

# RUSSIA MONITOR

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SOURCE: KREMLIN.RU

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SOURCE: WIKIPEDIA

13 March 2023

## **IRAN TO BUY RUSSIAN SU-35 FIGHTER JETS**

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**Not surprisingly, Iran has reached a deal to buy advanced Su-35 fighter planes from Russia, expanding a relationship that has seen Iranian-built drones used in Russia's war on Ukraine. Both states have been in talks for months now to purchase fighter jets, a sign of ever-increasing military cooperation between Russia and Iran.**

According to official media reports, Iran has concluded a deal to buy Russian Su-35 fighter jets after an embargo covering conventional weapons was lifted in October 2020. Terms of the deal were not disclosed. Iran will receive 24 fighter jets, according to Turkish news agency Anadolu and some Israeli media outlets. These are the jets Russia had initially intended to sell to Egypt. Iran's fleet of combat aircraft is now outdated. It has only a few dozen strike aircraft, including aging U.S. or French models, such as the F-4, F-5, F-14, or the Mirage F1, acquired before the Iranian revolution. Iran later bought Chinese and Russian-made aircraft such as the MiG-29, Su-25, or the F-7. The purchase

of Russian Su-35 jets is a major milestone in developing the country's air force. Iran has been in talks to purchase fighter jets with a couple of countries since UN sanctions were officially lifted. Shahriar Heidari, a member of the parliament's National Security Committee, told Tasnim News Agency in January 2023 that the deal had been concluded, adding the jets would arrive in Iran in March. Iran and Russia have signed important agreements in recent months to strengthen their economic, trade, energy, and military cooperation. Iran has sent drones to Russia that Moscow is using for its invasion of Ukraine. Teheran is being directly engaged on the ground in Russian-occupied Crimea, helping to train the country's forces. ■

20 March 2023

## PUTIN PAYS BIZARRE VISIT TO OCCUPIED UKRAINE

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**President Vladimir Putin made a surprise trip to war-ravaged Mariupol. The visit came after Putin visited Crimea to mark the anniversary of Russia's annexation of the peninsula. Two days before, the International Criminal Court had issued a warrant for his arrest on war crimes charges. The dictator's visit to the occupied areas of Ukraine stirred up major controversy.**

On March 18, Russian President Vladimir Putin unexpectedly traveled to Crimea to mark the ninth anniversary of the Black Sea peninsula's annexation. The trip was the dictator's first to the Russian-occupied territories of the Donbas region since Russia

invaded Ukraine. It was Putin's first Crimea visit since November 2021. He went to the occupied peninsula alongside Metropolitan Tikhon, a senior Russian Orthodox priest who is known to be a close associate of the Russian president. The Russian dictator traveled to Mariupol at



SOURCE: KREMLIN.RU

night, where he visited the Nevsky district of Mariupol that has been built by the Russian military. Mariupol, which fell to Russia in May after one of the war's longest and bloodiest battles, was Russia's first major victory in Ukraine. Tens of thousands of civilians could be dead in Mariupol. A humanitarian crisis enveloped the city, with residents cut off from food supplies, drinking water, and medicine. Mariupol is the closest Putin has come to the front lines since the start of the full-scale invasion last year. Putin traveled to occupied territories of Ukraine shortly after the International Criminal Court (ICC) had

issued an arrest warrant against the president, accusing him of war crimes. Following his trip to Mariupol, Putin met with Russian military leaders and troops at a command post in Rostov-on-Don, according to state TV channel Rossiya 24. The footage shows that Putin entered the meeting accompanied by Valery Gerasimov, Chief of the General Staff of the Russian Federation of the "special operation" in Ukraine since January. Both enter a room, greeted by General Sergei Surovikin and some military people. It is unclear where the video was actually filmed. ■



SOURCE: MOLDOVAGAZ.MD

22 March 2023

## **MOLDOVA BRACES FOR NATURAL GAS SUPPLY SHORTAGE**

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The Russian energy giant Gazprom may completely halt the gas supplies to Moldova. The government in Chisinau is now planning ways to deal with such eventuality amid a months-long dispute over gas supplies and their price. Moldova sends the entire volume of gas it is receiving from Russia to the hydropower plant in Dniester in Transnistria, a breakaway governing region. Moldova then gets electricity in return.

**E**nergy Minister of Moldova Victor Parlikov stated that the Russian energy giant Gazprom may completely halt the gas supplies to the eastern European country amid the ongoing Russia-Ukraine war. The minister made it clear that if the gas supply gets halted by the Russian company, then “Chisinau would also have to deal with an energy crisis in Transnistria.” He added that under the deal, Moldova delivers Russian gas to the left bank of the Dniestr in exchange for electricity from a power plant in the separatist-controlled region. “Now all the gas that reaches the left bank of the Dniester is de facto free. The advantage of this situation is that we buy electricity at a better price than at its alternative cost,” he said. Parlikov has called for revising contracts with Russia’s Gazprom. “There will be consequences that all of us will have to deal with on the right bank. There are 250,000 people living on the left bank of the Dniester, most of

them citizens of Moldova. They will not go to Moscow or Ukraine, we will also have to take care of them,” the official added. In October 2021, the Moldovan national energy company, Moldovagas signed a five-year contract with Gazprom. The contract was signed with the Russian company for the supply of 3.3 billion cubic meters of gas annually. Of this volume, 1.1 bcm was designated for Moldova and the other 2.2 bcm for Transnistria. In October, Gazprom slashed gas supplies to the eastern European country by 30 percent, to 5.7 million cubic meters, despite Moldova’s daily demand of 8.06 million cubic meters. Gazprom cited technical issues in gas transit through Ukraine as the reason for slashed supplies. Moscow sends all gas supplies to the left bank of the Dniester and buys electricity from a local power plant at \$73 per kWh, which is cheaper than the electricity it gets from Romania at \$95 per kWh. ■

22 March 2023

## **RUSSIA’S LUKOIL AND LNG PRODUCTION IN THE REPUBLIC OF CONGO**

**Russia’s Lukoil energy company said a project in the Congo in which it is involved would begin producing liquefied natural gas (LNG) later this year.**

**L**ukoil Vice President Ivan Romanovsky said the initiative would produce around 600,000 tonnes of LNG per year, and that Lukoil plans to boost total LNG output at the

Marine XII oil and gas project in the Congo to 3 million tonnes by the end of 2025. It is located on the continental shelf of the Republic of Congo 20 km from the shore with a sea



SOURCE: ENERGYCHAMBER.ORG

depth of 20-90 meters. The license covers five discovered fields containing 1.3 billion barrels of oil equivalent of proved and probable (2P) reserves. Lukoil acquired a 25 percent stake in Marine XII in 2019 from the British company New Age M12 Holdings Limited for some \$800 million. The project also involves Italy's Eni, which holds a 65 percent stake, as well as a Congo state-owned company which holds 10 percent. Last December, Italian oil company Eni reached an agreement with Chinese oil and gas plant specialists Wison Heavy Industries to

build a second floating LNG plant. Lukoil said Congo had accepted an application made with Eni for rights to the Marine 24 and Marine 31 blocks. Lukoil is discussing its entry into new oil and gas projects in the Republic of Congo as operator, Lukoil Vice-President for America, Africa and the Middle East Ivan Romanovsky said after a meeting with Congolese Minister of Hydrocarbons Bruno Jean-Richard Itoua. A senior executive at Lukoil hopes that the Congolese oil and gas minister would back the company's effort to run new energy projects. ■





SOURCE: KREMLIN.RU

24 March 2023

## **RUSSIAN-CHINESE FOSSIL FUEL PARTNERSHIP: PUTIN HUMILIATED AFTER XI'S VISIT TO MOSCOW**

**That was not the Putin-Xi summit, but a visit a big brother paid to the younger sibling, the one that is weakening every single month. The Kremlin failed to secure robust support from China and had to swallow further economic concessions to Beijing. Russia is turning more and more into a fuel foothold for China.**

Chinese President Xi Jinping and his Russian counterpart Vladimir Putin allegedly reached an agreement on the Power of Siberia 2 gas pipeline with a total capacity of 50 billion cubic meters (bcm) per year, the Russian leader told after meeting the Chinese president in Moscow. The Power of Siberia 2 is a planned pipeline that, by 2030, could carry up to 98 bcm of natural gas from Russia to China. Russia is frantically looking for alternate directions to divert its gas flows from Europe as gas volumes have halved. U.S. sanctions could fend off Russian plans to construct and run gas pipelines to China. Western sanctions had made the delivery of a turbine crucial for Russian gas supplies to Europe impossible. Thus Russian companies are interested in cooperating with Iran and China on gas turbine

technology and joint production. Xi's visit to Moscow underscored the Chinese-Russian economic cooperation, with China being in a winning position. This was not only because Xi arrived in Moscow just a few days after the International Criminal Court (ICC) issued an arrest warrant for Vladimir Putin. China is Russia's big brother as Moscow is losing ground in its war against Ukraine. Beijing did not throw any bigger support to Moscow. Both leaders just signed a series of documents on "strategic cooperation" between Beijing and Moscow. Putin has not secured anything more from China, but the Chinese leader forced the Kremlin into more concessions, mostly on cheap energy. Beijing will in turn maintain its diplomatic stance on Russia while not getting involved in the Russian war against Ukraine. ■

24 March 2023

## JAPANESE PM KISHIDA MAKES SURPRISE VISIT TO UKRAINE

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**Japan is watching the Chinese-Russian rapprochement. Not surprisingly, it is looking for allies amongst the opponents of China, which is why the Japanese prime minister traveled to Kyiv and Warsaw. Japan is a vital and promising partner for countries in Europe's center and east.**

Japan's Fumio Kishida met President Volodymyr Zelensky in Kyiv on March 21 during a rare, unannounced visit. The Japanese leader visited the war-ravaged country for the first time since Russia invaded Ukraine in February 2022. Kishida met with Ukrainian President Volodymyr Zelensky to show

solidarity and unwavering support for Ukraine. Importantly, he condemned Russian policy. Kishida confirmed any unilateral change to the status quo by force cannot be forgiven in any region. The official traveled from India to Rzeszów, Poland. Kishida then rode a train from Poland heading to Kyiv – just as other Western



SOURCE: PRESIDENT.GOV.UA

leaders did. Kishida also visited Bucha, a town near Kyiv where Russian forces were accused of committing widespread war crimes. Kishida later met with Polish President Andrzej Duda and Polish Prime Minister Andrzej Duda in Warsaw. Kishida stressed the importance of Polish-Japanese cooperation. Kishida's trip to Poland and Ukraine is a signal of the growing Japanese interest in Central and Eastern Europe. The authorities in Tokyo have responded –

mostly through soft power tools – to mounting Chinese influence throughout the region they had long been concerned about. As Beijing offers more support to Russia, Japan has more options to discourage some countries from teaming with China, which de facto means support to Moscow. The fact that the Japanese prime minister's visit to Ukraine took place on the same day as that of China's leader to Russia may not have been a coincidence. ■



SOURCE: STRUCTURE.MIL.RU

24 March 2023

## **RUSSIAN-UKRAINIAN GRAIN DEAL EXTENDED FOR ANOTHER 120 DAYS**

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**A deal to allow vital grain exports to continue from Ukraine's southern Black Sea ports has been extended for another four months. Despite that, the war in Ukraine has made wheat farming and export difficult. One-fifth of Ukraine's wheat will not be sown.**

The deal for the grain corridor in the Black Sea was due to expire on March 18, Turkish President Recep Tayyip Erdogan told journalists. Oleksandr Kubrakov, Ukraine's deputy prime minister responsible for infrastructure, said in a tweet that the agreement had been extended for 120 days. However, Moscow indicated it had only agreed to a 60-day extension, which was swiftly rejected by Kyiv that demanded much more than just that. Ukrainian Prime Minister Denis Shmyhal insisted that the grain agreement be open-ended and automatically extended for 120 days. Initially brokered by the U.N. and Turkey last July after Russia's invasion of Ukraine in February 2022 fueled a global food crisis, the pact was sealed to safeguard global food security. More than 24 million of Ukrainian produce have been shipped under the Black

Sea Grain Initiative. The Ukrainian authorities argue that with the Black Sea routes unblocked, they can export twice as much. Russia on October 29 announced it is suspending its involvement in the internationally-brokered deal that allowed Ukraine to export grain from its Black Sea ports. The pact was extended on November 17 for 120 days. The grain corridor does not solve all issues that grapple Ukraine's agriculture. Ukraine's farmers will plant up to a fifth less wheat due to the war. With mines and cluster bombs widely scattered, normal harvests seem far in the future. Ukrainian farmers harvested 53 million tons of wheat in 2022, 20 percent down from the country's five-year average. Total sunflower and soybean yield dropped 52 percent compared to 2021. ■

25 March 2023

## RUSSIAN NAVY BOOSTS PRESENCE IN THE MEDITERRANEAN

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**A striking increase of ships of the Russian fleet in the Mediterranean concerned some NATO states locally. Russian presence there stems from the situation in Ukraine. The rise in such incidents coincides with voyages of Russian warships south of the Turkish Straits.**

In early March, the Spanish and Italian navy forces warned against the growing Russian presence in the Mediterranean. A Spanish navy's high-altitude patrol boat began following and monitoring two Russian ships in the western Mediterranean. The patrol boat

Centinela intercepted and followed the Russian Navy frigate Admiral Kasatonov and the tanker Akademik Pashin that sailed off the Spanish coast. Italy's Navy earlier had warned that a bigger Russian presence in the Mediterranean was increasing tensions near the Strait of



SOURCE: STRUCTURE.MIL.RU

Sicily and the Ionian Sea. The Russian tanker Akademik Pashin and the frigate Admiral Kasatonov allegedly crossed the Mediterranean in their westward navigation towards the Strait of Gibraltar. Analysts believe Russia is in this way flexing its muscles in the Mediterranean. “The immediate effects on our security of the war in Ukraine have once again reverberated

on the sea and are the impressive increase in the numbers of the Russian fleet in the Mediterranean and the Black Sea to a level not even seen in the days of the Cold War,” Navy Chief of Staff Enrico Credendino said in late February. “The risk of an incident is possible and high,” he added. ■



SOURCE: KREMLIN.RU

25 March 2023

## **SYRIAN PRESIDENT ASSAD ARRIVES IN MOSCOW AMID UKRAINIAN SANCTIONS AND RUSSIAN PROVOCATIONS IN SYRIA**

**The visit of the Syrian dictator to Moscow coincided with an aggressive Russian campaign against the United States in Syria and Ukraine's decision to blacklist some individuals and companies in Syria. The Middle Eastern country is strategically important to Moscow. Whatever happens in Ukraine, Russia will make efforts to maintain both political and military influence in Syria.**

Russia is increasing tensions with the U.S. also in Syria. The U.S. Central Command said that officials had seen more “unprofessional” and “unsafe” behavior from Russian pilots in Syria since March 1. Gen. Michael Kurilla told a U.S. Senate committee that Russian aircraft had become emboldened to act aggressively toward U.S. bases in a way not typical of an organized military force. Russia and the United States ratcheted up their confrontational rhetoric over a Russian campaign to down U.S. drones in the Black Sea. The Russian-U.S. competition over Ukraine is an element of a new cold war between the two states, while the Mediterranean Sea and Syria are a new theater of their rivalry. Al-Assad’s trip to Moscow underpinned Moscow’s close ties with Damascus. Russia could recruit volunteers from the Middle East to be deployed alongside

its troops in Ukraine. Damascus has been a staunch ally of Moscow since the latter invaded Ukraine last year, which has been met with a harsh response. Ukrainian President Volodymyr Zelensky signed a decree on March 18, approving a proposal by the National Security and Defense Council to impose sanctions on 141 legal entities and 300 individuals, including Syrian dictator Bashar al-Assad. Among the blacklisted legal entities are Russian research and production and shipbuilding enterprises, including the Kalashnikov and Almaz-Antey concerns. Zelensky’s decree coincided with Assad’s visit to the Russian capital. Bashar al-Assad has said he would welcome any Russian proposals to set up new military bases and boost troop numbers in the Middle Eastern country, suggesting Moscow’s military presence there should become permanent. ■

27 March 2023

## PUTIN PLANS TO DEPLOY NUCLEAR WEAPONS TO BELARUS: POLITICAL MOVE NOT MILITARY ONE

**Russia will station tactical nuclear weapons in Belarus, President Vladimir Putin said. Not surprisingly, Moscow has long been bracing for that move. Furthermore, it is unlikely to change the military situation as Russia has already deployed nuclear weapons to its Baltic exclave of Kaliningrad. Putin’s remarks in the interview come as a political move amid its war against Ukraine and close ties to Belarus.**





SOURCE: KREMLIN.RU

Russia will “complete construction of a storage facility for tactical nuclear weapons in Belarus on July 1,” Putin said. Though the Russian president said Russia would not transfer control of the tactical nuclear weapons to Belarus. He likened his plans to the U.S. stationing its weapons in Europe. Putin decided to deploy tactical nuclear weapons to Belarus after Britain had confirmed it was supplying Ukraine with ammunition which contained depleted uranium. Those rounds are not considered as having nuclear capability, also according to Russia. The construction of the storage facility had begun before Western countries confirmed they would provide Ukraine with armor-piercing rounds containing depleted uranium. Putin is attempting to exploit Western fears of nuclear escalation by deploying tactical nuclear weapons to Belarus. Bringing nuclear weapons to Belarus will change nothing as Russia has weapons whose range is longer than those deployed to

its smaller neighbor’s territory. In addition, the Russian exclave of Kaliningrad has long been home to nuclear-tipped short-range missiles. According to Putin, all that was at Lukashenko’s request. Lukashenko offered to host Russia’s nuclear weapons on Belarusian territory in November 2021, and Belarus removed the constitutional clause enshrining Belarus’ neutral status in a referendum in February 2022. Russia has stationed 10 aircraft in Belarus capable of carrying tactical nuclear weapons, Putin said, and equipped them appropriately. Back in August 2022, Lukashenko said his country’s Su-24 military planes had been re-fitted to enable them to carry nuclear weapons. Moscow had already transferred an Iskander short-range missile system, a device which can be fitted with nuclear or conventional warheads, to Belarus. By stationing nuclear weapons in Belarus, in addition to intimidating Western states, Russia seeks to consolidate its grip on the Lukashenko regime. ■



SOURCE: DUMA.GOV.RU

27 March 2023

## **RUSSIA'S BUDGET DEFICIT SOARS CONSIDERABLY AS ENERGY REVENUES DROP SHARPLY**

The beginning of this year looks gloomy for the Russian federal budget. Russia's monthly fiscal deficit reached a record high amid the EU-imposed ban on seaborne crude oil exports and the increasing operational cost of Russia's invasion of Ukraine. The government is not likely to stick to the budget nor will it plug a budget shortfall. However, this does not prompt any disaster for Russia—at least now.

The Russian budget exceeded its planned ceiling for 2023 in the second decade of March. Russian Prime Minister Mikhail Mishustin said Russia's budget deficit would gradually return to planned amounts after a jump earlier this year. The fiscal gap reached a record 3.9 trillion roubles, exceeding the earlier forecast of 2.9 trillion roubles. Russia's budget deficit is set to reach 4.5 trillion roubles, or 3 percent of the country's gross domestic product. Russia's finance ministry yet was sticking with plans to post a budget deficit of no more than 2 percent of GDP. It was obvious Russia would not manage to plug a budget deficit while being unable to offset the blow to its economy from western sanctions on gas and oil and soaring military spending. But as it turned out in January, Russia's revenues dropped 25 percent while its spending soared 59 percent. In February and March, the Russian finance ministry yet had to tighten its belt as the deficit shrank by 50 percent in February

month-to-month. It is obvious that budgetary risks are increasing on the revenue side. Tax revenue from oil and gas plunged 46 percent in February from a year ago, the Russian Finance Ministry reported. Russia's revenues from oil and gas exports dropped by nearly 40 percent in January as price caps and Western sanctions squeezed the proceeds from energy resources, according to the International Energy Agency. Russia blamed the drop on falling prices for Urals and a decline in natural gas exports. However, in light of the recent EU sanctions and the bloc's gas price cap, the budget will no longer be able to rely on commodity exports. In addition, gas supplies stopped flowing through the Baltic while gas transit via Ukraine saw a drastic reduction. The budget figures look bad while Mishustin's remarks did not look optimistic. Russia is unlikely to suffer a budget disaster this year, but matters could get worse if this tendency continues next year. ■

27 March 2023

## BAKHMUT: A RUSSIAN TRAP.

### PART 1

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**Many believed in mid-March the fate of Bakhmut was sealed, with the city doomed to fall. Yet after Ukrainian forces pulled out of the city's east and safeguarded supply lines south of Bakhmut, Russia is unlikely to capture it for a long time now. Moscow seems to have understood this and thus Russian forces reduced the intensity of their assaults as they move troops elsewhere.**



SOURCE: FACEBOOK

The battle of Bakhmut is now a political and military defeat for Russia-- at Moscow's request. The struggle for Bakhmut has become more of a matter of honor than a strategic objective for the Kremlin. It ended up in nothing, which corroborates the weakness of Russian military strategists. As reported in late March, the pace of operations slowed along critical sectors of the front in Bakhmut as those moved elsewhere. Much yet abruptly changed within a few days. The report said on March 9 and 10 that Russia eventually captured Bakhmut and entered the city. That turned out to be fake news. Ukrainian forces withdrew away from the eastern part of the city to reinforce positions at Bakhmut, with its defense line stretching at the Bakhmutka River. Meanwhile, Ukraine regrouped its forces

near Bakhmut-- consequently, airborne and National Guard troops gave way to special unit members. Before, mechanized brigades had been deployed to Bakhmut while those that are now nearby are military intelligence units, including those destined for street fighting. Kyiv seeks to keep Russian forces in Bakhmut as long as possible. Special unit members are not necessary for a Ukrainian counter-offensive yet they can halt Russian attacks in the war-ravaged town, at least for some time. Ukrainian forces launched a counter-attack to relieve pressure on the threatened H-32 supply route some 15 km west of the settlement of Chasiv Yar. Ukrainian troops set the pace for the battle of Bakhmut while the Russian military got caught in the trap in the strategically important city they had believed a few months before. ■



SOURCE: FACEBOOK

27 March 2023

## **BAKHMUT: A RUSSIAN TRAP.**

### **PART 2**

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**It has been seven months into the battle of Bakhmut, where Russian forces have suffered significant losses and made no progress. Yevgeny Prigozhin, the combative boss of Russia's Wagner private military group, had hoped seizing the Ukrainian city of Bakhmut would bring him a moment of glory but now believes his mercenaries are no longer capable of capturing Bakhmut. Perhaps this is where Russia is poised to suffer a heavy defeat in a Ukrainian counteroffensive campaign. But this is exactly what happens when military strategies give way to political calculations.**

Russian troops first attempted to recapture Bakhmut in early August but were pushed back. In January, the Russians captured the salt-mining town of Soledar just a few kilometers north of Bakhmut. This did not affect the battle of Bakhmut. On March 17, Oleksiy Danilov, the secretary of Ukraine's National Security and Defense Council, said that for Kyiv, Bakhmut remains "a very important fortress," and that military leaders favor continuing and further strengthening the defense of the city. Russian forces have steadily advanced, trying to encircle Bakhmut. The commander of Ukrainian ground forces, General Oleksandr Syrsky, says his forces will continue to resist. Russian forces depleted much of their personnel and resources near Bakhmut. Western intelligence estimates Russia's losses in the battles for the city of Bakhmut since last May at 20,000–30,000 soldiers, mostly Wagner Group mercenaries. The ratio is 1 to 3 killed in Bakhmut—or even more. Russia has lost at least five soldiers for every Ukrainian soldier killed in Bakhmut, according to Western intelligence agencies. Ukrainian and Russian forces have been fighting in the Bakhmut area since August 2022. Ukrainian forces outside the battered eastern city of Bakhmut are managing to keep Russian units at bay so ammunition, food, equipment, and medicine can be delivered

to defenders. Services are also managing to take the wounded out of the city. Ukrainian soldiers occupy some western districts of the city; they have destroyed major bridges at the Bakhmutka River that cross southwards through a strip of land up to 200–800 meters wide. Ukrainian troops prioritize the AZOM metallurgical plant in the northwest of the city. After a grueling months-long assault, Wagner Group mercenaries are not capable of crossing the Bakhmutka River. Instead, they give way to regular Russian troops. Wagner mercenaries lack the ability to make a tactical advance, thus they have launched an assault on towns north and northwest of the city—far easier to capture. Meanwhile, a major supply route runs south of the city, where Ukrainian forces launched a counter-offensive operation and secured communications lines with other regions of the country. A Ukrainian withdrawal from Bakhmut would not translate into a rapid Russian offensive. The second defense line goes along the Donets-Donbas channel. Heavy shelling of Bakhmut halted reinforcements to the southern front, or an area along the Dnieper River and then the Zaporizhzhia province, stretched latitudinally. Russia lacks both personnel and materiel. Ukrainian forces will more likely push towards Zaporizhzhia, where a major offensive might begin. ■

28 March 2023

## UKRAINIAN COUNTER-OFFENSIVE: POSSIBLE DIRECTIONS AND OBSTACLES

**Theoretically, Ukraine could set the stage for possible new offensives by both sides, but its forces are more likely to secure just one side instead, mostly to break through Russian lines of defense. Such a move could help Ukraine reap more territorial gains and reduce personnel losses.**



SOURCE: FACEBOOK

In an interview with a Japanese interview, Ukrainian President Volodymyr Zelensky said that Kyiv cannot start a counter-offensive against Moscow until Western allies send more military support. He also has appealed to the United States and European countries to ramp up their supply of ammunition. In addition, two months into unsuccessful offensive operations, Russian forces are sticking to a defensive plan. Forces near the front west of Bakhmut and further north also reported a notable decline in the intensity of Russian attacks. Donbas is where a brewing Ukrainian counter-offensive might begin. Nonetheless, with the region's numerous hills, canals, forests, rivers, and Russian fortifications nearby, that might be an uneasy task for Ukrainian soldiers. But perhaps that could be a Ukrainian strategy to mislead the Russians. Most likely, the offensive actions could start in Zaporizhzhia along the line stretching between the Dnieper River and Vuhledar, where flat terrains stretch for many

kilometers towards the Sea of Azov and Crimea and where Russian forces have fortified many settlements recently. Military experts, including Ukrainian generals and intelligence officers, seem to agree, which could yet be misleading. Modern reconnaissance capabilities, which include satellites, make it almost impossible to form a considerable military group unnoticeably. The only solution seems to fake military movements in several directions simultaneously, seeking to play out the whole situation so that the enemy believes Ukrainian forces are not ready yet. Zelensky, as for him, cited a lack of ammunition as the reason. Similarly, he addressed the European Council, quoting five delays in support, including those in sending fighter jets and long-range missiles, and saying all of them could extend the war in his country. If Kyiv waited for that, its counter-offensive would start only this fall. Now Ukraine is building up its forces for an offensive, poised to start in April, possibly. ■



SOURCE: LAVRA.UA

28 March 2023

## UKRAINE EXPELS PRO-RUSSIAN CLERGY FROM KYIV PECHERSK LAVRA

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Orthodox monks who had been ordered out of a monastery in Kyiv refused to leave as a deadline to vacate the complex expired back on March 29. Metropolitan Pavlo, an abbot of the monastery, said that the Ukrainian Orthodox Church (UOC) would not leave the site pending the outcome of a lawsuit to stop the eviction. Force will not be used to evict representatives of the UOC from the Pechersk Lavra in Kyiv, according to the Ukrainian authorities. But they have more tools-- as they can ban the church.



The site is owned by the Ukrainian government and operated by the culture ministry. Since the 1990s, it was a holy site of the Moscow-affiliated Orthodox church. This triggered protests from the autocephalous Orthodox Church of Ukraine. After Russia invaded Ukraine, the Ukrainian government has been cracking down on the UOC over its historic ties to the Russian Orthodox Church. Last November, the Security Service of Ukraine, also known as the SBU, conducted searches in various buildings of the Ukrainian Orthodox Church of Moscow Patriarchate, even though it had removed all mentions of the Moscow Patriarchate back in May. [Read our special report: Ukraine's Approach to Russian-Linked Orthodox Church] The Russian-controlled church's lease on a part of the Kyiv Pechersk Lavra – called the Upper Lavra – expired on January 1, and the Ukrainian government in late December decided not to extend the lease. Evicting monks from Ukraine's most important Orthodox site is a major blow to the Russian-linked church. In early December 2022,

a priest of the Ukraine-affiliated Orthodox Church of Ukraine stated that the historic monastery had become the church's site, saying historical justice was restored. On March 10, the culture ministry issued a statement saying monks from the UOC-MP must leave the Kyiv Pechersk Lavra, Ukraine's most important Orthodox monastery. It claimed the monks had violated some vague maintenance rules issued by state agencies, the National Security Council, and defense and culture ministries. The government has said they must leave the Kyiv Pechersk Lavra, but the monks say the order has no basis and plan to stay "as long as physically possible". "The only reason for the eviction from the Orthodox site is just a whim of culture ministry officials, a reminiscence of the Soviet rule in the 1960s," the UOC-MP said in a statement. The Russian Orthodox Church criticized the decision, calling it extremely unlawful. Representatives of the Moscow-linked Ukrainian Orthodox Church arrived at the Office of President Zelensky on March 20, but the president refused to meet them. ■

28 March 2023

## “IDEOLOGY OF CONSERVATISM”: PUTIN REPORTEDLY READIES FOR 2024 RE-ELECTION

**The Kremlin has started preparing for the 2024 presidential campaign based on the theme of conservative isolationist ideology, seeking to get a better score than in 2018.**



SOURCE: KREMLIN.RU

The Kremlin's domestic policy bloc believes Putin will seek re-election in 2024. One of the changes approved back in 2020 makes it possible for Putin to seek his fifth term as president. What might bar him from running for president is possible health issues. The Kremlin is willing to produce a better result in 2014 than back in 2018. Back then, Putin got 76.7 percent of the vote, with a turnout of 67.5 percent. Russian Kremlin-aligned media RBK cited sources in the Kremlin, saying that the Russian regime is willing to improve voter turnout, too. Addressing the Federal Assembly, Vladimir Putin said Russia's next presidential election was scheduled for the spring of 2024. He did not say whether he had decided to run for re-election, though. It remains unknown whether residents of Russian-controlled regions of Ukraine would also have to cast a ballot. This fall's regional elections across some regions, including the Ukrainian territories

Russia claims to have annexed, are expected to serve as a "testing ground" for next year's ballot. Members of the Putin administration's political bloc have developed preliminary "ideological narratives" to promote during the president's upcoming bid. According to the independent news website Meduza, at the event, subordinates of Kremlin domestic policy official Sergey Kiriyenko outlined the basic campaign messaging to other Kremlin employees, regional officials, and political strategists. The event's organizers reportedly said that Putin's campaign would be built around an "ideology of conservatism," with the president casting himself as a "guardian of traditional values." The Kremlin plans to use rhetoric that emphasizes Russia's "moral superiority" over other countries. The 2024 campaign will be reportedly based on the "conservative ideology." Russia's political strategists started working on a "conservative

isolationist ideology” for Putin’s 2024 campaign before Russia launched its full-scale invasion of Ukraine. Kremlin spin doctors intended to paint a picture of Russia as a “self-contained state” that preserves tradition—unlike morally liberal Western states—and has relatively little interaction with the outside world. Such

ideological narratives have been visible in Putin’s address to the Federal Assembly in late February—a somewhat preliminary display of the re-election agenda. One of the campaign’s “ideological foundations” will come from the findings of “Russia’s DNA,” which is how Putin explained his country’s “global uniqueness.” ■

28 March 2023

## RUSSIAN OIL REVENUES AND EXPORTS FALL AMID SANCTIONS

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February crude oil and product exports averaged 7.5 million barrels a day, the lowest since September 2022 and a drop by 0.5 million bpd from January 2023. The flow of money into the country from international oil sales fell to \$11.6 billion in February, down 43 percent from a year earlier and down \$2.7 billion from January 2023.

SOURCE: WWW.LUKOIL.COM



Those that were hit most were Russian oil exports to Europe. Before the invasion in 2022, EU states secured 4 million bpd compared to only 580,000 bpd in February 2023, a whopping decline from January this year. In February, Russia sent 70 percent of its total oil exports to China and India. Russian oil now accounts for 40 percent and 20 percent of total crude imported by India and China, respectively. Despite sanctions, Moscow has seen shrinking fossil fuel revenues to support its federal budget and war effort since last summer. According to the IAE, Russia earned \$20.3 billion in January 2022, \$20.5 billion in February 2022, \$22.1 billion in March 2022, \$20.7 billion in April 2022, \$21.1 billion in May 2022, \$21.6 billion in June 2022, \$19 billion in July 2022, \$18 billion in August 2022, \$15.7 billion in September 2022, \$17.5 billion in October 2022, \$15.9 billion in November 2022, \$13.3 billion in December, \$14.3 billion in January 2023, and \$11.6 billion in February 2023. Unsurprisingly, Russia will continue a 500,000 barrels per day oil production cut until the end of June. Russian Deputy Prime Minister Alexander Novak said

the move was targeted at reducing discounts on Russian oil and ensuring stable supplies. Russia is no longer capable of maintaining its level of sales from a year ago amid Western sanctions. According to the International Energy Agency (IEA), Russia's total output of oil and petroleum products in 2023 averaged 10.4 million barrels per day (bpd), a drop by 0.74 million bpd year-on-year. Seaborne oil product exports have been hit by sanctions as their journey takes far longer-- around 50-60 days, according to the Russian energy deputy minister. The lengthy oversea shipment contributes to higher delivery prices. The European Union's ban on Russian oil product exports, which entered into force on February 5, 2023, was also a hit to Russian exports last month. Consequently, Russia has diverted its energy export supplies to Africa and Asia. Seaborne Russian oil exports averaged 2.13 million bpd, down 21 percent from January (2.7 million bpd) and 24 percent from Russia's average export levels before the full-scale invasion of Ukraine. The largest impact has been felt in the diesel and fuel oil markets. ■

29 March 2023

## SCHWEDT REFINERY REMAINS WITHIN GERMANY'S GOVERNMENT'S MANDATE

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**Germany's Federal Administrative Court threw out a case brought by Russian oil company Rosneft against Berlin's move to place its German subsidiaries under trusteeship and take control of the Schwedt refinery. The German government seized control of Rosneft Deutschland and RN Refining & Marketing last September. Both had a controlling stake in a refinery in Schwedt in eastern Germany.**



SOURCE: WWW.PCK.DE

Rosneft holds a 54.17 percent stake in the refinery, while Shell Deutschland, a subsidiary of Royal Dutch Shell holds a 37.5 percent stake with the remaining 8.33 percent stake held by Italy's Eni. Schwedt has traditionally supplied 90 percent of the gasoline, diesel, jet fuel, and fuel oil used in Germany's capital city. It also accounts for 12 percent of Germany's total oil refining capacity. Under the law, the German government put Rosneft's German unit under the trusteeship of the industry regulator to counter the threat to the security of the energy supply. Germany has taken control of Russian oil giant Rosneft's stakes refineries to safeguard the country's fuel supplies amid EU sanctions against Moscow, according to the country's economy ministry. A former Rosneft executive told a court hearing that the company struggled with some banking and insurance issues in March 2022, shortly after Russia invaded Ukraine. The situation went back to normal last summer, he added. Germany's Economy Minister Robert Habeck welcomed the court ruling and said it plans

to extend the trusteeship for the Rosneft subsidiaries for another six months as the trusteeship expired on March 15. According to Germany, Poland could possibly deliver oil via the oil port in Gdańsk to the German Schwedt Refinery (PCK), but the Polish side made a condition that Rosneft would be expropriated by Germany before deliveries would start, and this has not happened. The German government has passed a draft amendment to the law providing for selling assets under trust. In practice, the current law bans such transactions while its amended version provides for such an option to safeguard the country's energy security. The amended law will be voted on by Bundestag in April and Bundesrat in May. German crude oil imports from Russia dropped 99.9 percent in January 2023 compared to January 2022 due to the EU's embargo on Russian oil. About 3,500 tons of Russian crude oil were imported to Germany in January, according to the Federal Statistical Office. Russia's share fell to 0.1 percent in January 2023 from 36.5 percent a year earlier. ■



SOURCE: NOVATEK.RU

29 March 2023

## **RUSSIA DELIVERS MORE LNG SUPPLIES TO EUROPE**

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**European Commissioner for Energy Kadri Simson has proposed further reducing demand for the bloc along with a plan to completely phase out Russian LNG supply to Europe, saying companies should not renew long-term contracts once current ones end.**

**T**he continent procured 20 billion cubic meters (bcm) of Russian LNG last year, which accounted for 15 percent of the bloc's total LNG imports. Europe became a major

destination for Russian LNG exports in 2022, accounting for 73 percent of total exports compared to 65 percent a year before. A rise in LNG imports was recorded despite Russia's

invasion of Ukraine and EU sanctions. Russian liquefied natural gas is delivered to Europe from the Novatek-controlled Yamal LNG in Russia's Far North. The facility has an annual capacity of 17.4 million tons. Russia's Gazprom delivers gas to Europe from its Baltic terminal of Portovaya that has an annual capacity of 1.5 million tons. In 2022, most of these supplies were delivered to France (5.4 million tons), Belgium (2.1 million tons), the Netherlands (1.8 million tons), and Spain (3.8 million tons). A Belgian gas operator continues offering LNG transshipments services at its Zeebrugge terminal for cargoes from the Novatek-operated Yamal LNG facility in northern Russia. The arrangement allows for Russia's specialized ice-breaker LNG carriers to transfer Yamal LNG volumes at Zeebrugge

onto conventional LNG vessels to allow regular onward shipments to Asia-Pacific and Middle Eastern markets—even in the winter when the route via the Arctic Ocean is frozen. Russian LNG exports rose by 10 percent last year, the International Energy Agency reported. Some 43 percent of Russian liquefied natural gas was shipped to EU states. Most EU states have either slashed or phased out Russian LNG resources. However, Spain's imports of Russian liquefied natural gas have soared 190 percent between January 2022 and January 2023. In addition, Russian gas went from making up 5.8 percent of total imports in Spain to 19.2 percent this year. Russia is now Spain's fourth-biggest natural gas supplier—after Algeria, the United States, and Nigeria. ■

30 March 2023

## HOW LONG WILL RUSSIA-UKRAINE WAR LAST?

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**Russia is ready to continue the war in Ukraine for another two years, the chief of Ukraine's military intelligence said, adding sanctions could make put an end to the war earlier than expected. A similar forecast had been delivered by Lithuania's military intelligence outlet.**

Vadym Skibitsky, Ukraine's deputy intelligence chief, said Russia could wage a conventional war until 2023 and possibly further into 2024. "If the sanctions are followed, then the enemy will have more modest resources to continue the way," he added. Russia is struggling to replenish its stockpiles of missiles and is rushing both Soviet-era and new

munitions from the production line into use in the war. According to the Ukrainian military intelligence agency, Russia is also struggling to manufacture new weapons as it lacks foreign components, while weapons Moscow imports from Iran, Belarus, or China are of little help to Russian forces. Ukraine estimates that Russia has had some 200 Iranian-made

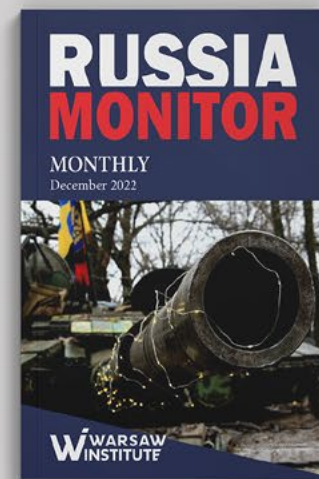
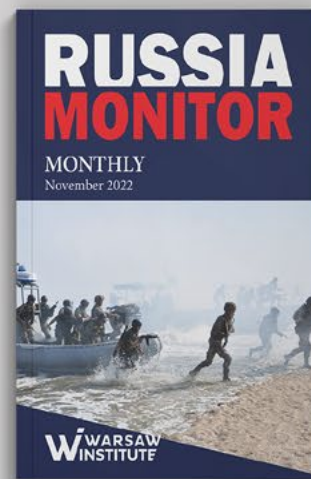
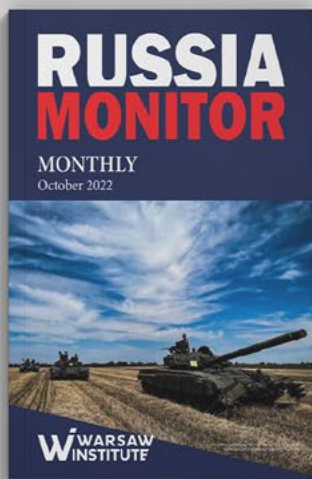
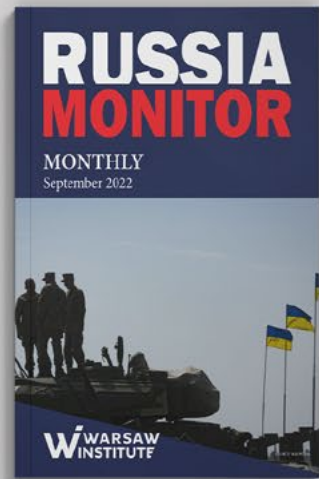
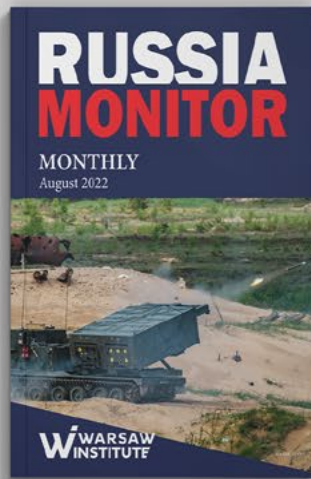
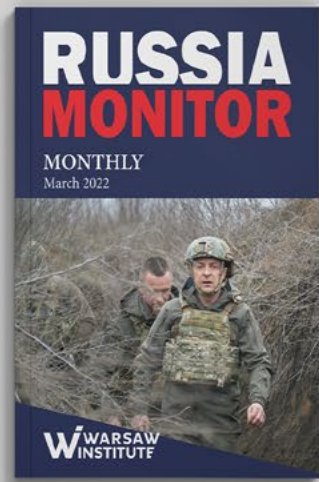
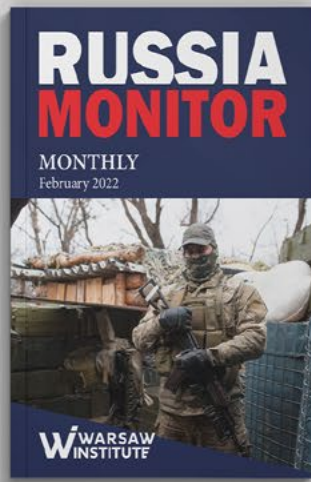


SOURCE: KREMLIN.RU

Shahed drones so far in the war it received in 2022 and 2023. But the Russians are reducing the number of drone attacks, which means they are facing some shortages. In an annual security threat assessment, Colonel Elegijus Paulavičius, director of the Second Investigation Department under the Lithuanian Defense Ministry, agreed that the resources available to Russia today would be sufficient to wage a war of the same intensity for another two years. The official added that Russia would

have enough resources including military equipment, weapons, and munitions. He also stated that whether Putin can wage his war against Ukraine depends on whether it looks to countries such as Iran or North Korea for weapons and munitions to fuel the war. The Ukrainian military intelligence agency takes a different view, though. Its officials claim military support to Russia--also if increased--is insufficient for Russia to carry on with its invasion of Ukraine. ■





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