlin has deployed several thousand mercenaries from Syria to fight in Ukraine as disinformation. ■

20 June 2022

## **RUSSIA-UKRAINE WAR EMPOWERS CHECHNYA'S KADYROV**

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**The leader of Chechnya Ramzan Kadyrov has never got on well with federal strongmen, in particular FSB officers. His radical stance on the Russian invasion of Ukraine and Chechen involvement--quite brazen in social media outlets--consolidated his position in Moscow. Kadyrov's recent visits to the Russian capital displayed both his ambition and influence.**

**O**n June 2, he went to Moscow for talks with Russian Defense Minister Sergei Shoigu. Russian forces will drastically speed up their offensive in Ukraine following an unspecified change of tactics, Kadyrov wrote later in a social media comment. He also said Shoigu had outlined "new tasks to improve further tactics" on the battlefield during their meeting. The defense ministry did not confirm his claims. Three days later, Kadyrov

said he held talks with FSB Director Alexander Bortnikov in the Lubyanka office of the latter. "We discussed in detail a number of issues that brook no delay. Since our last meeting, many different topics have accumulated, including problematic ones, for detailed discussion and professional assessment," the head of the region wrote after the meeting. He also posted a picture of him and Bortnikov. The two meetings illustrate the growing role of



SOURCE: KREMLIN.RU

the Chechen leader in the Russian “party of war,” which is naturally with consent from Vladimir Putin. Perhaps the Russian president is using the loyal Chechen leader to drill top siloviki. Kadyrov had opposed Russia’s retreat from northern parts of Ukraine. The Chechen strongman is becoming somewhat a bugbear of both Shoigu—responsible for the Russian military failure in Ukraine—and Bortnikov, who serves as chief of the 5th Service. The hugely powerful branch of the FSB, which oversees its operations outside Russia, made failed

intelligence efforts, depicting a false image of the political situation in Ukraine shortly before the invasion. Kadyrov—as for him—has nothing to reproach himself with. He deploys Chechen military personnel to Ukraine and they boast on social media about their military efforts. No other ethnic group serving in the Russian armed forces followed such a PR campaign amid the Russian invasion of Ukraine. Detached from reality, Putin sees the Chechen leader as an example of the loyal commitment to his “just” war against Ukraine. ■



SOURCE: KREMLIN.RU

20 June 2022

## **RUSSIA VIOLATES BALTIC AIRSPACE AND WATERS, SENDING WARNING TO SWEDEN, FINLAND**

Russia has recently violated Danish territorial waters, performed flights with transponders off, and staged a large-scale drill in its exclave region of Kaliningrad. Thus Moscow has reacted aggressively to the Swedish and Finnish bids to join the Western military alliance NATO. Such breaches could become common as NATO leaders will meet in Madrid on June 28–30.

The Russian military could become more active in some sensitive Baltic area, including the islands of Finland's Åland, Sweden's Gotland, and Denmark's Bornholm. Danish Armed Forces said that the corvette twice entered Danish waters by passing near the island of Christiansø, close to Bornholm, in the night from June 16 to 17. Danish Defense Minister Morten Bodskov told journalists there had been no immediate threat to Denmark as the breach was a Russian response to NATO application from Sweden and Finland. Russian planes breached Swedish airspace near the island of Gotland. On June 9, three Russian jets lacked a transponder signal while flying north of the Visby airport, posing a potential threat to civil aviation. Russia deployed an Il-20 spy plane,

accompanied by a pair of Su-27 fighter jets. None of them had their transponder on. Russian aircraft probably went down at low altitude over the USS Kearsarge that attended the annual naval exercise Baltops 2022. This year's edition attracted Sweden and Finland--both aspiring to join the military bloc. Between June 6 and 12, NATO Baltic Air Police aircraft were scrambled thirteen times to intercept Russian jets over the Baltic Sea. The increased Russian presence in the region came amid NATO Baltops drills that coincided with Russia's Baltic Fleet exercise. The Russian defense ministry said that 60 ships and 40 aircraft were taking part in the maneuvers that wrapped up on June 18. The drill scenario included an amphibious landing at a Kaliningrad training ground. ■

## 24 June 2022

# RUSSIA HAS POTENTIAL PLAN TO SMASH UKRAINIAN STRONGHOLD IN LUHANSK REGION

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**A two-month operation to target Ukrainian positions in Severodonetsk failed to produce any tangible effects for Russia. The best way would consist in encircling Ukrainian troops in the Azov chemical plant but Russian forces are unable to do so, seeking to cut off the Ukrainians further, which is on the western bank of the Donets River. Claiming Lysychansk would put an end to the defense of Severodonetsk.**

Russian forces are now in control of most of Severodonetsk, the epicenter of the bloody battle for Ukraine's eastern Donbas region. They yet cannot cut off the supply chain of the defenders of the Azot chemical

plant. It goes through the Donets River and the city of Lysychansk on the other bank, and then the highway connecting the city with Bakhmut, Sloviansk, and Kramatorsk. Having suffered heavy losses in urban battles, the



SOURCE: TWITTER

Russian command came to understand the best way to seize Severodonetsk—a symbol of fierce Ukrainian resistance—is to cut it off from Ukrainian forces. In recent weeks Russian troops have made a failed attempt to cross the route linking Lysychansk and Bakhmut. They might have better luck while targeting Lysychansk, but they are unwilling to perform a frontal attack across the river. Instead, Russian troops flanked the city from the south, taking control of two settlements of Toshkivka and Myrna Dolyna. The two other villages of Hirske and Zolote are now between the Russian lines. Ukrainian troops could be encircled at any moment by Russian attacks from Popasna and the southern part of Lysychansk. If Russian

forces succeeded to surround or push out the Ukrainians, the Ukrainian foothold in Lysychansk and Severodonetsk would be exposed. All it takes is a Russian strike on Siversk to close a 20-kilometer gap—a possible priority for the Russian command. The Russian command eventually scrapped its plan to encircle Ukrainian troops along an axis stretching from Sloviansk, Kramatorsk, and Toretsk. Russian forces are more likely to capture Severodonetsk and Lysychansk, which is the remaining few percent of the Luhansk region. But seizing the remaining part of the Donetsk region—and thus the whole Donbas region—is a matter of months given the pace of the Russian offensive. ■



SOURCE: SOVCOMFLOT.RU

29 June 2022

# RUSSIAN OIL EXPORTS REMAINS STABLE THANKS TO CHINA AND FOREIGN-FLAGGED TANKERS

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**Russian oil tankers are sailing under a foreign flag to avoid sanctions. China has helped Putin's Russia by ramping up purchases of Russian oil.**

Oil tankers owned by Russia's state-backed fleet operator Sovcomflot are still delivering to ports in Europe, according to OCCRP, a global network of investigative journalists. The company disguised its ownership of the vessels by basing subsidiaries in Cyprus and the United Arab Emirates. Once

the sanctions came into full effect, some of these ships switched off their location transponders, meaning they could not be tracked. OCCRP identified more than 18 Sovcomflot tankers, named in a list of vessels in Sovcomflot's records. Each is carrying on average over \$240 million worth of fuel.

OCCRP has tracked at least five others recently coming from, en route to or in docks in Italy, Denmark, and the Netherlands, even after EU sanctions came into full effect. The European Union sanctioned Russia's Sovcomflot in mid-March. In the sixth round of EU sanctions, a complete import ban has been imposed on all Russian seaborne crude oil and petroleum products. Buyers in Europe shunned Russian energy in line with sanctions over its war on Ukraine, but those in Asia, notably China, came in. Imports of Russian oil rose by 55 percent from a year earlier to a record level in May. Russia has reclaimed its position as China's biggest oil supplier, overtaking Saudi Arabia after a year-and-a-half gap. China is the world's

biggest crude oil importer. Chinese companies, including state refining giant Sinopec and state-run Zhenhua Oil, have increased their purchases of Russian crude in recent months after being offered heavy discounts. The imports into China include supplies pumped through the East Siberia Pacific Ocean pipeline and shipments by sea. These are not only steep discounts after western oil majors and trading houses pulled back due to sanctions that encouraged China. Beijing supports Moscow in the latter's war against Ukraine and its confrontation with the West. This must affect the policy of China's biggest energy companies, all of which are state-run. ■

29 June 2022

## OUTGOING BULGARIAN PM PETKOV EXPELS RUSSIAN DIPLOMATS

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**On June 28, Bulgaria ordered 70 Russian diplomatic staff out of the country, claiming that they have been working against Sofia's interests. The expulsion is another blow to the Russian spy ring in Bulgaria.**

The 70 people affected have been given time until July 3 to leave. Bulgarian Prime Minister Kiril Petkov, who last week lost a parliamentary no-confidence vote and stepped down on June 28, said his country was expelling 70 Russian diplomatic staff over espionage concerns. The Bulgarian foreign ministry summoned Russian Ambassador Eleonora Mitrofanova to inform her of the expulsions. The Russian diplomat was among four people that Petkov blamed for the collapse of his government. The expulsion of Russian diplomats is a gift from the outgoing prime

minister. Bulgaria's coalition government led by Kiril Petkov was ousted in a no-confidence vote after the populist ITN party quit the ruling coalition. Officially, the coalition cabinet has been toppled over disagreements over an agreement with North Macedonia to lift the veto on Skopje's EU accession talks. There were claims that the party left amid corruption allegations against its leaders. The ITN party called for energy cooperation with Russia even after Gazprom cut off supplies to Bulgaria. The collapse of Bulgaria's coalition government is good news for Russia. The



SOURCE: GOVERNMENT.BG

coalition was indeed bizarre as it consisted of We Continue the Change, an electoral alliance, center-right Democratic Bulgaria, the post-Communist Socialist Party, and the ITN party. The two of them are both pro-Western and pro-American--former prime minister Kiril Petkov is a Harvard graduate--that stood against corruption and Russia. An interim

government will be appointed by Rumen Radev, the pro-Russian president of Bulgaria, until a snap election is held. Is Bulgaria's pro-Russian camp able to reverse Petkov's decision? Much depends on who wins the snap election, possibly in September. But at least the Russian spy ring got a powerful blow from Bulgaria. ■

29 June 2022

## ANOTHER RUSSIAN ENERGY CEO TENDERS RESIGNATION

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**Leonid Fedun, the vice president of Russia's second-largest oil producer Lukoil, has stepped down from his post shortly after the company's CEO Vagit Alekperov had left the energy giant. Both resignations probably came in response to Western sanctions on Russia. An owner of a top-tier Russian soccer club, Spartak, Fedun had never been sanctioned for his business activity.**



SOURCE:KREMLIN.RU

Leonid Fedun, 66, has stepped down as vice president of Russian oil producer Lukoil after reaching retirement age. Fedun, who was the co-founder of Lukoil, has served as its deputy CEO since 1994. He is another top executive to resign amid Western sanctions on Russia. Earlier, long-serving Lukoil president and a core company founder, Vagit Alekperov, had also resigned after personal sanctions had been imposed by Britain and Australia. Even if the company was not blacklisted, its CEO distanced himself. Fedun has never been sanctioned. Perhaps he quit the company because he is no longer associated with a

private Russian energy company with assets worldwide. In recent years, Fedun has been more active as an owner of a football team rather than a Lukoil executive. Although in an interview with RBC newspaper, he argued that Russia should cut oil output. As of late September 2021, Fedun had a 9 percent share in Lukoil. Alekperov controlled about 28 percent of Lukoil. When Alekperov quit Lukoil in April, he was believed to control directly 3 percent of the share while a 5.5 percent package through funds and trusts. It is not known exactly how much Lukoil is controlled by Leonid Fedun. ■



SOURCE:FLICKR

30 June 2022

## UKRAINIAN INSURGENTS STAGE SABOTAGE CAMPAIGNS IN COUNTRY'S SOUTH

**There has been an increased number of attacks against pro-Kremlin officials in Ukrainian regions that have come under Moscow control, notably in Kherson and Zaporizhia. The southeastern city of Melitopol has been at the heart of the Ukrainian resistance movement while there have been more attacks targeting Russian troops in Kherson and adjacent villages.**

**U**krainian insurgents have four action lines. They collect intelligence on Russian troop movements. In addition, they carry out some

acts of sabotage. Ukrainian insurgents also kill some local officials who were appointed after Russian troops took control of the region.

Last but not least, they distribute leaflets to exert pressure on the occupier and anyone being in cahoots with the Russians. They are also cracking down on anyone suspected of siding with the Russians. On June 22, a pro-Russian official in the village of Chornobaivka, Kherson region, survived the explosion of a bomb planted in his car while the head of the prison services of Kherson region was injured in a bomb attack on June 18. According to some reports, he was killed in the attack. Other Russian-appointed officials were wounded in explosions in Melitopol that Moscow blamed on Ukrainian nationalists. They also perform sabotage actions as when they blew up a railway bridge in Akimovka (Melitopol region),

a channel for supplying weapons and fuel for military equipment from Crimea to the Russian occupiers. As the Ukrainian guerilla forces are conducting a sabotage campaign, Russian troops remain deep in the Russian-controlled regions, which prevents them from seizing them. Ukrainian fighters provide support to the army once staged at the rear of the enemy. Ukraine's insurgents report to the Special Forces Operation Command of the Armed Forces of Ukraine. Most of the fighters are military personnel but some 40 percent of them are civilians who had joined them before the war broke out. Civilians are a useful source of intelligence and shelter to guerilla fighters. ■

30 June 2022

## MOLDOVA PAYS MORE FOR RUSSIAN GAS

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**The price of Russian gas for Moldova increased by 11 percent, to \$980 per thousand cubic meters in July, the head of state energy firm Moldovagaz Vadim Ceban said in a statement. Moldova has so far paid \$880 per thousand cubic meters of gas.**

**G**azprom raised the prices for gas deliveries to Moldova after the two signed a new gas deal in October 2021. The authorities in Chisinau agreed on a market-dependent formula though Gazprom is probably the sole energy supplier in the country. The Russian giant distributes gas and operates the Moldovan gas pipeline network. Moldovagaz is a Russian-controlled energy firm. Russia has a 50 percent controlling stake in Moldova's state gas company Moldovagaz. Moscow-loyal insurgents from Moldova's breakaway region of Transnistria have a 13.44 percent stake

while the Moldovan government has just 35.33 percent. Moldova consumes some 2.8 billion cubic meters of gas each year. Moldova relies entirely on Russian commodities for its gas needs. It has no storage facilities while Gazprom controls all Moldovan pipelines via Moldovagaz. There is a gas link running westwards to EU countries, but it is not operational yet. Moldova's dependence on Russian gas looms on the country's domestic affairs. The ongoing war next door has put the landlocked country in a somewhat neutral stance. Indeed, Moldova offered shelter to Ukrainian refugees but failed



SOURCE: ГАЛЕРЕЯ – MOLDOVAGAZ

to take more steps. The government in Chisinau is trying not to tease Moscow—suffice it to look at its reaction to Transnistria provocations. Despite being neutral, Moldova is on a pro-European and pro-NATO path. There is now a pro-Western government in Moldova, but the pro-Russian opposition party, led by former

president Igor Dodon, was pushed into the shadow. What might explain this fact is the Russian gas blackmail. As Moscow cuts off gas supplies to some EU countries, it could do the same to Moldova, too. Europe's scramble to find alternatives to Russia's natural gas could make it even harder for Moldova. ■



SOURCE:KREMLIN.RU

30 June 2022

## **RUSSIA'S GAZPROM CANCELS DIVIDEND PAYMENT**

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**Quite surprisingly, Russian gas giant Gazprom has decided not to pay dividends on last year's results, which were record high.**

**G**azprom's shareholders reversed a board recommendation to pay out dividends. "The shareholders decided that in the current situation it is not advisable to pay dividends based on the 2021 results," Deputy CEO Famil Sadygov said. He added that Gazprom would rather focus on Russian regional gasification, preparation for the heating season and paying

increased taxes. As Russia continues its war in Ukraine, Gazprom will be more subordinated to state policy. In late May, Gazprom's board of directors recommended paying a dividend of 52.53 roubles per share in what would have been its biggest payout. The company planned to pay 1,243.57 billion roubles worth of dividends. This is a record-high result for both Gazprom

and all Russian state-run businesses. In 2018, Gazprom revised its earlier dividend proposal to a record 16.61 roubles per share. In 2020, the company's management board proposed paying 12.55 roubles per share. Dividends for 2021 may therefore soar four-fold as Gazprom notched its best-ever financial result. Last year, the company's net profit stood at 2.093 trillion roubles. As a result, record dividends were expected. Last December, Gazprom's Deputy CEO Famil Sadygov told journalists free cash

flow is seen above 1 trillion roubles for 2021. Gazprom is believed to report record earnings in 2022 thanks to soaring commodity prices. It is said it could be \$100 billion, doubling the company's revenues last year. The decision to halt its dividend payment comes probably from the federal government as its main shareholder, and not the company itself. Perhaps Russia is bracing for an acute energy crisis and Gazprom would be desperate for money so as not to burden the federal budget. ■

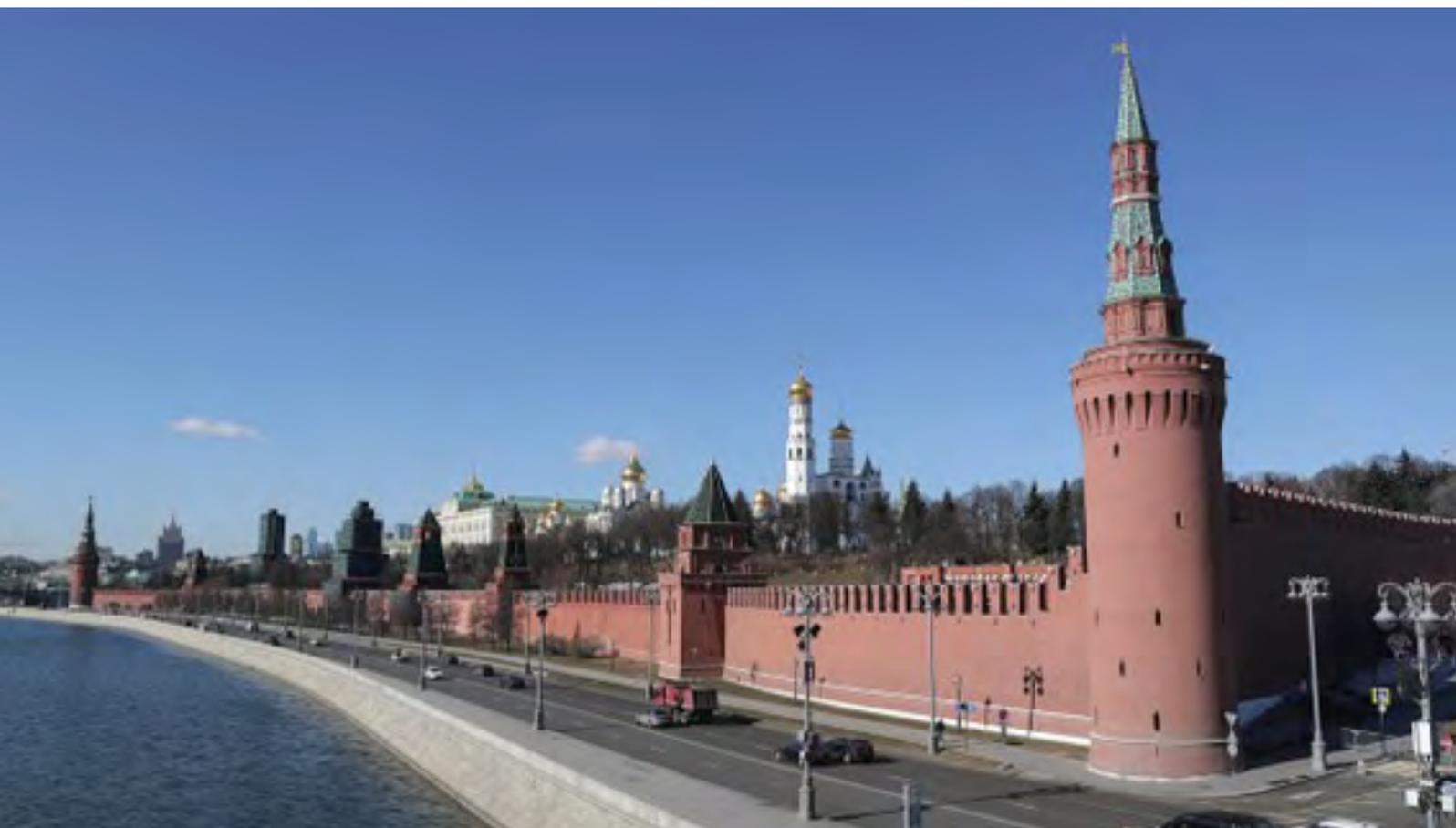
30 June 2022

## IS PUTIN INTRODUCING WAR COMMUNISM?

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**State Duma, the lower house of the Russian parliament, received a draft federal law on “special economic measures” that in fact introduced a centrally planned economy and make private businesses dependent on the state.**

SOURCE:DUMA.GOV.RU



The Kremlin submitted a bill to the State Duma on “special economic measures” for “counterterrorist and other operations” outside of Russia. The bill proposed, among other measures, the implementation of material assets from state reserves and the temporary activation of mobilization capacities and facilities, as well as overtime work in individual organizations. No company will be allowed to dismiss a state tender. What was referred to as special measures includes the dispersion of material assets from state reserves and some unspecified activities. The text of the draft law notes the need for Russia to repair its weapons and military equipment amid “a special military operation in the territories of the Donetsk People’s Republic, the Luhansk People’s Republic, and Ukraine.” Whether

it will apply to other industries remains unknown. Perhaps the bill will enable what is known as silent military mobilization. The draft law was published to subordinate the whole state, including its economy, to Putin’s war in Ukraine. The Kremlin has submitted the bill to avoid admitting that it was actually waging a war. Another thing is that Gazprom canceled its record-high 2021 dividends. The state, or Gazprom’s main shareholder, will not be paid. What does this entail? Certainly, Gazprom will no longer be a stock exchange company, turning into a tool in the hands of the Russian government. Gazprom shares plunged by 30 percent on the decision that reversed a board recommendation to pay dividends to shareholders. ■

30 June 2022

## ASIAN COUNTRIES BUY DISCOUNTED RUSSIAN OIL

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**India is seeking to double down on Russian oil imports while Russia is sending more oil from its Kozmino port in the Far East. China suspends imports while other countries, including Sri Lanka, evince growing interest in Russian hydrocarbons. Russia sells oil at heavy discounts, overtaking oil-rich Gulf monarchies that would send its hydrocarbons to the east. They are forced to cut oil prices to make Russian oil less attractive in the long run.**

India is looking to double down on its Russian oil imports with state-owned refiners eager to take more heavily-discounted supplies, according to Bloomberg, as international buyers turn down dealings with Moscow over its invasion of Ukraine. Details on volumes and pricing are still being negotiated with Indian banks set to fully finance all cargoes. Indian refineries are purchasing more than 40 million barrels of oil a day on average since the start

of the Ukraine invasion and early May. Also, Sri Lanka may be compelled to buy more oil from Russia as the nation faces shortages amid an unprecedented economic crisis, Prime Minister Ranil Wickremesinghe said he would be open to buying more crude from Moscow. Transneft, the Russian state-controlled pipeline company, has ramped up the amount of oil being pumped west to Kozmino via the East Siberia Pacific Ocean (ESPO) pipeline by about 20 percent. A



SOURCE:PIXABAY.COM

batch of sanctions amid Moscow's invasion of Ukraine forces Russia to find cargo methods other than oil tankers. Kozmino is now a key Russian port. Russia's pipeline monopoly Transneft has already increased the amount of crude pumped to Kozmino on its main Asian oil route, the ESPO pipeline, by 70,000 barrels per day (bpd) by using chemical additives to speed up oil flows. Pipeline capacities can be increased and Russia is looking to increase volumes by rail. Increased volumes of Russian crude give headaches to Gulf-based oil

manufacturers. Imports of Iranian oil dropped in China as its commodity is subject to harsher sanctions than that of Russia. Russian oil fuels are detrimental to Iranian hydrocarbons in Turkey, Pakistan, and Afghanistan. Russia is sending more oil to Turkey, overtaking Iraq and Saudi Arabia. In India, Russian oil imports overtook those of the United Arab Emirates, Saudi Arabia, and Iraq. These Gulf countries need to reconsider their pricing policy. In April, Iraq was the first country to lower oil prices. Oil-rich Gulf countries followed suit in May. ■



SOURCE:TWITTER

30 June 2022

## **RUSSIAN FORCES INCREASE ASSAULT ON UKRAINIAN CITY OF LYSYCHANSK**

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The fierce Ukrainian defense operation in Donbas serves its purpose: as more troops are killed and the Ukrainian army is running short of weapons, Ukrainian forces try to encircle many Russian troops in a relatively small area. It takes a few weeks for Russian troops to claim a major town or city in Ukraine. But they have no military potential to conduct campaigns elsewhere. The authorities in Kyiv seem to have adopted a strategy that consists in delivering heavy losses to the enemy, but this comes at a substantial cost for Ukraine, too. Its officials hope to receive more advanced heavy weapons and additional financial support to stave off Russia's unprovoked invasion. This tactic needs to bring fruits.

Russian forces control most of the strategic Ukrainian city of Severodonetsk and are heavily shelling the twin city of Lysychansk. Ukrainian forces seek to delay their enemy's advance through Donbas. After Ukrainian forces withdrew from Severodonetsk on June 25, including the Azot chemical plant, effectively ceding the city to Russia, Russian forces are targeting the last major town in the Luhansk region. Russian troops continue to make progress in their efforts to encircle Lysychansk, with fights taking place outside as such a strategy would make Russian forces cross the Donets river. Instead, they are trying to encircle the city's southern districts. The Russian control of Lysychansk is a matter of time but may take a long. Both there and in Severodonetsk, Ukrainian forces were able to keep communication channels with their rear. Russian forces failed to cut off Ukrainian troops as was often the case in the 2014–2015 fighting in Donbas. In 2014, many soldiers were killed in the battle of Ilovaisk while in the 2015 military

confrontation in Debaltseve, Ukrainian forces were forced to retreat. Despite Russian efforts, its troops never encircled Ukrainian soldiers. The latter can defend advanced positions while being able to retreat. Russian troops failed to cut off Ukrainian forces in Severodonetsk. They renewed efforts but Ukrainian troops may retreat from Lysychansk, taking the route to Bakhmut. Russian forces have not crossed it for weeks. Nor have they targeted the two towns of Sloviansk and Kramatorsk to cut off Ukrainian troops in the regions of Luhansk and Donetsk. Ukraine's military has launched a counteroffensive near the Russian-held eastern town of Izyum, pushing Russian troops northward. Russian forces carried out a failed strike from the town of Lyman. Russian troops are making rapid gains in the south, from Popasna, but with their advancement, they are unlikely to cut off Ukrainians between the northeastern town of Lysychansk and the two southeastern cities of Sloviansk and Kramatorsk. ■

30 June 2022

## KALININGRAD ENERGY STANDOFF LOOMS AS LITHUANIA BANNED TRANSIT

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**Russian Deputy Prime Minister Alexander Novak visited the Russian exclave of Kaliningrad. He met with Anton Alikhanov, the region's governor, to discuss efforts to strengthen the exclave's energy security. Perhaps Russia is seeking to go tit-for-tat after Lithuania had banned the transit of some goods to the Kaliningrad region over EU sanctions.**

At the June 29 meeting, Novak and Alikhanov discussed efforts to gasify the whole exclave. On June 27, Russia's Deputy Energy

Minister Evgeny Grabchak told journalists that the region's power system could operate under an isolated mode. The official said that





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