PUTIN SIGNS SHOWY DECREE TO INCREASE SIZE OF ARMED FORCES

AS RUSSIAN OFFENSIVE STALLED, UKRAINE IS RUNNING OUT OF TIME TO COUNTERATTACK

RUSSIA’S GAZPROM OFFERS EXTRA GAS SUPPLIES TO HUNGARY, CUTTING OFF DELIVERIES TO OTHER COUNTRIES

3 ARMENIA’S PASHINYAN QUESTIONS RUSSIAN PEACEKEEPING PRESENCE
4 ATTACKS IN CRIMEA MARK SOURCE: FLICKR NEW FRONT FOR WAR IN UKRAINE TO COME
6 LVIV SUMMIT CONFIRMS ERDOGAN’S DIPLOMATIC OFFENSIVE
7 UKRAINE ON HIGH ALERT FOR POSSIBLE INDEPENDENCE DAY ATTACKS
9 DISMISSALS, ARRESTS, SUICIDE: CAN ANYONE REFORM UKRAINE’S SBU?
11 MYANMAR TO IMPORT RUSSIA OIL
12 WESTERN COUNTRIES PLEDGE DEFENSIVE MILITARY AID TO UKRAINE
14 RUSSIA STAGES AIR AND SEA PROVOCATIONS, TEASING WESTERN NATIONS
15 RUSSIAN HYDROCARBONS EXPORT: BIG PROFIT TODAY, BIG TROUBLE TOMORROW
17 PUTIN SIGNS SHOWY DECREE TO INCREASE SIZE OF ARMED FORCES
18 BULGARIA’S READY TO NEGOTIATE GAS DEAL WITH RUSSIA’S GAZPROM AFTER GOVERNMENT CHANGES
20 RUSSIA APPOINTS NEW BLACK SEA FLEET COMMANDER AMID UKRAINIAN ATTACKS
21 UKRAINE CONTINUES CRIMEAN COUNTEROFFENSIVE ALSO OUTSIDE BATTLE ZONE
23 AS RUSSIAN OFFENSIVE STALLED, UKRAINE IS RUNNING OUT OF TIME TO COUNTERATTACK
24 ANOTHER SBU OFFICIAL SUSPECTED OF STATE TREASON
26 UKRAINE STARTS COUNTEROFFENSIVE IN COUNTRY’S SOUTH
27 GAS SECTOR IN WAR-TORN UKRAINE
28 FRANCE’S TOTALENERGIES AND ITS ACTIVITIES IN RUSSIA
30 TALIBAN AS ANOTHER MARKET FOR RUSSIAN OIL COMPANIES?
32 RUSSIA’S GAZPROM OFFERS EXTRA GAS SUPPLIES TO HUNGARY, CUTTING OFF DELIVERIES TO OTHER COUNTRIES
A new incident on the boundary between Azerbaijan and Armenia in Nagorno-Karabakh sparked a strong response from the latter country. The authorities in Baku have long frowned upon the Russian military presence in the region. Now Armenia joins those complaints, but for different reasons, and this could weaken the Russian military in Nagorno-Karabakh or even make them leave.

In early August, new tensions flared as Azerbaijan said it had lost a soldier and the Karabakh army said two of its troops had been killed and more than a dozen injured. Speaking at an August 4 government meeting, Armenian Prime Minister Nikol Pashinyan pointed to “gross, prolonged violations of a ceasefire regime” and “constant physical and psychological terror” of Karabakh residents in the presence of the peacekeepers. Under the
November ceasefire, Russian soldiers should ensure safety in the enclave. Pashinyan said the role of the Russian peacekeeping mission must be “clarified”, adding that Armenia expected the contingent to prevent “any attempt to violate the line of contact.” Russia deployed some 2,000 peacekeepers to oversee the fragile truce but tensions persist despite the ceasefire agreement. Azerbaijan has always been critical of the Russian military presence. Its authorities had to agree to the Russian military presence but the 2020 deal remains so obscure that Baku could ask Russian peacekeepers to leave at any moment. They stay on Azeri land and so far have failed to implement the deal: pull Armenian forces out of Nagorno-Karabakh or build an alternative route to the Lachin corridor. Pashinyan’s criticism of Russian peacekeepers stems from other reasons. Their presence was to prevent Azerbaijan from taking any further aggressive activities. In March and August, the Azerbaijani advance killed or wounded Armenian soldiers, so the authorities in Yerevan should no longer believe in Russian help as Russian forces got stuck in Ukraine. The Armenian government is dissatisfied with Moscow’s policy, suggesting French forces could enter Nagorno-Karabakh. On August 8, Putin and Pashinyan held a phone call to discuss the Nagorno-Karabakh issue.

19 August 2022

ATTACKS IN CRIMEA MARK NEW FRONT FOR WAR IN UKRAINE

Recent Ukrainian strikes on targets in Russian-occupied Crimea have revealed Moscow’s weak grip on the peninsula. Much has been said about a Ukrainian counteroffensive in the Kherson region. But the Ukrainian military can target the enemy elsewhere. Their aim consists in recapturing the sways of land in the south that Russia seized past February 24 and perhaps in efforts to retain Crimea. In a worst-case scenario, the Russians could strive for keeping control of the peninsula, both military and economically.

According to what Ukrainian officials say, it is just a matter of time before the Ukrainian army targets the Kerch Bridge. Earlier, Washington had greenlighted Kyiv’s attack on Crimean targets, so it will agree to target the bridge. Ukrainian presidential adviser Mykhailo Podolyak told The Guardian that Ukraine regards the Crimean Bridge linking the occupied peninsula with the Russian mainland as a legitimate military target. “Our
strategy is to destroy the logistics, the supply lines, and the ammunition depots and other objects of military infrastructure. It's creating a chaos within their own forces," he added. Russian facilities are vulnerable to Ukrainian weapons that Kyiv had received from Western nations. In an interview with the Voice of America, Ukrainian Defense Minister Oleksii Reznikov said the U.S. and Western countries, which supply weapons to Ukraine, have not imposed any restrictions on Ukrainian attacks in Crimea. Targeting Russian facilities weaken the army's capabilities on the west bank of the Dnieper. The first explosion in Crimea came on July 31, when a presumed Ukrainian drone attacked Russia’s Black Sea Fleet headquarters in Sevastopol. A transformer substation caught fire after a blast in the town of Dzhankoi in Crimea on August 17. Dzhankoi is also a key road and rail junction that plays an important role in supplying Russia’s operations in southern Ukraine. Huge explosions rocked a temporary Russian ammunition depot in Maiske, a nearby village. The August 9 blasts in the Novofedovika air base left at least twenty military aircraft destroyed or significantly damaged.
LVIV SUMMIT CONFIRMS ERDOGAN’S DIPLOMATIC OFFENSIVE

A meeting that brought the presidents of Ukraine and Turkey and the UN Secretary-General corroborates successful diplomatic efforts, an example of which was a deal to resume grain exports. The one who serves a pivotal role is Turkish President Recep Tayyip Erdogan.

A tripartite meeting of President Volodymyr Zelenskyy of Ukraine, President Recep Tayyip Erdogan of Turkey, and UN Secretary-General António Guterres concluded on August 18 in Lviv. The meeting took place in the Potocki Palace, was not open to the press, and lasted...
40 minutes. The three leaders discussed the resumption of grain exports, the situation in the Russian-controlled nuclear plant, and the release of prisoners of war. Later that day, Erdogan had a phone call with Polish President Andrzej Duda. The Turkish president briefed his Polish counterpart on what he discussed with Zelensky and Guterres. “Nobody was pushing us to make concessions to Russia,” Ukrainian Foreign Minister Dmytro Kuleba said in a Facebook video. In Lviv, Erdogan told Zelensky that Turkey was ready to help rebuild Ukraine after the war. The two sides signed a relevant deal on reconstruction. Its first project could be to rebuild the Russian-destroyed bridge in Romanivka, a village near Kyiv, that runs from the capital to the war-ravaged cities of Bucha and Irpin. The presidents coordinated their acts on key issues: grain corridor, Zaporizhzhia nuclear power plant, and release of war prisoners. Erdogan, who met with Putin in Sochi two weeks ago, has pushed for a mediating role between the Kremlin and Ukraine—earlier they had met in Tehran. Russian and Ukrainian officials are now unlikely to sit at the negotiating table while the last diplomatic talks took place in Istanbul, where Turkey has actively participated in sealing the grain exports deal. In July Russian and Ukrainian officials signed two separate UN and Turkey-backed deals, both aimed at allowing grain exports to leave Ukraine amid a global food crisis. Meanwhile, Erdogan is pursuing his own agenda, seeking to become a key actor in the region. Despite its siding with Ukraine, Turkey purchased Russian gas and welcomes Russian tourists as well as it has no choice but to team up with Russia in Syria. Erdogan is now mediating between the warring sides, seeking to maintain friendly ties with both. Turkey seems to be the only one to project a balanced air between the warring sides as other countries—like India or China—either took sides with one of them or came into a conflict with one warring party (as Israel did).

23 August 2022

UKRAINE ON HIGH ALERT FOR POSSIBLE INDEPENDENCE DAY ATTACKS

Russia often makes political or military decisions based on history and symbolism. Ukraine is afraid its infrastructure might be struck in an attack on Independence Day (August 24). The Kremlin could seek to retaliate for the killing of Darya Dugina, daughter of ideologue Alexander Dugin, and a series of Ukrainian attacks against Russian targets in Russian-occupied Crimea.

That is why Ukraine is now on alert for heightened strikes. Ukraine’s capital Kyiv banned August 24 public celebrations commemorating independence, citing a heightened threat of attack. Government employees and lawmakers were both asked
to work from home. A long curfew is being introduced in Kharkiv Oblast due to the threat of increased provocations. Ukrainian presidential adviser Mykhailo Podolyak said Russia might target new places as Ukraine prepared to mark its Independence Day embroiled in a war. President Volodymyr Zelensky also urged Ukrainians to be vigilant ahead of the country’s independence day. The Ukrainian General Staff also reported that Russian forces would close certain sections of Russian airspace in the Lipetsk, Voronezh, and Belgorod Oblasts until August 25, which raises concerns. The Russian navy has added more of its Kalibr-carrying vessels to the Black Sea theater. Perhaps Russia is stepping up efforts to launch strikes against Ukraine’s civilian infrastructure and government facilities before or on Independence Day. But what are Russian capabilities now? The entire capital boasts an efficient missile defense scheme that covers in particular its strategic facilities and buildings. Ukrainian forces have just destroyed two Russian missiles targeting Kyiv, both launched in the Dnipropetrovsk region. In a worst-case scenario, Russia will target Ukraine from Belarus, which is closer to the capital. But Russia is most likely to target civilian infrastructure to kill people and break their spirits on the country’s independence day.
23 August 2022

DISMISSALS, ARRESTS, SUICIDE: CAN ANYONE REFORM UKRAINE’S SBU?

A recently reported suicide of a senior SBU officer is another bad news for Ukraine’s intelligence services. As Ukraine’s SBU intelligence agency performed poorly after the country had been invaded by Russia, Zelensky said he would cleanse the special services. The problem is not in personnel but in the fact who oversees Ukraine’s most powerful intelligence outlet.

Oleksandr Nakonechny was found by his wife with gunshot wounds in a room of their apartment in the city of Kropyvnytskyi late on August 20. Investigators say he shot himself with the gun he had received as a reward. Nakonechny has headed the SBU in
the Kirovohrad region since January 2021. Prior to that, he worked in the anti-corruption and organized crime unit of the Kyiv Department of the SBU. The reason for his suicide remains unknown. This adds to the SBU’s already-tarnished reputation. When Russia invaded Ukraine on February 24, most SBU top brass left Kyiv, heading to Lviv while most state structures were left unattended. Those who prevented a standoff in Ukraine’s services were middle-level officials who conducted all operations. In July Ukrainian President Volodymyr Zelensky announced the clean-up in the Security Service of Ukraine (SBU) after dismissing Ivan Bakanov, his childhood friend, from the position of the head of SBU earlier the same month. Zelensky said he had fired the top officials because it had come to light that many members of their agencies had collaborated with Russia. One example is the former SBU head in Crimea. In July, law enforcement officers arrested the former head of the SBU in Crimea, Oleg Kulinich. Kulinich was informed of suspicion under the articles on the creation of a criminal organization, high treason, and aiding in the collection and transfer of state secrets to another state. He is facing up to 15 years in prison. Kulinich was head of the SBU Crimea office from October 2020 to March 2022. After Russia’s annexation of Crimea in 2014, the office was relocated to Kherson. The Kulinich case shows how serious the burden for SBU is former contacts with Russia. Kulinich, who studied at the Academy of the FSB of Russia and did military service in the Federal Counterintelligence Service of the Russian Federation, is suspected of being involved in the Russian military’s rapid capture of the Kherson region, which was launched from Crimea. One of Kulinich’s aides, Ihor Sadokhin, was detained in March on charges of treason. There is evidence that Sadokhin gave the Russian forces a map of minefields and helped coordinate a flight path for Russia’s aircraft. After the firing of Bakanov, a childhood friend and longtime associate, Zelensky said there would be a revision of SBU personnel and several senior officials at the agency have been fired over the past few months. Most of them were Bakanov’s trusted people. On July 19, Zelensky dismissed Bakanov’s deputy and four senior SBU officers—before he had sacked SBU regional chiefs in Kharkiv and Kherson. Kulinich was a Bakanov nominee, too. Like Naumov, former head of the internal security department of the SBU, he was often referred to as “Bakanov’s treasurer.” Naumov, who was accused of fleeing the country hours before the invasion began, was later arrested on the Serbian-North Macedonian border. Zelensky says the SBU purge will strengthen the institution to be better prepared for the ongoing war struggle. Some people close to the Ukrainian president took advantage of the poor situation within SBU structures to control the agency. All power structures—except for armed forces—report to Oleh Tatarov and his superior Andrey Yermak who happens to be a Ukrainian presidential aide. But as a longtime friend of Zelensky, Bakanov was independent of both. Now this has changed. SBU acting chief Vasyl Maluk is a trusted person of Tatarov. Concerns were raised as to whether further dismissals would result from removing traitors or maybe this would be another attempt to install trusted people.
24 August 2022

MYANMAR TO IMPORT RUSSIA OIL

Not surprisingly, Myanmar is set to join a growing list of countries that are warming up to Russia’s oil imports. Both regimes have forged close cooperation. In addition, Myanmar suffers from a gasoline shortage while Russia is seeking to send its energy elsewhere. Last but not least, Myanmar is yet another ready market in Asia that matters most for Russia as Western states shunned Russian energy imports.

Military-ruled Myanmar plans to import Russian gasoline and fuel oil to ease supply concerns and rising prices, according to military spokesperson Zaw Min Tun. Junta chief Min Aung Hlaing discussed oil and gas during a trip to Russia last month. Fuel oil shipments are due to start arriving from September, according to media. The regime is satisfied with Russian
Western countries declare more weapon supplies to the Ukrainian army. U.S. President Joe Biden marks Ukraine’s Independence Day with Washington’s largest aid package to the war-torn country.

The Pentagon said the $3 billion package would include six additional surface-to-air missile systems known as NASAMS, 24 counter-artillery radars, 245,000 rounds of artillery ammunition, Puma drones, and counter-drone systems known as VAMPIRE. Just specifically on the NASAMS delivery, the Pentagon is expecting that to be within the next two to three months. Most of the heavy weapons will be delivered later under the Ukraine Security Assistance Initiative, which means the U.S. will buy the weapons through contracts instead of drawing from existing Defense Department inventory and sending them immediately. But Defense Undersecretary Colin Kahl says Ukraine will get most of these heavy weapons in up to three years. The Ukrainian army should get ammunition quickly as arms companies have it

26 August 2022
WESTERN COUNTRIES PLEDGE DEFENSIVE MILITARY AID TO UKRAINE

Western countries declare more weapon supplies to the Ukrainian army. U.S. President Joe Biden marks Ukraine’s Independence Day with Washington’s largest aid package to the war-torn country.
in their inventories. On August 8, the Pentagon announced $1 billion in security assistance for Ukraine that includes more ammunition for High Mobility Artillery Rocket Systems and NASAMS, 20 120 mm mortar systems, and 75,000 rounds of 155 mm artillery ammunition. The U.S. has provided $12 billion in weapons to Ukraine since Russia invaded. Andriy Sybiha, deputy head of the Ukrainian presidential office, on August 23 said this fall Ukraine should receive a batch of Western anti-aircraft and anti-missile defense systems to help close Ukrainian airspace. Slovakia will send 30 tracked infantry fighting BVP-1 vehicles to Ukraine as it will receive 15 Leopard tanks from Germany, Slovak Defense Minister Jaroslav Nad informed. Slovakia has already donated to Ukraine an S-300 air defense system, Mi-series military helicopters, self-propelled howitzers, and Grad multiple-rocket launcher rockets. On August 23, German Chancellor Olaf Scholz pledged to send Ukraine €500,000 worth of weapons that include IRIS-T surface-to-air missile (SAM) systems alongside 20 rocket launchers, rounds of ammunition, anti-drone systems, and 12 armored recovery vehicles. The problem is the time it takes for the weapons to get to Ukraine, which is by 2023. The UK and Norway are jointly to supply Black Hornet microdrones to Ukraine for reconnaissance, target identification, and weapons-damage assessment. All these weapons will strengthen the Ukrainian military, mostly its defense capabilities albeit not immediately. The authorities in Kyiv say they cannot capture Russian-occupied territories but for tanks, planes, and high-range artillery.
26 August 2022

RUSSIA STAGES AIR AND SEA PROVOCATIONS, TEASING WESTERN NATIONS

Recent weeks have seen a series of incidents that Russia provoked mostly in the air, both in the Baltic Sea and the Pacific. Russia, which struggles in Ukraine, is staging provocations near countries it considers hostile. A similar chain of incidents has not been reported in months.

Russian aircraft penetrated South Korea's air defense identification zone (ADIZ). In response, the South Korean military dispatched its fighters, as reported on August 23. It was not the first case of Russian activity in the Far East—earlier South Korea and
Japan reported mostly joint Russian-Chinese air patrols. An incident took place on August 20 in the Baltic Sea. Sweden is probing into a possible breach of its territorial waters by a Russian ship. A Russian tugboat reportedly had a final destination of Arkhangelsk on the White Sea in northwestern Russia. It passed on a straight course south of Ystad, and then turned sharply. Both Sweden and neighboring Finland are a step closer to joining NATO. Two Russian MiG-31 fighter jets are suspected of violating Finnish airspace near the coastal city of Porvoo on the Gulf of Finland, the Finnish defense ministry informed on August 18. On the same day, Hungarian Gripen fighters, based as part of the NATO Baltic Air Policing mission since early August, successfully intercepted and identified a Russian IL-76 flying south over the Baltic Sea. A NATO border was breached back then. On August 10, the Estonian foreign ministry summoned the Russian ambassador and formally protested about the violation of its airspace by a Russian helicopter. The violation took place in southeastern Estonia near the Koidula checkpoint. Furthermore, Russian surveillance aircraft entered the Alaskan Air Defense Identification Zone twice in two days between August 8 and 10.

29 August 2022

RUSSIAN HYDROCARBONS EXPORT: BIG PROFIT TODAY, BIG TROUBLE TOMORROW

Russia is expected to pocket $337.5 billion this year on energy exports alone, according to an economy ministry document seen by Reuters news agency. But a boom in energy earnings only partly compensates for the damage from sanctions to such industries as automotive, IT, and banking. Russia is becoming an even more resource-intensive country, thus economically uncompetitive and dependent on the energy policy of other players.

Higher oil export volumes, coupled with rising petrol prices, will boost Russia’s earnings from energy exports to $337.5 billion this year, a 38 percent rise from 2021, according to an economy ministry document seen by Reuters news agency. The jump in revenues, if it materializes, will help shore up Russia’s economy in the face of waves of Western sanctions. It will provide President Vladimir Putin with cash to fund military spending or to boost wages and pensions at a time when the economy has fallen into recession and inflation is eroding living standards. The ministry document projects energy export earnings will ease to $255.8 billion next year, still higher than the 2021 figure of $244.2 billion. The average petrol export price will more than double this year to $730 per 1,000 cubic
meters, before gradually falling until the end of 2025, according to the forecast. The economy ministry now forecasts pipeline gas volumes will fall to 170.4 billion cubic meters (bcm) this year, compared to its forecast published in May of 185 bcm and versus 205.6 bcm exported in 2021. Russia has started to gradually increase its oil production after sanctions-related curbs and as Asian buyers have increased purchases, leading Moscow to increase its forecasts for output and exports until the end of 2025, the document showed. Russia has approached several Asian countries to discuss possible long-term oil contracts at a 30 percent discount, according to Bloomberg. It is a method to ease the price cap and find new buyers. The discount is not considerable and stands at $20 per a $100 Brent barrel place while G7 nations considered a price cap of between $40 and $60. Indonesia and India got a special offer. US Treasury Deputy Secretary Wally Adeyemo is now in India, where he coordinates a state coalition on the oil cap. Local news outlets report that the country’s authorities are reluctant and will push for a consensus. ■
29 August 2022

PUTIN SIGNS SHOWY DECREE TO INCREASE SIZE OF ARMED FORCES

Russian President Vladimir Putin signed a decree on August 25 to increase the size of Russia’s armed forces by 137,000 to 1.15 million. The document is a propaganda tool that will scarcely improve the Russian situation in Ukraine. It is unlikely to add that many people as Russia is struggling notably with a poor demographic situation. Adding more servicemen does not mean an increase in combat strength, in particular in Russia.
BULGARIA’S READY TO NEGOTIATE GAS DEAL WITH RUSSIA’S GAZPROM AFTER GOVERNMENT CHANGES

Russia cut off gas supplies to Bulgaria, back then under the pro-Western government of Kiril Petkov, back in April. The authorities in Sofia refused to bow to Russian pressure and started buying gas elsewhere. However, the government of Petkov, who refused Russia’s demands in April, lost a vote of no confidence and a new caretaker government has been appointed by Rumen Radev, the country’s pro-Russian president. The bottom line is that Bulgaria says it wants to resume talks with Russia’s Gazprom on the latter’s terms.

Gazprom cut the deliveries to Bulgaria on April 27 as Sofia refused to pay for gas in rubles following a new scheme floated by President Vladimir Putin. But the Bulgaria-Greece interconnector, which should bring 1 bcm of Azerbaijani gas to Bulgaria, or a third of its consumption, has not been completed yet. Azerbaijani gas will flow through the interconnector from October 1. Former Prime Minister Kiril Petkov said a day before stepping down that Bulgaria had secured seven cargo shipments of U.S. liquefied gas (LNG) to ensure...
Gas inflows in the winter. However, Bulgaria has no LNG terminals while it is costly to regasify LNG in Greece and Turkey, adding new costs to the final price. The acting government has secured just one cargo shipment of liquefied gas. At the same time, trade unions and businesses urge the government to resume talks, saying high gas prices will eventually leave many companies bankrupt. On August 22, Deputy Prime Minister Hristo Alexiev and Energy Minister Rossen Hristov attended an emergency meeting to address the energy crisis. Bulgarian Prime Minister Galab Donev said the situation is critical before winter. Four days later, interim Energy Minister Rossen Hristov said the Bulgarian government asked Gazprom to resume talks on gas supplies. “We have signaled our readiness to negotiate and we have a set of proposals for a new contract,” the minister told in an interview with the Bulgarian TV channel Nova. He says it is inevitable to resume talks with Gazprom on gas supplies as alternative deliveries cost up to 50 percent more. Bulgaria has sealed a deal to secure 3 bcm of gas from Gazprom each year. So far it has received a third of contracted gas supplies. The government has proposed to extend the deal until either the end of the heating season or next summer. The energy minister said he did not believe that buying Russian gas meant funding of Putin’s Ukraine war. “We still buy Russian gas—but through intermediaries and we pay 30 percent more. Speaking of financing, Germany should stop buying Russian gas. Top European countries buy the same gas on these terms,” Hristov was quoted as saying. Russia’s ambassador to Bulgaria Eleonora Mitrofanova said in July that gas deliveries to Bulgaria could be resumed if there was a political will from Sofia, reiterating payments should be in roubles.
The removal of Igor Osipov and the elevation of Viktor Sokolov would be one of the most major Russian military reshuffles since the invasion of Ukraine began in late February.

Sokolov, 59, has held several senior positions in the Russian navy and has been in charge of a naval academy in St. Petersburg since 2020.

Since the beginning of Russia's war in Ukraine, Moscow’s Black Sea fleet has been suffering losses. Most notably in April, Ukraine said its...
missiles sunk Russia’s flagship warship Moskva. It also suffered losses during the Russian retreat from Snake Island and failed to perform an amphibious strike on the Black Sea resort city of Odesa. Russian bases have been recently targeted by Ukraine in a series of attacks. The fleet’s headquarters in the Crimean city of Sevastopol were hit by what is believed a bomb launched from a drone. Although the attack’s damage was not serious, Russian authorities canceled events marking Navy Day on July 31 and introduced the highest level of terrorist threat in the city instead. Multiple aircraft at Saky base in Crimea were blown up, with some evidence suggesting the possibility of a targeted attack. Recent explosions in Crimea had put more than half of the Russian Navy’s Black Sea Fleet aircraft out of action. At least five Su-24 bombers and three Su-30 jets were almost certainly destroyed or seriously damaged in the blasts on August 9. Ukraine destroyed $650–850 million worth of Russian military hardware. Russia used the air base in Crimea to launch airstrikes on Ukraine. It is unknown what caused the blasts but smoke clouds in video footage were created after the detonation of up to four ammunition depots. The blasts might have been staged by Ukrainian special forces. The Kremlin has long felt disappointed with the Black Sea Fleet and its command. Its forces did not break Ukrainian resistance to capture the city of Mykolaiv and advance further towards Odesa. In consequence, Moscow was forced to agree on a deal that would allow the resumption of vital grain exports from Ukrainian Black Sea ports.

30 August 2022

UKRAINE CONTINUES CRIMEAN COUNTEROFFENSIVE ALSO OUTSIDE BATTLE ZONE

A series of attacks on Russian military facilities in Crimea coincided with the second summit of the Crimean Platform. Perhaps the brave deeds of the Ukrainian army were to promote the diplomatic initiative. Eight years after Russia unlawfully seized Crimea from Ukraine, the prospect of its liberation has not resonated louder than now. It is both about Ukraine’s military efforts and Western solidarity.

The second Crimean Platform began on August 23, a day before Ukraine’s Independence Day, coincided with the signing of the Molotov-Ribbentrop Pact. Volodymyr Zelensky, the Ukrainian president, calls both summits this and last year to add the liberation of Crimea high on the world’s agenda. This year, Polish President Andrzej Duda was the only foreign leader to head to Kyiv. Other leaders took part in the Platform via a video link. The fact that Duda attended the summit confirms that Poland is a top Ukrainian ally alongside the United Kingdom. Polish and Ukrainian leaders said during the summit the two countries were drafting a new treaty to forge closer ties. Poland tops the list of countries that
have provided military weapons to Ukraine and has taken the largest number of Ukrainian refugees, although deprived of EU financial aid. What also mattered for Kyiv was a joint statement of Crimean Platform participants, including the president of France and the prime ministers of the United Kingdom and Italy. “We call on Russia to ensure an immediate and unconditional withdrawal of all its forces and military equipment from the entire territory of Ukraine within its internationally recognized borders,” the Crimean Platform wrote in a statement. Its states said they were concerned about “the increase in repressive measures by Russian occupying authorities, including abuses of human rights of the indigenous Crimean Tatars, as well as about the aggressive imposition of education in the Russian language, of Russian curricula and education materials and with efforts to use the education system for the propaganda of service in the armed or auxiliary forces of the Russian Federation among children.” They also deplored Russia’s seizure of the Ukrainian ports, which has impeded the lawful exercise of navigational rights and freedoms and maritime traffic. “We condemn Russia’s attempts to forcefully integrate parts of the Ukrainian territory currently under the control of invading Russian armed forces as a result of their illegal invasion,” the statement reads. This is of great political importance for Kyiv and helps Ukraine speak loud about how important it is to retake Crimea. The meeting consolidated Zelensky’s position as the Ukrainian leader said his country would not lay arms until it retook swathes of land grabbed by Russian past February 24, 2022, and between 2014 and 2015.
30 August 2022

AS RUSSIAN OFFENSIVE STALLED, UKRAINE IS RUNNING OUT OF TIME TO COUNTERATTACK

Russian forces have not made significant territorial gains in Ukraine since early July. The war in Ukraine has settled into trench warfare. Any major shifts if such occur might take place alongside the southern front.

Ukrainian forces are pushing out Russian troops seeking to capture Bakhmut as the town is of key importance in their advance in Donbas. The town, which had some 70,000 inhabitants before the war, is now the main focus of the Russian offensive since Russian forces seized Severodonetsk and Lysychansk. In recent days, Russian troops have made efforts...
to break through the strategic city of Bakhmut, no longer advancing on Ukrainian-controlled Sloviansk and Kramatorsk. As the Russian invasion stalled in Donbas, the southern front has grown in importance. The priority for Moscow is to defend the territories it has occupied on the western bank of the Dnieper, including the city of Kherson. This is why Russian forces are adding more weapons to southern Ukraine that are being transferred from southern Russia via Crimea. On August 27, it was reported that tanks T-72 and T-80 and howitzers Msta-S and 2S1 Gvozdika were on their way to Crimea. Still that same day, Ukrainian artillery hit two Russian ammunition depots in the country's south. The next day, the two bases of the occupier were hit in Melitopol (Zaporizhia region) and Nova Kakhovka (Kherson region). A series of blasts was reported on August 28 in Crimea: near Cape Fiolent and the villages of Alupka and Olenivka. Crimea has thus become a battle zone while Ukrainian forces have sufficient offensive capabilities to target Russian-controlled areas. Any strike targeting Russian depots or bases enfeebles the military potential of the invader. Ukrainian attacks blocked the Russian offensive along the front while laying the groundwork for a plausible Ukrainian attack. Ukraine is yet too feeble for such an endeavor and is running out of time. In a month, weather conditions will change, making it impossible to conduct any offensive missions. About 10,000 soldiers that are now being trained to use weapons in Poland, the UK, or Lithuania will return to Ukraine by October, according to Ukrainian military specialists. Their return will boost Ukraine's offensive capabilities on the front line. If Kyiv waits for this, it will have between two and three weeks to launch an offensive.

31 August 2022

ANOTHER SBU OFFICIAL SUSPECTED OF STATE TREASON

Ukraine’s main intelligence and security agency SBU reported suspicion of treason to the temporary acting head of the Institute for the Training of Legal Personnel for the Security Service of the Yaroslav Mudry National University of Law. He is another person suspected and detained for spying for Russia.

The Ukrainian general prosecutor's office said that back in February and March 2022 the suspect allegedly told Ukrainian soldiers not to resist and to turn to the enemy. The name of the official has not been disclosed. This is another blow to the reputation of Ukraine’s intelligence agency. As of July 17, a total of 651 collaboration and treason cases had been opened against law enforcement officials. President Volodymyr Zelensky has suspended the head of Ukraine’s spy agency (SBU), citing many cases of treason in the two powerful organizations. In addition, an SBU chief in the Kirovohrad region was recently found dead as he had committed suicide. The reason remains unknown but it may have links
to the attitude the SBU has adopted towards the Russian invasion. When Russia invaded Ukraine on February 24, most SBU top brass left Kyiv, heading to Lviv while most state structures were left unattended. Those who prevented a standstill in Ukraine's services were middle-level officials who conducted all operations. In July Ukrainian President Volodymyr Zelensky announced the clean-up of the Security Service of Ukraine (SBU) after dismissing Ivan Bakanov, his childhood friend, from the position of the head of SBU earlier the same month. Zelensky said he had fired the top officials because it had come to light that many members of their agencies had collaborated with Russia. One example is the former SBU head in Crimea. In July, law enforcement officers arrested the former head of the SBU in Crimea, Oleg Kulinich. Kulinich was informed of suspicion under the articles on the creation of a criminal organization, high treason, and aiding in the collection and transfer of state secrets to another state. He is facing up to 15 years in prison. One of Kulinich's aides, Ihor Sadokhin, was detained in March on charges of treason. There is evidence that Sadokhin gave the Russian forces a map of minefields and helped coordinate a flight path for Russia's aircraft. After the firing of Bakanov, Zelensky said there would be a revision of SBU personnel and several senior officials at the agency have been fired over the past few months. Most of them were Bakanov’s trusted people. On July 19, Zelensky dismissed Bakanov’s deputy and four senior SBU officers—before he had sacked SBU regional chiefs in Kharkiv and Kherson. Zelensky says the SBU purge will strengthen the institution to be better prepared for the ongoing war struggle.
31 August 2022

UKRAINE STARTS COUNTEROFFENSIVE IN COUNTRY’S SOUTH

Ukraine’s politicians and top military officials have announced a counteroffensive in the south of the country. Heavy fighting is taking place in almost the entire territory of the Kherson region. Yet Ukrainian forces will not retake Russian-controlled swathes of land quickly. It is another phase of a long-term operation that could last until October after weeks-long artillery shelling.

Ukraine’s armed forces on August 29 announced that they had started offensive action on several fronts in the south. Shelling and heavy artillery fire were reported in Nova Kakhovka to target a Russian military facility. According to the
31 August 2022

GAS SECTOR IN WAR-TORN UKRAINE

The Russian invasion of Ukraine has delivered a severe blow to the Ukrainian gas sector. Russian gas supplies to Europe via Ukraine have decreased while many infrastructure facilities were badly damaged in Ukraine. Gazprom’s price war elevated prices for European countries and Ukraine will need more gas before the heating season.

By October 15, according to forecast calculations, there will be about 14.4 billion cubic meters of gas, Head of Gas Transmission System Operator of Ukraine (GTSOU) Serhiy Makogon told journalists. Ukrainian Prime Minister Denys Shmyhal told the government meeting that Ukraine had accumulated more than 13 billion cubic meters of natural gas in its underground storage facilities. The authorities in Kyiv are now negotiating with Western nations to receive the financing to purchase gas for the upcoming heating season. The Ukrainian energy ministry forecasts gas consumption will plummet nearly 40 percent, or 7.7 billion cubic meters, in the coming winter heating season compared with last year, to 11.7 bcm, according to Ukrainian MP Yaroslav Zheleznyak. Ukraine plans to consume 18.5 billion cubic meters of gas in 2022. The authorities in Kyiv say the demand for gas would stand between 3 and 5 bcm in various scenarios. Naftogaz CEO Yuriy Vitrenko said the country needed to buy an

Ukrainian military, the Donetsk People's Republic (DNR) 109th Regiment and Russian airborne troops have left their positions in an unspecified area of the Kherson region. The Ukrainian military's Operation Command South on Monday reported destroying three Russian ammunition depots and a pontoon crossing the Dnieper. Ukrainian forces hit a dozen command posts in several areas of the Kherson region near Beryslav and Kakhovka with artillery fire. According to unofficial reports, Ukrainian forces liberated some towns west and northwest of Kherson near the Ukrainian foothold by the Inhulets River and south of the Kherson and Dnipropetrovsk regions. Heavy artillery shelling by Ukrainian forces is reported alongside the front line in southern Ukraine while long-range precision strikes continued to disrupt Russian resupply. Russia has made efforts since the beginning of August to reinforce its troops on the western bank of the Dnipro River. The Southern Military District's 49th Combined Arms Army has been augmented with components of the Eastern Military District's 35th Combined Arms Army. Many are yet underused while others are twice as smaller as they should be. “Most of the units around Kherson are likely undermanned and are reliant upon fragile supply lines by ferry and pontoon bridges across the Dnipro River,” according to the British intelligence agency. HIMARS systems have destroyed almost all the big bridges. Russia's defense ministry on Monday admitted that Ukraine had attempted an offensive in the Kherson and Mykolaiv regions. ■
additional 4 billion cubic meters of gas to get through the upcoming heating season. Possible damage to Ukraine’s critical infrastructure facilities could increase the country’s demand for gas. In the war-stricken Kharkiv region, which produces 40 percent of Ukrainian domestic gas supplies, many gas facilities were destroyed. Furthermore, following the launch of the Poland-Slovakia interconnector, Ukrainian traders will receive additional opportunities. Ukraine will be able to import 4.7 billion cubic meters per year, Makogon said. Gas now flows to Ukraine through the Hermanowice point in Poland.

31 August 2022

FRANCE’S TOTALENERGIES AND ITS ACTIVITIES IN RUSSIA

Western businesses quit Russia—some do it quickly while others just pretend to withdraw from the country. A fierce controversy recently broke out over France’s TotalEnergies and its activities on Russia, soil, according to French daily Le Monde.

France’s energy giant TotalEnergies, unlike many French rivals, has held on to its assets in Russia. Selling a stake in the joint venture Terneftegaz that extracts gas from the Termokarstvoye field does not mean the company’s withdrawal from Russia. On
August 24, Le Monde revealed, based on an investigation by the NGO Global Witness and the financial database Refinitiv, that this field is producing gas condensate sent to a processing plant, which then supplies a refinery selling kerosene to the Russian air force that targeted civilians in Ukraine, particularly during the bombing of the Mariupol theater on March 16 where hundreds were killed. TotalEnergies has denied reports that it supplied gas condensate to make jet fuel for Russian warplanes in Ukraine, adding it did not own the refinery that produced jet fuel.

On August 26, the French energy firm said they (TotalEnergies and Novatek) do jointly produce gas condensate in Russia that ends up in jet fuel, but it is all for export. It added it had reached an agreement with its Russian partner Novatek to sell its 49 percent stake in their joint venture Terneftegaz before Le Monde published the article. TotalEnergies said earlier that it had sent Russian authorities a request to approve the deal on August 8 and that it got the go ahead on August 25. The transaction was allegedly made on July 18 while its closing is expected in September 2022. On August 3, the French energy giant closed a deal to sell a 20 percent stake in the Kharyaga oil field to Russian oil producer Zarubezhneft. Norway’s Equinor sold a 30 percent stake in the project—the move gives Zarubezhneft 90 percent of the project’s shares while the remaining 10 percent share is held by the local Nenets Oil Company. TotalEnergies is also seeking to sell its lubricants facility in the Kaluga region. The company will also continue to sell liquefied natural gas from the Yamal LNG project. Novatek’s management committee recommended on August 25 to pay €2.27 billion in dividends to its shareholders thanks to the profits recorded in the first half of 2022, which would represent a gain of €440 million for the French company that has no intention of giving it up. Novatek is Russia’s largest private natural gas company. It has long been favored by the Kremlin while Putin’s ally Gennady Timchenko has played a key role in developing the company. The oil tycoon has reduced his business activity amid Western sanctions.
31 August 2022

TALIBAN AS ANOTHER MARKET FOR RUSSIAN OIL COMPANIES?

The Taliban administration is in the final stages of talks in Moscow over the terms of a contract for Afghanistan to purchase gasoline and benzene from Russia, according to Afghan officials. A delegation of Taliban officials led by the trade and industry minister is negotiating a deal with their Russian counterparts to secure imports of wheat and oil. Russian oil and fuel exports to Afghanistan will not be significant, but what matters more than the economy is the propaganda and political message. Russia seeks to add a new country to the list of Russian energy importers and boost mutual ties.
Reuters cited a spokesperson from Afghanistan’s ministry of economy, Habiburahman Habib, who confirmed that the officials were nearing contracts. If completed, the contract would be a sign of foreign countries increasingly doing business with the Taliban, despite its administration not being officially recognized by any international government. Furthermore, the Taliban have been on Russia’s list of terrorist and banned organizations since 2003. Earlier the Taliban said they had been in talks with Russia to import petroleum products, possibly in exchange for raisins, raw material for medicines, and minerals. A Taliban delegation is in Moscow holding meetings with Russian officials and private businesses to boost mutual trade ties and encourage investment. Taliban Minister of Industry and Trade Nuriddin Azizi, the head of the delegation, was quoted by Russian media as saying that Kabul requires more than 4 million tons of oil and some of it is already being imported from neighboring countries. In July, the Taliban government completed a deal to purchase 350,000 tons of oil from neighboring Iran. “Since Russia is a friendly country to us, we have come here to reach an agreement on the import of Russian oil and other petroleum products. We plan to import about one million tons of gasoline and diesel fuel,” Azizi told RIA Novosti. “Our priority is to import these Russian goods on a barter basis,” Azizi said. If the barter plan does not work, he added, then Afghanistan can use financial transactions to secure the supplies from Russia. Perhaps this is a major issue that obstructed the talks for several days. Trade cooperation will benefit both parties. Both Russia and Taliban-led Afghanistan face economic sanctions from international governments, including the United States. No foreign government, including Moscow, formally recognizes the Taliban administration and Afghanistan’s banks have been hampered by the sanctions which have left most international banks unwilling to carry out transactions with Afghan banks. Afghanistan’s central bank assets have been frozen. When asked whether his government would allow Russian investments in Afghanistan’s mineral deposits, including lithium, Azizi said the Taliban “can provide Russia with some of our minerals in exchange for imports” of energy resources. Kabul was already supplying raw materials to China. The authorities in Beijing said they would not charge tariffs on 98 percent of goods being imported from Afghanistan. ■
31 August 2022

RUSSIA’S GAZPROM OFFERS EXTRA GAS SUPPLIES TO HUNGARY, CUTTING OFF DELIVERIES TO OTHER COUNTRIES

Gazprom will send more gas to Hungary while cutting off supplies to Germany and France. Russia’s gas strategy is characterized by two principles. First, state-run gas giant Gazprom has for more than a year pushed to increase gas prices throughout Europe. Secondly, Moscow applies a reward-and-punishment mechanism for some countries, depending on their stance on the Russian invasion of Ukraine.
Hungary signed a deal with Russia for additional gas supplies in September and October. The agreement will send up to 5.8 million cubic meters of gas a day to Hungary on top of the contract quantity already in force. “Representatives of Gazprom and the Hungarian government have signed an appropriate agreement,” Hungarian Foreign Minister Peter Szijjarto announced on August 31. The minister pointed out that in August Hungary already received 2.6 million cubic meters of additional gas deliveries per day, which will be increased from September 1 to a maximum of 5.8 million cubic meters per day thanks to the agreement with Gazprom. More gas will reach Hungary from Serbia. Under the 15-year deal signed back in September 2021, Gazprom would ship 4.5 billion cubic meters of natural gas to Hungary annually, via two routes: 3.5 billion cubic meters via Serbia and 1 billion cubic meters via Austria. Szijjarto traveled to Moscow last month, seeking 700 million cubic meters of gas on top of an existing long-term supply deal with Russia. Gazprom started to increase gas supplies to Hungary this month, adding to previously agreed deliveries via the Turkmstream pipeline. Hungary’s chief diplomat said the country would not vote for any sanctions that will make the transport of natural gas or oil from Russia to Hungary impossible. Since Russia invaded Ukraine, Hungary has obstructed the EU’s sanctions policy, notably for energy policy and military assistance for war-torn Ukraine but not only. On the same day Hungary discussed extra gas supplies with Gazprom, the Hungarian foreign minister spoke out against a possible visa ban on Russians. Hungary was one of the EU states to veto this decision. The European Union has decided not to impose a blanket ban on visas for Russian tourists, but instead to suspend a 2007 visa facilitation deal. In practice, the number of new visa applications will reduce while it will take longer to obtain visas. On August 31, when Russia announced an increase in gas supplies to Hungary, Gazprom halted natural gas supplies to Germany via the Nord Stream 1 gas pipeline. Gazprom on August 18 said it would stop the flow of gas via the pipeline to Europe, citing the need to carry out repairs. German says it is impossible due to technical reasons. In recent weeks, the Russian energy major reduced the amount of gas flowing through a major pipeline from Russia to Europe to 20 percent of full capacity. Gazprom had suspended gas flows to French gas company Engie from September 1 due to failure to pay for supplies in full. This little affects France’s gas supplies. Russia now accounts for less than 4 percent of Engie’s gas imports while French gas storage facilities are now up to 90 percent full. By early November, this could be 100 percent. Unlike Germany, France has diversified its gas deliveries, taking some from North Africa and benefitting from liquefied natural gas supplies. Not incidentally, Gazprom’s recent moves have been linked to a drop in gas prices on the Amsterdam stock exchange after Germany was reported to fill its facilities faster than planned. The outage for maintenance on Nord Stream 1 means that no gas will flow to Germany, perhaps longer than until September 3. Gazprom has seen higher profits in recent months—despite the war in Ukraine and Western sanctions. The gas major said it had made a record €41.63 billion in net profit. ■
MAKE A DONATION

DECIDE HOW TO SUPPORT US

A RECURRING DONATION HAS THE BIGGEST IMPACT

BANK TRANSFER

YOU CAN SEND A DONATION DIRECTLY TO OUR BANK ACCOUNT. WE STRONGLY ENCOURAGE YOU TO SET UP A STANDING ORDER, ENABLING YOUR DONATION TO BE RECORDED MONTHLY ON OUR BANK ACCOUNT.

BENEFICIARY: WARSAW INSTITUTE
BANK: PKO BP
SWIFT: BPKOPLPW
TRANSFER NAME: DONATION
ADDRESS: WILCZA ST. 9, 00-538 WARSAW, POLAND

EUR: PL 85 1020 4900 0000 8902 3063 7814
USD: PL 82 1020 4900 0000 8502 3060 4017
GBP: PL 18 1020 4900 0000 8302 3069 6641

PAYMENT BY CREDIT CARD / PAYPAL

ANY QUESTIONS? WRITE US: office@warsawinstitute.org
The U.S. Response to War on Ukraine Needs Work
General information

The Warsaw Institute is the first conservative geopolitical think tank in Poland. The main areas of our interest are: geopolitics, international relations, energy security, defence, history, culture and any other issues crucial for Poland and East-Central Europe. We are proudly supporting the 3 Seas Initiative and transatlantic relations.

The Warsaw Institute develops and provides innovative and practical recommendations based on the wide experience of its experts (over 40 cooperating experts). The Warsaw Institute helps to improve public policy and decision-making through research and analysis. Our activities are dedicated to government organizations and agencies as well as non-governmental organizations, think tanks, research institutes, academic communities, opinion-forming media and experts.

The Warsaw Institute is an independent, non-profit, nonpartisan organization supported by contributions from individuals.

Goals and objectives

• strengthening the position of the Polish state by preparing and providing its partners with analyses and studies concerning economic policy, international relations, security policy, the use of soft power and more
• international cooperation of states, societies and NGOs
• supporting the development of democracy, economy and entrepreneurship
• energy security and military security
• cultivating and promoting Poland’s national and state traditions and developing national, civic and cultural awareness

The Warsaw Institute Review

Free Polish quarterly, prepared essentially for English-speaking readers around the world. Main goal is to present a broad spectrum of topics concerning Poland, a leading East-Central European country, in the form of analytical articles on political, legal, economic, social, historical and institutional issues.

Subscribe to the printed edition of The Warsaw Institute Review on our website.

www.WarsawInstitute.org
Review of the most important events relating to Russian security. Warsaw Institute experts monitor and analyze activities of the Kremlin and its subordinate services to anticipate their short-term and long-term consequences, particularly for neighboring countries and the Western world.

**Programs**

**Romania Monitor** - the first platform that would bring together think tanks and analysts from both countries, interested in geopolitics, energy security and military cooperation between Poland and Romania.

**Disinformation Program** - this program involves carrying out professional analyses on the identification and creation of methods for combating organised disinformation and training against disinformation threats.

**Ukraine Monitor** - Warsaw Institute experts monitor and analyze information on Ukrainian politics and business with the view to anticipating the main medium- and long-term changes that can occur in a country playing a key role for many stakeholders.

**Baltic Rim Monitor** - this program offers the analysis of the newest events concerning Baltic basin countries.

Download mobile application