## RUSSIA MONITOR

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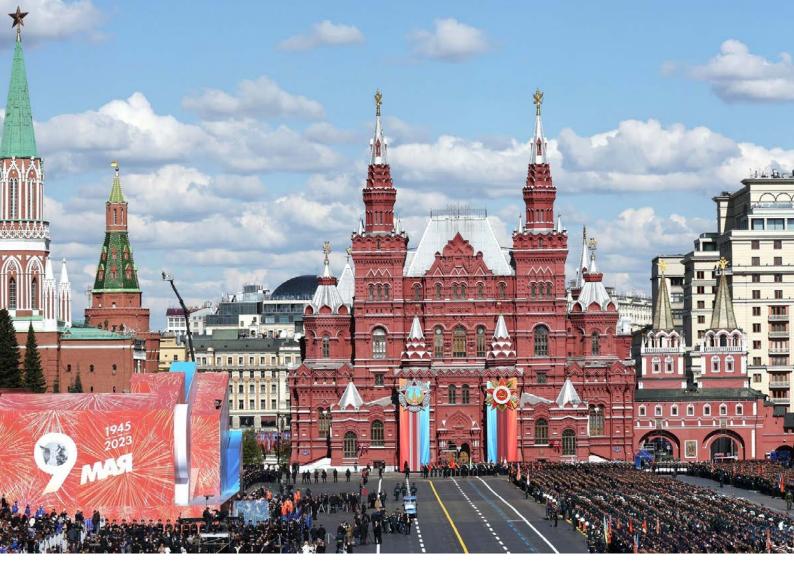


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**SOURCE: KREMLIN.RU** 

#### 9 May 2023

#### VICTORY DAY (?) IN RUSSIA

Russia has seen the most scaled-back annual holiday marking the defeat of Nazi Germany in at least fifteen years. Many Victory Day events across the country were canceled or pared back because of security concerns and fears of Ukrainian strikes, and the annual military parade in Moscow was surprisingly modest. Moscow has felt bitterly disappointed with its lack of military success in Ukraine while fearing a looming Ukrainian assault.

I fit had not been for Russia, one would have turned a blind eye to a scaled-back public holiday. But it is not about the regime that is now waging its biggest war since 1945. Russia's scaled-down Victory Day military parade highlighted the country's depleted resources

amid the Kremlin's aggression of Ukraine. The event, unusually, was twice as short as earlier and there was no fly-over of military jets. Perhaps the parade did not have any aviation for security concerns—on May 3, a drone incident occurred near the Kremlin, sparking

a wave of fear in Russia. The parade marking the Soviet triumph over Nazi Germany this year was shorter and pared back from usual. Only 8,000 troops marched in Red Square this year. The slimmed-down parade showed just a few pieces of military hardware. No tanks, armored vehicles, self-propelled howitzers, or artillery rolled across Red Square this year. The parade saw Yars, S-400, and Iskander-M missile systems pass through the Red Square, but there was not enough. Russia showed its citizens and the whole world that despite being one of the world's top three military powers, it

is not capable of providing a sufficient amount of military hardware for propaganda reasons while being at war with a far weaker enemy, at least theoretically. It was hardly Victory Day for Russia. Comparing the war that Russia is now waging against Ukraine and the West to the Russian defeat of Nazi Germany, Putin sought to convince the world he would defeat Zelensky just as Stalin defeated Hitler back in 1945. The parade, which lacked the display of armor this year, could hardly convince anyone Russia was poised to win its war in Ukraine.

#### 15 May 2023

### UKRAINE HAILS OFFENSIVE SUCCESS NEAR BAKHMUT

After a months-long defensive operation, Ukraine launched an operation to retake Bakhmut— much to a surprise to Russian forces that believed to seize the eastern Ukrainian city within days. Bakhmut had been in a Russian grip from the north and south while Ukrainian forces tried to repel the enemy in the west, with just one supply line. The recent attack again took the Russians by surprise.

Wraine on May 11 began a series of local counterattacks, targeting Russian positions between Bohdanivka and Berkhivka northwest of Bakhmut. Russian milbloggers back then reported the beginning of a much-awaited Ukrainian counteroffensive. Russian Ministry of Defense spokesman Igor Konashenkov on May 12 informed that troops in one area had fallen back to regroup in more favorable positions near the Berkhivka reservoir northwest of Bakhmut. Konashenkov

said Ukraine had launched an assault north of Bakhmut with more than 1,000 troops and up to 40 tanks. Ukrainian troops had advanced the day before in the Soledar direction "along the entire line of contact" with a length of more than 95 kilometers. As of May 13, Ukrainian forces had retaken some seventeen square kilometers of Russian-held territory. Ukrainian troops were gradually making advances in two directions on the outskirts of Bakhmut, seeking to surround the enemy from the north and



SOURCE: FACEBOOK

south. On May 14 Ukrainian forces captured more than ten enemy positions in the north and south of Bakhmut and cleared a large area of forest near Ivanivske. Ukrainian troops also managed to repel Russia's 72nd Separate Motorrifle Brigade that had abandoned positions on the southwestern outskirts of Bakhmut. "The advance of our troops along the Bakhmut direction is the first success of offensive actions in the defense of Bakhmut," Colonel General Oleksandr Syrskyi, Commander of Ground Forces, said in a statement posted in the morning of May 15. The first three days

of the Ukrainian counterattack near Bakhmut produced the biggest gains for Ukraine in six months. There also are reports of Ukrainian advances to the south, suggesting a coordinated push by Kyiv to encircle Russian forces and Wagner Group mercenaries in Bakhmut and Soledar. Effective offensive moves both north and south of Bakhmut could mean the beginning of a large offensive. A new Ukrainian counterattack forces Russia to call more troops from elsewhere along the front, where an offensive is poised to take place.



**SOURCE: @GENERALSTAFFUA / TWITTER** 

15 May 2023

# KYIV IS PLAYING INFORMATION GAME AS ITS COUNTEROFFENSIVE IS DRAWING NEAR

Ukraine's highly anticipated spring offensive appears imminent, according to several indicators from the battlefield, as Ukrainian forces are boldly striking Russian targets including Moscow's logistics and facilities. Ukraine has launched an assault near Bakhmut. However, Kyiv has not announced the beginning of its operation and thus Russian troops have no clue when and where to expect a new strike.

etween May 11 and 15, Ukrainian forces retook some twenty square kilometers of Russian-occupied territory north and south of Bakhmut. Zelensky's adviser Mykhailo Podolyak on May 14 said recent gains in Bakhmut were a prelude to a counteroffensive. Asked when the offensive might happen, he replied: "There are a lot of operations, some of them already underway." Podolyak also reported intense shelling around the rear of the Russian army and slight advances of Ukrainian forces in different areas in Donetsk province. Ukrainian forces have deployed Storm Shadow air-toground missiles that Kyiv had received from the United Kingdom, which allow Kyiv to target Russian troops far beyond the front line. The Storm Shadow cruise missile has a range of over 250km. More than 150,000 Russian troops are currently stationed in temporarily occupied territories in southern Ukraine, in Zaporizhzhia and Kherson oblasts, preparing to defend their positions against the expected Ukrainian counteroffensive, according to Andrii

Cherniak, spokesman for Ukraine's Defense Intelligence (HUR). As fighting intensifies before an expected Ukrainian counteroffensive, Russian officials in some occupied areas are ordering residents to leave. Russian forces have dispersed their posts in southern Ukraine, completely unaware of the direction where Ukraine could strike. Ukraine is getting on Moscow's nerves as Russian forces have for weeks awaited an enemy strike. A series of local strikes along the front was thus enough to wreak panic in Russian news outlets and milbloggers who claimed the offensive to have started. Clearly, Kyiv is playing a psychological game with Moscow. Recent reports from the authorities in Kyiv claimed that the army was not ready yet. In an interview with BBC, President Volodymyr Zelensky said that Ukraine needs more time to begin a planned counteroffensive because its allies have not yet delivered enough weapons. Perhaps Ukraine's moves were designed to lead Russia astray. A strike might occur at any moment.

16 May 2023

### RUSSIAN SEABORNE OIL EXPORTS HIT RECORD HIGH

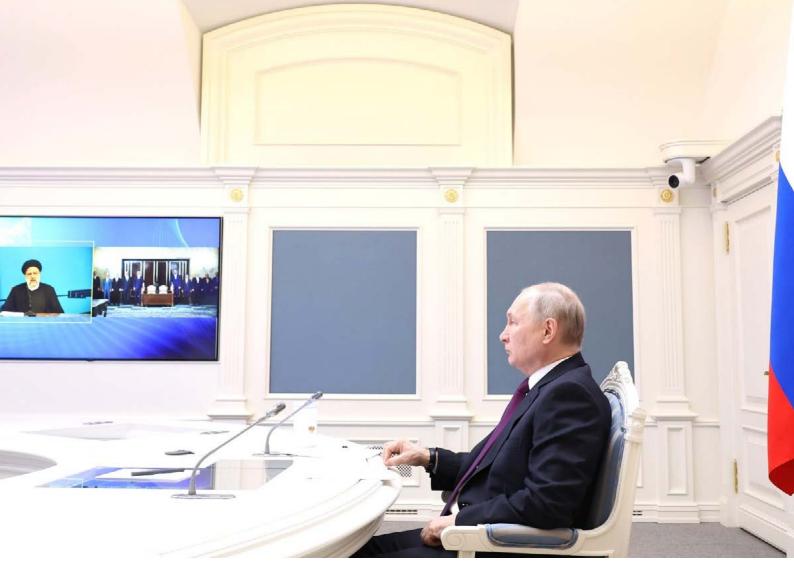
Russian seaborne oil product exports rebounded to the highest level since the start of its war with Ukraine, before it invaded Ukraine, despite Western sanctions. The shipping data shows that Russian product exports headed to India and China surged. India makes money from processing cheap Russian oil in its refineries before reselling it to Europe. Indian oil is increasingly used to produce diesel and aviation fuel.



**SOURCE: ROSNEFT.RU** 

Moscow's seaborne exports of crude oil rose by 10 percent since April. In just four weeks to May 12, Russian oil on water hit a record high of 3.61 million barrels per day (bpd). That means an increase from 3.55 million bpd between April 7 and May 5. Russia's oil exports continue to surge despite Moscow's plans to cut its oil production by 500,000 bpd by the end of 2023. Consequently, many analysts doubt whether it might actually happen. Oil exports from Russian ports flow to China, India, or unknown destinations across Asia, perhaps refineries in China, India, or Turkey. Moscow thus has been able to circumvent the restrictions, a headache for the countries

behind the sanctions led by the European Union. Josep Borrell, the European Union's foreign policy chief, said the European Union should crack down on India reselling Russian oil into Europe as refined fuel. However, it is a challenging task politically and technically. The price of Russian oil has surged so the rise lifted Russia's estimated revenue from oil exports. The price of Russia's flagship Urals crude oil blend in April was \$58.63 per barrel, down 23 percent from March and close to a \$60 price cap agreed by G7 countries to curb Russian revenue from oil exports. The difference in the price of Urals and Brent crude is thus shrinking..



SOURCE: KREMLIN.RU

17 May 2023

#### RUSSIA, IRAN CONTINUE MILITARY AND ECONOMIC RAPPROCHEMENT

Seeing the United States as its common foe, Tehran and Moscow have embarked on deepening cooperation amid massive Western sanctions. Iran supports Russia's invasion of Ukraine while Moscow is helping Tehran in the Middle East. This is confirmed by recent meetings between top Russian and Iranian officials.

n May 13, Iranian news outlets reported that the country's military would soon receive its first batch of Russian Su-35 fighter jets. The U.S. on May 15 cited Moscow's desire to acquire more military drones. Russia has already used more than 400 Shahed drones in Ukraine since August 2022. Although the Russian-made Su-35 fighters are not perfect, acquiring them could help Iran project its military power throughout the region, also to support Syria's al-Assad. In 2015 the authorities in Tehran asked Moscow to get involved in Syria's civil war and help the country's dictator by performing air strikes on his enemies. Importantly, this plea for help was crucial as back then Iran was unable to provide Damascus with the support it needed. Now it can change. Iran could de facto push Russian forces out of Syria by offering air support to al-Assad, also in case of an offensive on the last rebel-held enclave of Idlib. Heavily involved in Ukraine, Moscow is scaling back its military presence in Syria. A sign of a military rapprochement between Russia and Iran is a visit that the

commander of the Russian Navy paid to Tehran between May 15 and 16. Admiral Nikolai Yevmenov, commander-in-chief of the Russian Navy, also traveled to Iran to meet Rear Admiral Shahram Irani, the commander of the Iranian Navy. The two held talks just two months after Iran, Russia, and China had conducted a fourday naval drill in the Gulf of Oman. In Tehran, the admirals called for new military agreements between their countries. On the same day, Russian Deputy Prime Minister Alexander Novak met Iran's defense minister, in charge of the country's energy issues, in Tehran. The Russian official attended a ceremony overseen, via a video link, by the presidents of Russia and Iran. Russia and Iran on May 17 signed a deal to finance and build a €1.6 billion Iranian railway line as part of an international Rasht-Astararailway. Russia will provide Iran with €1.3 billion worth of loans. The North-South transport artery, of which the Rasht-Astara railway will become a part, will help connect Russia with Iranian ports in the Indian Ocean and the Gulf.

17 May 2023

#### RUSSIA IS BRACING FOR UKRAINIAN COUNTEROFFENSIVE

Ukraine's effective counterattacks near Bakhmut have shrouded Russian forces in confusion. That might mean a Ukrainian counteroffensive is drawing near. Perhaps Ukrainian troops are seeking to distract Russian attention as the authorities in Moscow have no clue where or when a Ukrainian assault might happen. Despite that, the Kremlin is making continuous efforts to thwart a Ukrainian success.



**SOURCE: STRUCTURE.MIL.RU** 

spokesman for the Ukrainian Eastern Group of Forces on May 18 stated that Ukrainian forces advanced up to 500 meters in the Bakhmut direction. Russia is bracing for Ukraine's anticipated counteroffensive. That is why its forces have been digging extensive, layered fortifications. They are also building up tactical offensive operations near Bakhmut. After Ukraine launched a series of successful counterattacks, Russia deployed some extra units of airborne troops from other sections of the front line. Consequently, Russian forces are weakened in some areas where a major Ukrainian strike might happen. Unaware of the direction of the Ukrainian assault, Russia has no choice but to resort to other methods

to slow down a counterattack. Russia has intensified its strikes on the country recently, perhaps seeking to weaken the Ukrainian air defenses. Russian aerial attacks target command and control centers in Kyiv and other major facilities. Ukrainian air defense systems are capable of downing Russian hypersonic Kinzhal missiles, demonstrating Ukraine's growing capabilities in this respect. Awaiting a Ukrainian counteroffensive, Russia is deploying its Belarus-trained troops to the war theater. Furthermore, Russian forces have increased heavy shelling, rocket fire, and missile strikes alongside attempted advances in several border regions of Ukraine, including the provinces of Kharkiv, Chernihiv, and Sumy.



SOURCE: @LEGION\_SVOBODA / TWITTER

23 May 2023

#### ANTI-PUTIN RUSSIANS LAUNCH CROSS-BORDER ATTACK ON BELGOROD

Anti-Putin militia entered the western Russian region of Belgorod not to seize Russian territory or dismantle Russian forces. The aim was to exert psychological pressure on Russia in four aspects. First, that was to show that the regime was incapable of protecting its territory while continuing an assault on Ukraine. Secondly, it was a reminder that among the Russians some oppose Putin and his regime. Third, it was designed to deflect Moscow's attention from the front line where a Ukrainian counteroffensive is drawing near. Last but not least, the incursion sought to cover claims that the eastern city of Bakhmut was under Russian control after months of heavy battle.

n the afternoon of May 23, Russian forces ■ were still fighting for control of parts of the border region of Belgorod. The anti-Putin militia Freedom of Russia Legion claims to have overrun a village in Russia's border region of Belgorod, where fighting has flared up. The Russian defense ministry on May 23 claimed it had killed 70 intruders and repelled many others. Casualties are notoriously difficult to estimate in wartime conditions. The Russian report did not give any indication of casualties. A video posted to social media showed a Russian border guard who had been killed. Four armored combat vehicles and five pickup trucks used by the attackers were destroyed. Kremlin spokesman Dmitry Peskov said that Russia's war with Ukraine was required to "prevent such attacks in the future." Russian facilities are being hit in drone attacks. Separate attacks on houses and administrative buildings that sheltered local branches of the FSB and the interior ministry were damaged in two towns in the region, Borisovka and Graivoron. Some residents have fled their homes, but there was no mass evacuation in the area. The incursion occurred on the morning of May 22. Initially, the region came under fire from a sabotage group that had penetrated the area from Ukraine. A few hours later, local authorities confirmed that such a group has incurred into Russian territory. The incursion into Russian territory may be the biggest since the Kremlin launched its war against Ukraine--an attack that surprised both the Russian government and its propaganda machine. The incursion began at 9 am when Belgorod residents started to report explosions in many parts of the region. The city's anti-aircraft defense system has been activated while some missiles or their debris hit homes. Shelling damaged an administrative

building and a kindergarten. Five hours later, the governor of Belgorod raised an alarm with the Kremlin, saying a Ukrainian "sabotage group" had entered Russian territory in the Graivoron district. Later that day, he said he was carrying out a counterterrorism operation. For the period of the counter-terror operation, "various measures and restrictions have been introduced, from individuals' identity checks to the suspension of the operation of hazardous production facilities and organizations using explosive, radioactive, chemical and biologically dangerous substances." Reports tend to vary, as some claim the group did not penetrate Graivoron while fighting occurred in villages between the town and the border crossing. The town of Graivoron came under mortar and rocket fire. It was not reported how big the sabotage group was. According to some Russian Telegram channels, it might include between 80 and 100 people. Kyiv denied any direct involvement by the Ukrainian Armed Forces. Ukrainian presidential adviser Mykhailo Podolyak said Kyiv had nothing to do with an armed operation in Russia's Belgorod region. He portrayed the incident as an uprising against the Kremlin by Russian partisans. The attack was, however, designed by the Ukrainian military to mislead the Russians, cause panic, and provoke Russian forces to launch a combat assault. The incursion into Russian territory may be the biggest since the Kremlin launched its war against Ukraine. It might have been designed to discredit the Kremlin, incapable of ensuring the security of its citizens. The incursion was surprising to the Kremlin, the military, and the state propaganda machine which had no clue how to cover the events near Belgorod.



**SOURCE: AL-MONITOR.COM** 

28 May 2023

#### U.S. SANCTIONS WAGNER CHIEF IN MALI

The U.S. has made efforts to curb what it says are Wagner's destabilizing activities. Washington accused the Russian private army of trying to obscure its efforts to acquire military equipment for use in Ukraine.

The U.S. Department of State said the Russian mercenary group Wagner is trying to obscure its efforts to buy military equipment from foreign nations for use in Ukraine. Wagner is seeking to transit the foreign equipment to Russia via Mali. The United States does not yet have information on where Wagner has made an effort to purchase foreign military equipment. The U.S. Treasury Department said in a statement it imposed sanctions on Ivan Maslov, Wagner's chief in Mali. Washington has

ramped up sanctions against the private army and its activities in Sudan. Most recently in Sudan, the Wagner Group has been supplying Sudan's Rapid Support Forces with surface-to-air missiles to fight against Sudan's army, contributing to a prolonged armed conflict between the group and the country's army loyal to its chief General Abdel Fattah al-Burhan. Al-Burhan has one clear advantage in the air as the Sudanese air force is loyal to the junta chief. Consequently, the Sudanese army is

carrying out air strikes to hit forces loyal to RSF chief Gen. Mohamed Hamdan Dagalo. The Russian mercenary group Wagner has been supplying Sudan's Rapid Support Forces (RSF), via Libya, with missiles to aid their fight against the country's regular army. Russia initially backed the Sudanese military junta but is now teaming up with Dagalo. The reason might be his involvement in gold smuggling outside Sudan, in cahoots with Wagner Group founder Yevgeny Prigozhin. A Russian scheme with the

Sudanese military allowed Moscow to plunder billions of dollars in gold. Although Dagalo hugely benefitted from Sudan's gold exports, the country saw constant losses. A likely reason behind Sudan's civil war might have been a Russian fear to see al-Burhan put an end to the Russian gold smuggling. According to some, the U.S. might have offered a better deal to the Sudanese junta chief provided that the leader ordered Russia out of the country and thus get rid of RSF leader Gen. Dagalo, his arch enemy.

#### 30 May 2023

#### RUSSIA'S TATNEFT DISCOVERS NEW OIL FIELD IN LIBYA

Russian oil firm Tatneft and National Oil Corporation (NOC) of Libya said they had successfully drilled a well on an oil block of Libya's Ghadames Basin, some 330 kilometers south of Tripoli. This might be a step towards restoring Russian oil production in a divided African country although oil firms are unlikely to get involved to the same extent as before the fall of Gaddafi.

**SOURCE: NOC.LY** 



The achieved flow rate is estimated at some ▲ 1,900 barrels of oil per day. Tatneft is the operator of the contract area with a 10.5 percent interest while the NOC holds the remaining 89.5 percent stake. The Russian oil firm suspended exploration activities in Libya after the civil war broke out in 2014 and lasted until 2020. Although the conflict has been frozen, Libya's security situation is likely to remain unstable. Tatneft relaunched operations in Libya in late 2021. Likewise, Gazprom suspended all exploration operations in the African country in 2011 as Libya's longtime dictator Muammar Gaddafi was toppled in a NATO-backed uprising. The discovery of the oil field may be a starting point for the Libyan company and its plans. NOC hopes to increase oil production to over 2 million barrels per day from 1.2 million barrels

per day now. Meeting this target is unlikely and increasing oil production in Libya will require significant construction, rehabilitation, and other development of infrastructure, according to Al-Monitor. One key reason behind the Wagner Group's presence in the country is that it controls Haftar's oil-rich areas. Russian mercenaries backed the Libyan National Army commander and the Tobruk-based House of Representatives. Inserting Turkey into the Libyan civil war prevented Haftar's forces from emerging victorious from the conflict. Libya is divided into two rival executives: Haftar and the Tobruk-based parliament in the east and south and the Libyan government in the west. Moscow is seeking to pursue good relations with both.

#### 31 May 2023

#### RUSSIAN CRACKDOWN ON CRIMEAN TATAR ACTIVISTS CONTINUE

Crimean Tatar activists are being sentenced to long prison terms after being detained, moved to Russia, and tried by military courts in Russia. A court in Russia's southwestern city of Rostov-on-Don has sentenced four Crimean Tatar activists to prison sentences ranging from 12 to 17 years for organizing and participating in the activities of the Islamic political organization Hizb ut-Tahrir.

Rustem Murasov, Rustem Tairov, Dzhebbar Bekirov, and Zaur Abdullayev were sentenced for preparing for the seizure of power. Bekirov received a 17-year prison

sentence for his work with Hizb ut-Tahrir while the other three received 12 years each on the same charges, according to the Crimean Solidarity group. All four will spend the first



**SOURCE: FACEBOOK** 

four years of their sentences in prison and the remainder in a maximum-security penal colony. All four were detained in August 2021 in Russian-controlled Crimea after their homes were searched. The sentences were announced shortly after the same court sentenced Crimean Tatar activist Ernes Seytosmanov to 18 years in prison on terrorism charges for his involvement in the Hizb ut-Tahrir movement. Islamic political organization Hizb ut-Tahrir has been banned by Russia as a terrorist organization since 2003 but remains legal in many countries across the globe. The true reason behind persecutions is the anti-Russian and pro-Ukrainian stance of Crimean Tatars. Since Russia illegally seized Crimea in 2014, Russian authorities have prosecuted dozens of Crimean Tatars on various, mostly trumped, charges. Crimean Tatar activists are usually detained on terrorism charges only for reading religious literature. More than 300 people are currently serving sentences or are awaiting trial, according to Radio Liberty. Human rights groups worldwide recognize them all as political prisoners. Crimean Tatars believed they are being persecuted solely for public actions against Russia's illegal annexation of Crimea. They were vocal critics of the events of 2014. Crimea-based Ukrainian resistance movement can count on the solid support of the Tatar community.



**SOURCE: GOV.PL** 

31 May 2023

#### UKRAINE TELLS CHINESE ENVOY THERE WILL BE NO CONCESSIONS

All signs are that Chinese peace efforts—officially aimed at stopping the bloodshed in Ukraine—are just part of the Chinese war strategy. China does not want Russia to lose nor does it seek to mount further tensions. Instead, the authorities in Beijing are exploring the attitude of the West and to what extent its states are united in backing Ukraine. Consequently, Beijing could draw tangible conclusions that matter for its plans to conquer Taiwan.

↑ hina's special envoy for Eurasian affairs Li Hui during his visit to Europe called for a ceasefire--a peace formula that Beijing submitted some time ago-- which would hand Moscow control over Russian-occupied Ukrainian lands. Western officials question China's ability to serve as an effective mediator in ending the war given its close ties to Russia, according to the Wall Street Journal. Li Hui met with officials in Ukraine, Poland, France, Germany, and Brussels. He made his final stop in Moscow. All the diplomats asked Li for three things for China to continue pressuring Russia not to use nuclear weapons, not to provide weapons to Russia, and to condemn Russia's full-scale invasion, the Wall Street Journal reported. For Kyiv and its Western allies, China is not a credible mediator due to its close links to Moscow and a common enemy--the United States. Not incidentally, the Chinese envoy in the past served as Beijing's ambassador to Russia for a decade. His idea of an immediate

ceasefire from Ukraine only corroborates that claim and Chinese authorities seem well aware of that. Hui's six-leg trip to European states was designed to explore to what extent Western states are united and determined to support Ukraine. In Kyiv, the Chinese envoy met Andriy Yermak, chief of staff to Ukraine President Volodymyr Zelensky. The Ukrainian official was later quoted as saying that Ukraine rejected all calls for territorial concessions and Normandy-like mediation talks. Mykhailo Podolyak, the adviser to the head of the presidential office, said that any compromise scenario is tantamount to recognizing the defeat of democracy and Russia's victory. In Kyiv, Li Hui held talks with the chief Ukrainian diplomat while in Poland, Germany, and France, he was received by deputy foreign ministers. In his meeting with Li, Kuleba emphasized that Ukraine does not accept any proposals that would involve the loss of its territories or the freezing of the conflict.

#### 31 May 2023

## UKRAINE BOLSTERS DEFENSES ALONG NORTHERN FRONT

Amid rumors about Alexander Lukashenko's health issues and possible tensions on military aid for Russia that are running high between Minsk and Moscow, Ukraine could no longer fear a Russian assault from the north. In addition, Kyiv has bolstered defenses along the country's border with Belarus.

What krainian forces have been securing the country's northern border with minefields and trenches. Serhiy Nayev, commander of Ukraine's Joint Forces, believes that Russian troops are not ready to launch

any offensive operation in the north, due to Ukrainian fortifications and a small number of Russian troops in Belarus, where they are trained. The authorities in Kyiv do not consider Belarusian troops a direct threat. Ukraine's



SOURCE: FACEBOOK

chief intelligence officer, Kyrylo Budanov, said Ukraine held secret negotiations with Lukashenko to prevent Belarus from being dragged into this war. It was a long time ago since Russia last shelled Ukraine from the territory of Belarus. Yevhen Shevchenko, a former member of the ruling parliamentary Servant of the People party and a friend of Lukashenko, was used as an agent due to his connections with Minsk. Although Belarusian forces did not back Russian troops in Moscow's invasion of Ukraine, Lukashenko made his country a staging ground for Russian soldiers. In late February 2022, Russian forces, which

were stationed in Belarus, prepared an attack from the north, targeting Kyiv and neighboring towns. Belarus also allowed Russian missile launchers to station on its territory to shoot rockets hitting Ukrainian towns. If Belarus had refused to host a contingent of Russian troops, Moscow possibly would not have invaded Ukraine. After all, a major component of Russia's planned blitzkrieg was an effort to seize Kyiv, possibly by launching an assault from Belarus. Securing defense along the northern border is vital for Kyiv. No longer looking anxiously towards the north, Ukraine could add more troops to the southern front and Donbas.



SOURCE: WIKIMEDIA.ORG

31 May 2023

# UKRAINE, RUSSIA RENEW BLACK SEA GRAIN DEAL AMID MANY UNKNOWNS

The announcement that the Ukraine grain deal was extended came unexpectedly one day before it had been due to expire. Turkish President Recep Tayyip Erdogan on May 17 said the Black Sea grain deal between Ukraine and Russia was extended, expressing gratitude to Russia, Ukraine, and the United Nations. It is another chapter in the Russian-Ukrainian struggle over a grain export deal.

¬urkish President Recep Tayyip Erdogan **L** has announced a two-month extension of the Black Sea Grain Initiative allowing for the export of Ukrainian grain through the country's Black Sea ports. Turkey and the United Nations first brokered a deal between the warring parties in July 2022, which created safe corridors for the export of Ukrainian produce from Ukraine's Black Sea ports in the south to assuage the crisis. The deal has been extended several times. Kyiv welcomed the deal, but Oleksandr Kubrakov, Ukraine's deputy prime minister and chief negotiator, accused Russia of blocking grain vessels and called for partners to ensure that the agreement was actually in force. Since early May, the grain corridor has not seen any vessels that were blocked by Russia. Moscow had more reasons not to extend the deal. Blocking Ukrainian

grain exports would be helpful for Russia. The deal matters for Ukraine, especially amid the war and agricultural overproduction. Also, the Kremlin accused Ukraine of launching drone attacks on Crimea and Black Sea Fleet vessels. It seems that the deal extension gave Erdogan another diplomatic win ahead of the election. It proved effective as did efforts to defer payments for Russian gas for Turkey and plans to launch a Rosatom-built nuclear plant in Turkey in late September. More than 30 million tonnes of grain and agricultural products have been exported under the initiative, which Erdogan depicts as his tremendous success, to date, mostly to Africa and the Middle East, including nearly 600,000 metric tons of grain in World Food Programme vessels for aid operations in Afghanistan, Ethiopia, Kenya, Somalia, and Yemen.

#### 31 May 2023

# UKRAINE IMPOSES NEW SANCTIONS AGAINST RUSSIA-LINKED INDIVIDUALS, ENTITIES

The authorities in Kyiv have announced sanctions on individuals and entities that are involved in helping Russia in its invasion of Ukraine. Ukrainian President Volodymyr Zelensky signed a decree sanctioning any individuals and companies having links to Russia.

President Volodymyr Zelensky signed a decree on May 27 approving a proposal by the National Security and Defense Council to impose sanctions on 51 people and 220

entities having ties to Russia. The Ukrainian leader said most individuals and companies designated for sanctions are those who help terror. Zelenskiy's sanctions decrees list some



**SOURCE: PRESIDENT.GOV.UA** 

companies involved in the defense industry. The new sanctions target 51 individuals, including scientists and plant managers, as well as Russian and Belarusian repair plants. The new sanctions target a number of plants such as the Minsk automobile, rail, and mechanical plans, the Belarusian aircraft repair plant, and the Russian railway, defense, and industrial plants. Other companies subject to new sanctions are Cyprus-based Serch Location Limited and GIS Local Serch Limited, Czech Republic's Navitel,

and Ukraine-registered Navitel Ukraine. This will result in more sanctions being imposed on more individuals and entities, according to the president. In April Zelensky signed decrees to impose sanctions on 25 individuals and 322 legal entities, including Russian ones. In the same month, Zelensky signed a decree enacting a National Security and Defense Council decision to impose personal sanctions against Russian nationals. He signed two decrees blacklisting 433 individuals and 241 Russian companies.



SOURCE: STRUCTURE.MIL.RU

31 May 2023

# RUSSIA, BELARUS SIGN DEAL TO DEPLOY TACTICAL NUCLEAR WEAPON IN BELARUS

Belarusian President Alexander Lukashenko said the transfer of some tactical nuclear weapons from Russia to Belarus had begun. Earlier the Kremlin informed Moscow had signed documents on placing Russian tactical nuclear weapons in Belarus, as announced a few weeks before. Handing out nuclear weapons to Belarus will not change the security situation in the region as Russia has deployed such weapons in its exclave of Kaliningrad. It is just a political game.

ussia and Belarus signed a deal formalizing the deployment of Moscow's tactical nuclear weapons on the territory of its ally. Nuclear warhead will be stored in a facility in Belarus whose construction should be completed in a month so it is unlikely that the transfer of some tactical nuclear weapons from Russia to Belarus has begun. Unless it is a matter of deploying personnel and technology, It is not clear where tactical nuclear weapons will be stored but surely in a Russian-controlled facility. The plan for the nuclear deployment was announced by Putin in an interview with state television on March 25. He said Russia would complete the construction of a storage facility there by July 1. Deploying nuclear weapons to Belarus is just a political declaration

to tighten Moscow's grip on Minsk. Russia already has long-range nuclear weapons, and stationing missiles in Belarus will not extend their range to new targets. The Kremlin could launch medium-range and long-range missiles from mainland Russia and its exclave of Kaliningrad, making it no different than if Iskander missile systems (with a range of up to 500 km) were deployed in Belarus. Stationing tactical nuclear weapons in Belarus requires both significant military infrastructure and Russian command and control over elements of the Belarusian armed forces. U.S. President Joe Biden said that he felt "extremely negative" about the deployment of Russian nuclear weapons in Belarus.

#### 31 May 2023

#### SAUDI-RUSSIA TENSIONS RISE ON OPEC OIL CUTS

Tensions are mounting between Saudi Arabia and Russia on OPEC oil production cuts. Riyadh has grown increasingly frustrated with the fact that recent oil cuts failed to boost prices. One of the reasons is Russia whose oil exports have grown despite declarations to curb output. Moscow also said it would oppose further cuts in production.

R iyadh has grown increasingly frustrated with Russia, which apparently has not kept its end of the deal and is not reducing oil production as pledged, sources told The Wall Street Journal. Saudi officials have complained to senior Russian officials and asked them to respect the agreed cuts. Riyadh believes

Russia's oil supply to international markets is growing, which makes global prices stagnate while Saudi Arabia seeks higher oil prices. The Kremlin pledged to cut crude production by 500,000 barrels a day in March and April and now maintain it through to December. Many believe that Russia is not following



**SOURCE: KREMLIN.RU** 

through on its commitment to cut output. The International Energy Agency (IEA) said that Russia may even be looking to boost output to compensate for lost revenues. At the key OPEC+ meeting on June 4, Saudi Arabia will seek to reach a deal prompting a rise in oil prices. Will OPEC members discuss new production baselines from which each state performs cuts? Russian Deputy Prime Minister Alexander Novak said he expected no new steps from the OPEC+ group of oil producers at its upcoming meeting. Moscow is okay with the current oil prices and production quotas. In mid-May, Russian President Vladimir Putin

said that energy prices were approaching "economically justified" levels. After the previous OPEC+ meeting in early April, several major OPEC members, including Saudi Arabia and the United Arab Emirates, announced intentions to voluntarily cut a further combined 1 million barrels per day of production between May to December. The EU and the U.S. criticized cuts while the White House has accused Opec+ of aligning with Russia after Saudi Arabia led the group in agreeing deep oil production cuts and backing Moscow's invasion of Ukraine shortly after OPEC+ announced oil production cuts...



**SOURCE: LUKOIL.RU** 

31 May 2023

#### RUSSIA'S LUKOIL PAYS DIVIDENDS, SHOWS INTEREST IN ASIA

Russia's Lukoil informed that its net profit rose by 24.3 percent from last year. Shareholders approved the company's final dividend. Meanwhile, the Russian oil company is withdrawing from Europe while seeking to invest in other markets across the globe. After Lukoil completed its oil refinery sale in Italy in early May, now the Russian oil producer is nearing to sell its assets in Romania and Moldova while showing interest in Central Asia.

ukoil mulls selling its assets in Romania and ■ Moldova to KMG International, a subsidiary of Kazakh group KazMunaiGaz. Lukoil's businesses in Romania consist of a refinery in Ploiesti with an annual capacity of 2.5 million tons, 316 petrol stations, and three oil depots, including a gas terminal. In Moldova, Lukoil owns a network of 106 petrol stations, three oil depots (Balti, Sokoleni, Chisinau), and a liquefied natural gas depot in Sokoleni. Rompetrol Downstream, the retail division of the KMG International Group in Romania, has 1,257 gas stations and six oil depots in Romania as well as 95 petrol stations and two oil depots in Moldova. Another likely buyer of the businesses in the two countries would include the Anglo-Dutch

company Royal Dutch Shell. In turn, Russian oil companies are showing keen interest in Central Asia. In Kazakhstan, Lukoil is planning to offer local fuel retailers a franchise scheme and to supply them with gasoline from Russia or purchase retail stations, mainly in Almaty and Astana. Lukoil shareholders approved the 2022 dividend of 438 roubles per share. Taking into account previously paid interim dividends, the total amount of dividends for 2022 will amount to 694 roubles per ordinary share. Russia's second-largest oil producer said that its revenues rose by 24.3 percent year-on-year to 790.12 billion roubles, of which 303.475 billion roubles will be paid in dividends.

#### 31 May 2023

# FINLAND'S GASUM TERMINATES LONG-TERM SUPPLY DEAL WITH GAZPROM

Finnish state-owned gas wholesaler Gasum is the first European country to have terminated a contract to buy natural gas from Gazprom Export via pipelines from Russia. Other European companies, which still hold legal supply deals with Gazprom, might follow suit.

F inland's Gasum on May 22 said it had ended a long-term supply deal with Russia's Gazprom. The contract between the two companies was set to expire in 2031. Gazprom confirmed it had completely stopped gas deliveries in May 2022 as it had not received rouble payments from Gasum. In response, Gasum initiated arbitration proceedings against the Russian gas company. In November 2022

Gazprom said that the award had also called for Gasum to make an outstanding payment of about €300 million for gas delivered from when Gazprom first demanded the payment change and the date when the Russian company halted supplies. An arbitration panel ruled that Gasum could pay in euro. The arbitration tribunal found the Russian president's order demanding that "unfriendly countries" make rouble



SOURCE: ΓΑ3ΠΡΟΜ / VK

payments for Russian gas to be a force majeure, allowing Gasum to terminate the contract. Furthermore, the arbitration ordered the two sides to negotiate to resolve the situation. "The parties were not able to resolve the situation within the period defined by the arbitral tribunal and therefore, Gasum has terminated the long-term natural gas supply contract," the Finnish company said on May 22 in a statement. Both companies are still negotiating the details of their contract termination. "Gasum will not comment on these details of the contract," the Finnish gas wholesaler said in a statement. A thorny issue might be payments that Gasum has made under the take-or-pay formula for the remaining years of the contract, according to Kommersant daily. Interestingly, Gasum and

Gazprom have a valid deal to supply liquefied natural gas from the Russian Kryogaz-Vysotsk plant. Gasum claims the contract is still valid, but it stopped taking cargoes from the Gazprom-controlled plant. Gasum is not the only European company to be cut from piped Russian gas supplies over its refusal to pay in roubles. The supply deals between Gazprom and other companies, including Poland's PGNiG, Bulgaria's Bulgargaz, and Dutch GasTerra, have expired. Most of Gazprom's biggest customers across Europe agreed to the new payment formula and receive gas, but in installments. This is why Italy's Eni, France's Engie, and two German energy firms--Uniper and RWE-started arbitration proceedings after Gazprom cut supplies.



SOURCE: ΓΑ3ΠΡΟΜ / VK

31 May 2023

#### GAZPROM'S SHARES FALL WHILE ROSNEFT SEES BIGGER PROFIT

Russian state-run gas firm Gazprom has seen a massive drop in net profits last year amid Western sanctions and its withdrawal from some major markets. Russia's oil companies are in a far better situation, including Rosneft that saw a record-high increase in its net profit in Q1 2023.

azprom's net profit fell 41 percent to 1.226 I trillion roubles (\$15.4 billion) last year due to a tax hike in the second half of the year, the Russian energy giant said. The West last year introduced a raft of sanctions against Russia and state companies over Moscow's actions in Ukraine. Gazprom's gas exports, a key source of revenue, have not been directly sanctioned, but export volumes almost halved last year to 101 billion cubic meters. Average gas supplies to Europe by Kremlin-controlled energy giant Gazprom decreased so far in May to 67 million cubic meters per day from 75.6 million cubic meters per day in April, according to Reuters calculations. Russian gas supplies to Europe have so far been at around 9.1 billion cubic meters this year, in comparison with 62 billion cubic meters for the whole 2022. Gazprom's shares fell around 6 percent after

the Kremlin-controlled firm said its board had decided not to pay a full-year dividend after allocating a half-year dividend of 1.208 trillion roubles (\$15 billion). The company's shares fell 40 percent over the last year. Other Russian energy companies--Rosneft and Novatek--saw an uptick in their shares by 13.5 percent and 38.4 percent, respectively. First-quarter net profit of Russia's largest oil producer Rosneft rose by 45 percent to some \$4 billion from the previous three months on the back of rising output despite Russia's decision to reduce its oil output by 500,000 barrels per day. Rosneft also said its core profit (EBITDA) increased by 25.1 percent from the previous three months, while revenue edged down 1.1 percent. Once the report had been published, Rosneft's shares went up by 2.14 percent. ■

#### 31 May 2023

#### RUSSIAN PARLIAMENT APPROVES BILL ALLOWING PASSPORT CONFISCATION FROM MILITARY PERSONNEL

Russia's State Duma adopted a bill that grants authorities the power in certain cases to confiscate Russian conscripts' foreign passports or declare them invalid. Russian lawmakers thus seek to prevent military personnel and fresh conscripts from fleeing the country. However, the law will not take effect until the autumn call-up.

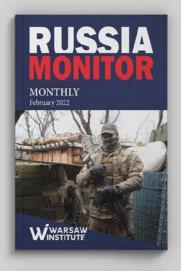


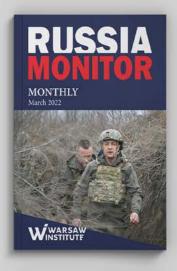
**SOURCE: DUMA.GOV.RU** 

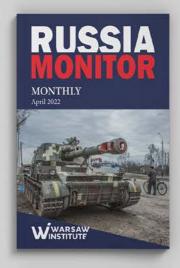
**1** he lower house of the Russian parliament approved amendments that would expand border guards' power to seize the passports of Russians traveling outside the country. The law provides for seizing passports of conscripts aged 18-27 who were mobilized to join the army. Passports must be handed over to executive authorities in the field of internal affairs and their territorial bodies within five days of receiving the conscription notice. There are some pretenses for having to surrender foreign passports, including when a Russian citizen is summoned by a military police station. Possibly a Russian citizen must temporarily surrender their foreign passport shortly after a meeting at a military recruitment office. If a conscript fails to hand in their passport without providing an acceptable reason, the passport will be declared invalid. Passports will be returned upon completion of either military

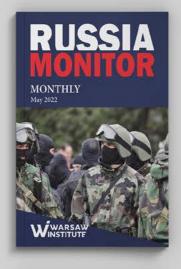
or civilian service. The bill was introduced in the State Duma back in August 2021. The first hearing occurred in October 2021 while the second--on May 18, 2023. President Vladimir Putin is expected to sign the bill into law after it receives a vote of approval in the upper-house Federation Council. Once signed, it will come into effect within 180 days. Consequently, the new law will not take effect before the autumn call-up. Putin on April 14, 2023, signed into law a bill allowing conscription notices to be sent to recruits through a digital government portal. The bill also authorized the creation of a single registry of people eligible for military service. The registry will contain personal details of those called up for duty, including their place of residence and military entrance processing. Electronic resources will be automatically added to state databases.





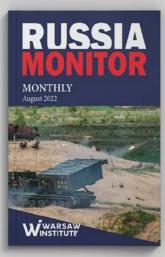




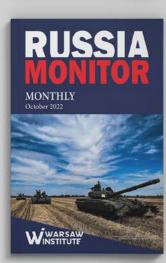




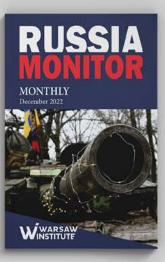








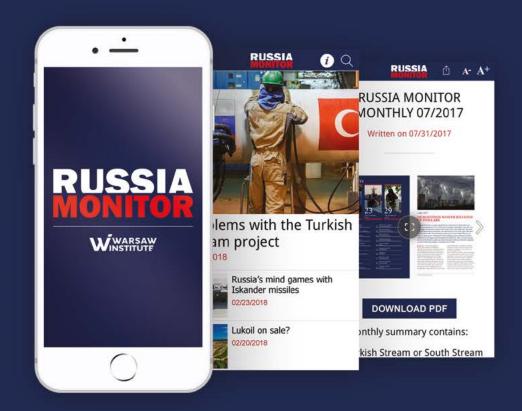




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