

# Conflict Update Day 398

March 28<sup>th</sup>, 2023

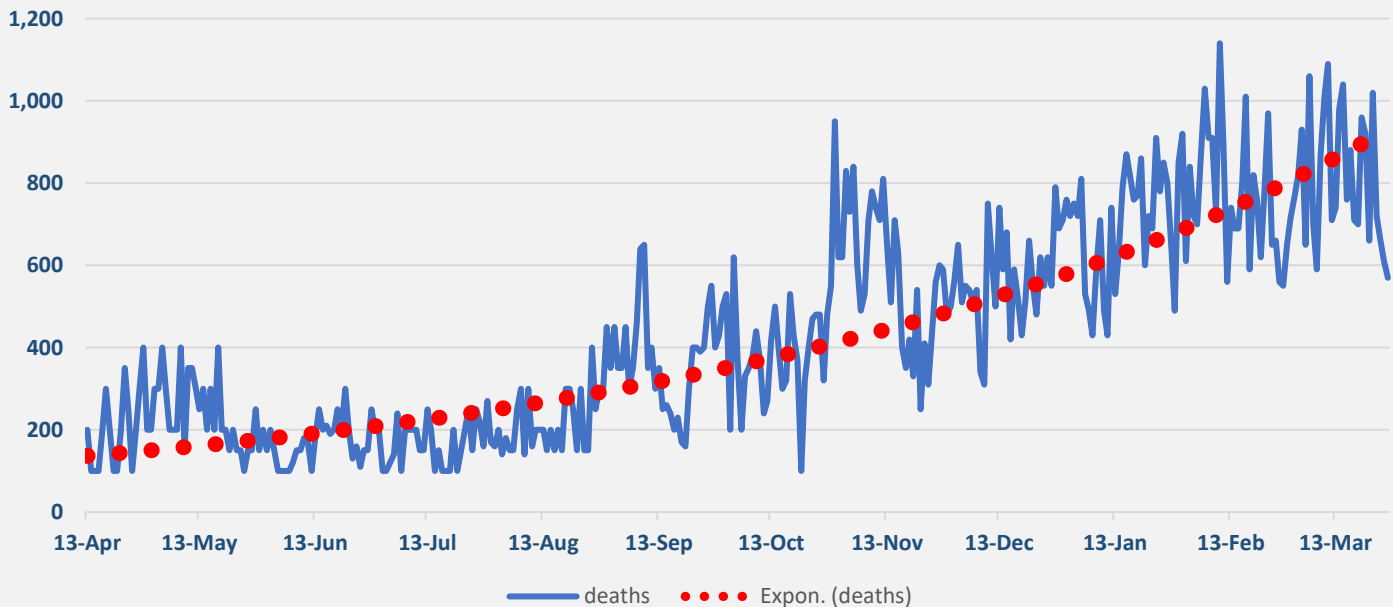
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## Conflict Assessment

**Russian losses** – 171,730 (+570) soldiers killed, 3,602 (+7) enemy tanks, 6,9 (+13) armored combat vehicles, 2,653 (+15) artillery systems, 525 (2) MLRS systems, 277 (+0) air defense systems, 305 (+0) warplanes, 291 (+0) helicopters, 2,235 (+19) UAVs of the operational-tactical level, 911 (+0) cruise missiles, 18 (+0) warships/cutters, 5,502 (+9) trucks and tankers, 4 Iskander Missile Launchers (+0), 239 fuel bowsers (+0) and 287 (+2) units of equipment.

## Death Toll

Russian troop deaths by day



## Key events

**The Ukrainian governor of Donetsk claims at least two people were killed and 29 injured**, including a child, after a Russian attack on the city of Sloviansk.

**Russian forces are turning Avdiivka**, a city in the Donetsk region near Bakhmut, into “a place from post-apocalyptic movies”, a Ukrainian official has said .

**Russia says Ukraine using long-range US artillery** - Moscow announced earlier today it had for the first time downed a long-range rocket supplied to Ukraine by the United States, weapons Kyiv said were key to an anticipated counter-attack against Russian forces. "Air defence (forces) downed... a GLSDB guided rocket,"

Russia's defence ministry said in a statement, referring to ground-launched small diameter bombs produced by Boeing and the Saab Group. These devices have a range of up to 150 kilometres (93 miles), which would threaten Russian positions and supply depots far behind the front lines.



Map: RFE/RL • Source: Liveuamap.com



**Ukraine designs and deploys lethal hand-held anti-materiel sniper rifle** – Ukraine has designed and now produces 2 long-range anti-materiel sniper rifles chambered for 14.5x114mm cartridges, each weighing 25 kg (55lbs.).

The two variants are the Allegator and the T-Rex, the former magazine-fed and the latter a single-shot rifle.

**Snipex Alligator: sniper rifle capable of penetrating armored vehicles** - The Snipex Alligator is a bolt-action, magazine-fed repeating rifle that is immediately distinguishable by its enormous size. When fully assembled, it sits at 79 inches, with most of its length coming from the barrel. To put this into perspective, the length of the average hunting rifle barrel is 22 inches, whereas the one on the Snipex Alligator is more than double that, at 47 inches.

The weapon can be equipped with a muzzle brake with 4 or 5 ports. The optics are mounted via a standard MIL-STD 1913 picatinny rail. The rifle's effective range is slightly below **2km (1.25 miles)**, its maximum range is slightly below **7km (4.4 miles)**.



A .308 round will generate 2,641 foot pounds of energy when fired, while a .50 caliber round will generate 11,489 foot pounds of energy. The 14.5mm round easily doubles that, generating an incredible

The sheer size and energy of the weapon and the Alligator can meters (1,640 yards). That's enough Russian BTR-80 wheeled armored engage the troops riding inside.



Given this, a number of modifications were needed to ensure the rifle was operational in the field. A foldable four-position bipod and rear support are used to offset its size and provide balance. As well, a carrying handle is located at the weapon's midpoint, allowing a single operator to transport it with (some) ease. This part can also be adjusted for balance when a silencer is attached.

Being such a large weapon, it makes sense that its ammunition would be, as well. Featuring a traditional rifle arrangement, its chamber can hold up to five 14.5x114 mm cartridge at one time, each weighing 2.2 ounces.

As their size suggests, the cartridges were initially developed as anti-tank rounds for the Soviet-produced KPV heavy machine gun. They can accommodate a projectile weighing between 59 and 66 grams, which, when fired, can travel up to 3,300 feet per second.



Along with its length, the Alligator is also massive in terms of weight, clocking in at a whopping 25 kg (55lbs.).

round helps make it a light anti-armor penetrate 10mm steel armor at 1,500 to perforate the 9mm side armor of a personnel carrier, allowing the sniper to

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It can not only effectively take out enemy soldiers, but also light-armored vehicles and ammunition and fuel depots. According to the weapon's manufacturer, it can penetrate up to 10 mm of steel armor from a distance of between 2,000 and 7,000 meters.

One of the consequences of using a 14.5x114 mm cartridge is immense recoil. While the Alligator features modifications that somewhat combat this, they don't completely diminish the kickback.

The sheer size and weight of the rifle allows for a lot of the recoil to be absorbed, rather than imposed onto the soldier; it remains relatively steady when firing.

Additionally, it's equipped with a recoil-isolating buttstock that, when paired with the four- or-five-baffle muzzle brake and padded shoulder stock, takes away a lot of the pressure from the recoil.

The first reported successful sniper strike was a hit by a Ukrainian sniper on a Russian soldier who was 1.68 miles (2.7kms) away, making it the second-longest distance sniper kill in military history. Another recorded strike was the taking down of five Russian soldiers in as many minutes by a single sniper. Two of those hit in the incident were struck by the same bullet.

The Alligator entered service with Ukrainian special operations forces in 2021, the sole user of the weapon, just in time for the Russian invasion, where they have used it throughout the war.

Storage and carrying is via a portable case where the rifles are dismantled and stored as shown alongside.



All Snipex rifles adopted by the Ukrainian Army come standard with a Snipex Jove 50 6-24x56 scope optimized for long and very long range shooting on very high-power weapons. The scope withstands horizontal g-forces up to 1200 g (along the axis) and vertical g-forces up to 600 g (perpendicular to the axis). The scope has a wide elevation range – 50 mil (172 MOA). Windage range is 12 mil (41 MOA); the reticle is on the first focal plan.

**Snipex T-Rex 14.5x114mm anti-materiel rifle** - The model name is given because of the very powerful cartridge and the distinctive shape of the rear monopod that reminds the legs of Tyrannosaurus Rex.

It is a single-shot bolt-action accomplished via three rows in total). The barrel ejection port, allowing



rifle. The lockup is of locking lugs (13 lugs extension has a cutout on the side facing the easier manual feed of cartridges into the chamber.

Known in Ukrainian of 1,830mm (72"), barrel

sniper circles as the "Small Brother," it has an overall length length of 1,200mm (47 1/4") and weighs 22.5 kgs (49.6 lbs).

**Russia launches fresh wave of drones against Ukraine** - Russia launched another wave of Iranian-made drones on Kyiv and its surroundings, but Ukraine's air defenses shot down almost all of them and there were no immediate reports of casualties, the military said on March 27, as heavy fighting continued in and around Bakhmut in the eastern region of Donetsk.

**Sky Hunters: Ukrainian border guards gun down Iranian-made drones** - Ukrainian soldiers have been honing their skills to shoot down Iranian-made drones with machine guns. Russian forces have been using the drones to launch attacks across Ukraine, including on residential housing and civilian infrastructure. The Ukrainian military says it is having success gunning down the drones, even as Russia continues to change tactics.

**Ukraine's guerrilla war against Russia is making Putin pay dearly** - A guerrilla war is being waged by Ukraine.

Ukrainian armed forces have been extremely active in the war against invading Russian forces, with multiple explosions occurring on a regular basis, occupying officials being assassinated and attacked, and Russian storage depots constantly blown up.

There is no doubt that partisans are involved in some, or all, of these activities.

Putin has a full-scale guerrilla struggle on his hands. His armed forces are losing men and territory on the battlefield.



And to top it all, radio intercepts by Ukrainian Intelligence field operations report Russian soldiers in positions behind front lines shouting into radio transmitters that they are being struck, but have no idea from where the strikes are coming from.

**How an elite brigade of Russian marines was repeatedly mauled in Ukraine and became an emblem of the invasion's failures** - The Russian 155th Naval Infantry Brigade suffered heavy losses in attempts to take Vuhledar, and the same brigade has been destroyed and reconstituted 8 times since the start of the war.

Russian failures in Vuhledar have sparked rare criticism from the country's military bloggers.

The Russian 155th Naval Infantry Brigade has been repeatedly destroyed partly due to losses it has faced during Russia's efforts to take the town of Vuhledar in eastern Ukraine.

At one point the entire brigade, which consisted of 5,000 troops, was reported to be destroyed near Vuhledar.

Soldiers were killed, wounded, or taken prisoner, Oleksiy Dmytrashkivskyi, head of the united press center of the Tavriskiy District of Ukrainian defense forces, told Politico.

This brigade entered Ukraine on February 24<sup>th</sup> last year and was wiped out. Whatever was left then retreated back to Russia where it was rebuilt and sent to Kharkiv, where it was again destroyed.

Since then it has continued this pattern of entering a battle, being destroyed and then rebuilt, the final time in Vuhledar in February this year. (We reported on its annihilation in that battle in a previous Update).

This is a Russian brigade personally endorsed by Putin and revered by the Kremlin.

**Recruitment to Offensive Guard is nearing completion, with over 16,000 applications received** – We reported in an earlier Update Ukraine was creating an advance offensive guard unit and recruiting had begun.

Since the beginning of February, more than 16,000 applications have been received from those wishing to join the assault brigades of the Offensive Guard being formed as part of the National Guard of Ukraine, and recruitment will continue until 1 April.

"Over 16,000 applications have been received in almost two months. The recruitment will last approximately until 1 April. If we continue to receive applications and if there are people willing, we may form reserves and other units."



The unit will receive special training and be equipped with the latest technology-based weapons, sort of like a unit of British Commando's in WWII and American Seals today.

**Commander of Russian Eastern Military District is dissatisfied with enormous losses** - The commander of the Eastern Military District of the Russian Federation, Rustam Muradov, is being accused of inept leadership of military operations in Ukraine, which led to heavy losses for the Russian military.

Russian media outlet Vazhnye istorii's sources close to the General Staff of the Russian Federation claim that Muradov is rightly accused of ineptly leading the hostilities in Ukraine. In particular, the unsuccessful offensive in February near the town of Vuhledar in Donetsk Oblast, with heavy losses of people and equipment, could be a decisive reason for the suspension.

According to the source, near Vuhledar, "people were killed for nothing" because the operation was poorly planned – there was neither thorough reconnaissance nor proper artillery training, it was not possible to suppress Ukrainian firing points, and as a result there were significant losses that could have been avoided.

Muradov, previously commanded in occupied Donbas, was appointed commander only in October last year.

The Russian 155<sup>th</sup> Brigade, whose annihilation is referred to above, was one of the units under Muradov.

**Ukraine shuts ‘post-apocalyptic’ battlefield town to civilians amid ‘meat grinder’ fight** - Kyiv is planning its next move after Moscow appeared to shift focus from the small city of Bakhmut to Avdiivka further south, which we have been reporting on for some weeks now.

Ukraine warned that Avdiivka could become a ‘second Bakhmut’ as Russia turns its attention there. Both towns have been reduced to rubble in ‘meat grinder’ fighting, and Ukraine has shut the eastern town of Avdiivka to non-military personnel on Monday, describing it as a post-apocalyptic wasteland, as Kyiv seeks to break the back of Russia’s flagging winter offensive before a counterassault of its own.

**Russian winter offensive failed** - Front lines in Ukraine have barely budged for more than four months despite a Russian winter offensive using hundreds of thousands of freshly called-up reservists and convicts recruited as mercenaries from jail. The Ukrainian military aims to wear down Russian forces before a counteroffensive in coming weeks or months.

Ukrainian ground forces commander Colonel General Syrskyi, who said last week that the counterattack could come “very soon”, visited front line troops in the east and said his forces were still repelling Russian attacks on Bakhmut.

**Comment** – We have for months now identified and commented on Ukraine’s tactic of constraining Russian forces into very narrow and restrictive offensive areas throughout the winter. It has worked with the Kremlin losing thousands of soldiers, countless armored vehicles and anti-aircraft systems.

Moscow desperately wanted to capture all of the Donbas with which it could present a “modified” negotiation front with the fallback political station of at least capturing this area, the sole objective stated by Putin after losing Kharkiv and retreating eastward last year.

Without this being accomplished, he is left with marginal relative gains despite huge human and equipment losses, as Ukraine will surely recover occupied territory further south in Zaporizhia and Kherson, never mind Crimea.

This is tantamount to defeat in the eyes of the Kremlin and Russian Main Street.

**More explosions in occupied Melitopol** - Several explosions were heard in the Russian-occupied city of Melitopol in Zaporizhzhia Oblast on the morning of March 27, reported Mayor Ivan Fedorov.

Later Fedorov said a building captured by Russian law enforcement was damaged as a result of the explosions.

Fedorov used the Ukrainian word bavovna (cotton), which refers to the explosions caused by Ukraine's attacks on Russian military infrastructure, such as ammunition depots.

## Comments, Updates, Developments and Reports

**China responds to Putin's threat to break nuclear weapons pledge** - China renewed calls for de-escalation in Ukraine on Monday and reminded Russia of its recent opposition to nuclear war days after Putin announced plans to deploy tactical nuclear weapons in neighboring Belarus.

He told state television on Saturday a storage depot for such weapons was being built at Minsk's request and would be completed by July. He didn't say whether the Russian weapons would be transferred to the country in the same month.

His comments—framed as a response to a similar posture adopted by the US—appeared to undermine a position he took with Chinese counterpart Xi just days earlier, when the two leaders reaffirmed their opposition to nuclear war and jointly opposed the deployment of nuclear weapons abroad during the latter's high-profile state visit to Moscow.

"In January last year, the leaders of the five nuclear-weapon states issued a joint statement noting that a nuclear war cannot be won and must never be fought, and stressed that war between nuclear-weapon states should be avoided and strategic risks reduced," Mao Ning, China's foreign ministry spokesperson, said yesterday.

**Putin 'humiliated' China's Xi with nuclear decision: former ambassador** - Michael McFaul, former US ambassador to Russia, said on Sunday that Putin disregarded Chinese President Xi Jinping by stationing nuclear weapons in Belarus after they both agreed to not deploy nuclear weapons beyond their national territories.

"Both Putin and Lukashenko humiliated Xi. Remember, Lukashenko was just treated to a fancy state visit to China. Xi just came to Moscow. Can't imagine this decision is going down well in Beijing," McFaul wrote on Sunday.

**The United States has told Russia it will withhold some data** on its nuclear forces in response to Moscow's suspension of participation in the New START nuclear arms treaty.

**House passes bipartisan bill to revoke China's 'developing country' status** - The House passed a bill revoking China's "developing country" status in international organizations that give it access to preferential loans and other economic benefits.

**Comment** – This is completely understandable. Chinese manufacturers can land a carton of T-shirts in Seattle and transship it to Florida for cUS\$10, whereas an American manufacturer in Seattle pays three to four times as much. Because China enjoys a "Developing Nation" status, and with distinct financial benefit under the US system.

**Ukrainian President Zelenskyy has met with Rafael Grossi**, the head of the UN's nuclear watchdog, in Zaporizhzhia city, where they discussed the situation at the Zaporizhzhia Nuclear Power Plant amid Ukraine's fears the atomic plant could face a water shortage.

**The Hungarian parliament has approved Finland's NATO membership after months of delay.** The move means that 29 of 30 NATO member state parliaments have ratified Finland's accession, with Turkey expected to also give Helsinki the approval next month.

**Ukraine, Estonia, Latvia, Lithuania and Poland** have issued a joint statement calling for the IOC to refrain from allowing Russian and Belarusian athletes to compete in the 2024 Olympic Games in Paris.

## Putin & Russia

**Russian President Vladimir Putin says Western criticism** will not influence Russia's plans to deploy tactical nuclear weapons in neighboring Belarus.

**What Putin's latest nuke announcement really means** - Putin announced on Sunday he would soon store a small number of Russian nuclear weapons in neighboring Belarus. The EU's high representative for foreign affairs denounced it as "an irresponsible escalation and threat to European security." The Ukrainian foreign affairs ministry called it "yet another provocative step by Putin's criminal regime."

But does it matter? Not really—though the move might backfire, if the West shrewdly exploits it.

The US Defense Department's calmer response was the appropriate one: "We have not seen any reason to adjust our own strategic nuclear posture." Putin's move is mainly rash and baffling. To the extent that talking about nukes near Ukraine's borders is provocative, then, yes, it is also provocative, but entirely as show—not worthy of a fuss.

Here's the thing: Russia has about 2,000 "tactical nuclear weapons," meaning weapons of fairly short range and fairly low explosive yield, designed to be used against military targets on a battlefield. Some are missiles, some are bombs that can be dropped from airplanes; most are either in western Russia or could be moved there.

Putting another dozen or so on Belarusian soil gives Putin no advantage, nor does it alter the strategic situation in any way. It doesn't put Russian nukes any closer to Ukraine than many already are. Nor would a nuclear weapon launched from Belarus exempt the Russian homeland from nuclear retaliation by the West. The weapon would be owned and launched by Russia. (Putin has made it clear he is not transferring control of these nukes to authorities in Minsk; Moscow would remain in control, just as Washington is in control of US nuclear weapons on NATO bases.) As a result, Russia would be the target of a return blow.

Putin seemed to be doing this as a show, but the show is gratuitous: a way of keeping his nuclear threat front and center without doing anything that's really dangerous.

For a moment, I wondered whether there might be some new subtlety in nuclear-deterrence strategy, or some strange jag in Russian military thinking, that might rebut my conclusion. So I emailed Sir Lawrence Freedman, professor emeritus of war studies at King's College, London, and one of the preeminent thinkers and scholars on military strategy.

He replied: "Deterrence theory is about risk assessment and is not scientific. But any nuke launched by Russia against humans would be treated the same whether launched from Russia or Belarus."

"Think back to Cuba," Freedman added, referring to the 1962 Cuban missile crisis, when Soviet Premier Nikita Khrushchev placed nuclear missiles on the island. President John F. Kennedy warned him that an attack on the United States from those Cuban bases—just 90 miles offshore—would be treated the same way as an attack from bases in Russia.

Perhaps, at some point, President Joe Biden should make the same point to Putin, just in case one of Putin's all-too-clever advisers might have convinced him otherwise: Any Russian nuclear attack, whether launched from Russia or Belarus, would trigger very serious consequences.

Meanwhile, Putin might have simply caused himself a bit of very avoidable harm. Just four days earlier, at their gaudy Kremlin summit, he and Chinese leader Xi Jinping signed a joint declaration, noting, among other things, "All nuclear-weapon states should refrain from deploying nuclear weapons abroad." This was meant as a slam against the United States, the only country that does base some of its nukes abroad—about 100 of them, which could be loaded onto bombers, in five NATO countries.

It might be a daring move for Putin to tear up one article of his new accord with his "dear friend" to the east, but, more than that, it is a stupid move. The joint statement—and the summit in every dimension—reflected, above all, Moscow's distinctly junior role in this partnership, and Xi, like his fellow dictator, has no patience for insubordination from lesser, dependent powers.

Xi had already backpedaled from his description of China-Russia relations, just before the invasion of Ukraine, as an alliance of "no limits." The phrase was not repeated at last week's Kremlin summit; nor, despite Putin's desperate hopes, did Xi issue any moral or material support for Russia's stalled military.

Biden is keen (though, given political realities, not too keen) to find ways to calm down the tensions in US-China relations, to explore avenues of common interests and to prevent conflicting interests from erupting into war.



For one thing, it is not in US interests to have unequivocally hostile relations with both Russia and China; for another, it's a good thing, in its own right, to tamp down the chances of a big war in Asia. Secretary of State Antony Blinken was about to fly to Beijing for a meeting with Xi—a possible prelude to a summit with Biden—when the balloon crisis erupted. The meeting was canceled; tensions heated. But the crisis turned out to be much less fraught than many tried to portray it. A renewed overture is quite plausible in the near future.

In that overture, Biden could, among many other things, point to Putin's flagrant—and, even more inexcusably, senseless—betrayal of the statement he had signed with Xi just days earlier. Xi seems to know well that his partnership with Putin holds risks, that its only value to China is the inconvenience it imposes on the United States and Europe, and that it might be worth dropping if the truly major powers—which certainly do not include Russia—devise some ways of working together. (**Comment** – For reasons as delineated in yesterday's Update, I do not foresee anything short of nuclear usage by Russia as being sufficient to deter Xi from his Russian alliance, he and Beijing have too much else riding on it.)

If Biden and Xi can figure out a way to reintroduce diplomacy into their relationship, it may happen because Putin overstepped his boundaries and committed yet another self-destructive act. That might wind up being the main consequence of his nuclear gambit in Belarus.

**We don't attack civilian infrastructure** – Then how does the Kremlin explain the photograph below of Bakhmut?



**"Tightening the nuts and turning the screw." War, censorship and repression in Russian theaters -**


Alexander Kulyabin celebrated the last Theater Day as the director of the largest drama theater in Siberia - the Novosibirsk "Red Torch". The current one is under house arrest. On December 23, 2022, he was fired without explanation, a month later he was detained and accused of embezzling money on an especially large scale. On March 22, 2023, the court extended the preventive measure.

Most colleagues say the reason for the persecution of Alexander Kulyabin is the anti-war position of his son Timofey Kulyabin, who for seven years was the chief director of the Red Torch, and, in addition, staged a lot and successfully in the capital and foreign theaters. After the outbreak of the war, Timothy quit the theater and stayed abroad.

The Kulyabins were the triggers of the Siberian theatrical process. The theater festival "Novo-Siberian Transit" collected all the most interesting things that happened in the Asian part of Russia. Many participants and laureates of "Transit" became winners of the "Golden Mask", the main theater festival in Russia. Transit owes its existence primarily to the Red Torch and the Kulyabins.

"Alexander Kulyabin has very serious guarantors: Yevgeny Mironov, Konstantin Raikin and even the general director of the Bolshoi Theater Vladimir Urin," says theater critic, editor of the Theater magazine Alla Shenderova . - But the court refused to take into account their guarantees and extended the house arrest for another three months - until the end of June. For him and Irina Kulyabina, everything that happened is a serious blow. Despite the fact that both Kulyabin and the "Red Torch" did not make any political statements.

In the spring of 2021, I was on the jury of the New Siberian Transit festival. Once we were walking after the performance, and Alexander Kulyabin suddenly told how his grandfather was dispossessed: they put him on a barge along with other "fists", and let this barge sink to the bottom. A hundred years ago they killed a peasant who stood firmly on his feet, and now they are trying to destroy his grandson, who headed the theater for twenty years and made this theater appreciated all over the world. And at the same time they got rid of a talented great-grandson - I'm talking about Timofey Kulyabin. Absolute Deja vu. And if in Russian - the ruin of theaters and the squandering of the best personnel, - says Shenderova.

Article from  *Сибирь.Реалии* a Russian foreign-based website.

**Does Russia have enough money for war?** - Sanctions are biting into Russia's revenue, but the biggest costs from its Ukraine invasion might be yet to come.

When Russia invaded Ukraine, it expected a quick victory. But more than a year later, Moscow continues to spend huge sums to send more soldiers and equipment to the front lines. Meanwhile, international sanctions are also targeting its primary source of revenue: oil and gas exports.

And yet, even as these costs of war climb and jeopardize Russia's long-term economic growth, there are few signs Vladimir Putin will back down, no matter the long-term consequences.

Russia's military spending in 2022 exceeded 5 percent of GDP, which is unprecedented. Still, windfall earnings from oil and gas are compensating to a certain extent war-related spending. Thus, Russia will end 2022 with a deficit of 0.9 percent of GDP or about \$15bn.

Although the war is being fought on Ukrainian territory, which is suffering the heaviest human and material losses, Russia has also faced severe challenges that are affecting its economy.

The European Union, the United States and their allies have imposed a series of sanctions on Moscow, targeting government officials, imports and exports, heavy industry and oil and gas revenues.

It is thought that sanctions will significantly affect the Russian economy and thus coerce the Kremlin to halt its war of aggression. However, analysis of the Russian state budget shows that such assumptions do not reflect reality. Moscow will not experience significant economic constraints in the short term that could force it to change its policy.

Economic sanctions imposed by Western countries have led to an economic decline in Russia, but perhaps not as big as many expected. Shortly after the sanctions were imposed, Russia faced a surge in inflation. Consumer prices rose by 10 percent in the eight weeks after the invasion, but by May of last year, they levelled off.

Western sanctions, alongside falling demand, also led to a significant reduction in imports to Russia, falling by 23 percent and 14 percent in the second and third quarters of 2022, respectively. This, in turn, has resulted in a 20 percent fall in budget revenues related to imports – including taxes and customs duties – in the first 10 months of the year.

Confrontation with the West over the war in Ukraine also affected Russia's hydrocarbon exports, which in 2021 accounted for nearly 50 percent of total exports and 45 percent of federal budget revenues. Even before the Russian invasion, Gazprom had started reducing its gas supply to Europe in 2021, which resulted in a price spike.

By mid-November however, Gazprom's exports to Europe (including Turkey) decreased by 43 percent. The company – Russia's biggest gas exporter – cut production by nearly 20 percent.

But this did not lead to a fall in revenue; on the contrary, Gazprom and the federal budget have seen a windfall in profit due to the sharp rise in gas prices. In August, at the peak of this trend, gas prices were up 460 percent year on year.

The situation in the oil sector has been similar. The EU's plan to introduce restrictions on imports of Russian oil and petroleum products forced Russian companies to look for new consumers and agree to a significant discount on the price – as high as 25 percent.

However, due to high oil prices, reaching \$120 in the spring and summer, the price of Russian oil was still higher than in 2021, even with the discount.

Overall, in the first 10 months of 2022, Russia saw a 34 percent increase in budget revenues from hydrocarbon production and exports compared with 2021.

While high prices of hydrocarbons have resulted in high revenues, the Russian budget has also seen a sharp increase in military expenditures.

In mid-September, the Ministry of Finance reported that by the end of the year, defence spending would increase by 31 percent from 3.573 trillion to 4.679 trillion roubles (\$57bn to \$74bn). This includes the additional 600 to 700 billion roubles (\$10 to 11bn) that the defence ministry is spending on purchases and repair of weapons this year.

Another item on the federal budget that saw an extraordinary increase in 2022 is "General National Issues"; it jumped by 50 percent to 2.629 trillion roubles (\$42bn). Expenses under this title normally come from administrative activities of all branches of the government. If one supposes that the excess funds in this item are related to the war, then that's an additional 869 billion roubles (\$13.8bn) of defence spending.

Federal spending for the security apparatus has also increased by more than 19 percent compared with 2021 to 2.788 trillion roubles (\$44.5bn). Some of these extra funds are allocated to the Russian National Guard whose forces are actively involved in supporting the Russian occupation regime in Ukraine.

Shortly after the planned budget was released, the Kremlin announced "partial mobilisation." As a result, some 318,000 persons were drafted into the army, which will require an additional increase in defence spending, by at least 372 billion roubles (\$6bn) to pay for their salaries and other expenses till the end of the year.

Because external debt financing markets are closed for Russia after western sanctions and the potential for domestic borrowing is limited, the deficit will be financed, mainly, from accumulated reserves, as PM Mishustin announced.

In October, the fund held some 10.7 trillion roubles (\$171bn); the liquid part of it, which can be used for such payments, amounted to 7.5 trillion roubles (\$120bn) – more than enough to pay for the 2022 deficit.

The expenses for the additional mobilised troops, which, along with the possible delay in payments of compensation to the families of war casualties, will likely force the government to revise this number.

Moreover, defence minister Shoigu announced a 50 percent increase in military procurement for 2023 and he did so after the State Duma passed the 2023 budget. This expense is not in the 2023 budgetary figures.

Revenues, like spending, also cannot be easily foreseen for the rest of 2023. The windfall profits from hydrocarbons inspired some optimism in the Kremlin, which was reflected in the estimates the government put forward of economic growth resuming in the first quarter of 2023.

Although the budget is planned under high uncertainty, it cannot be called unstable. Under different circumstances, its revenues may turn out above or below the planned level. Still, the scale of this deviation, according to assessment, does not exceed 1 percent of GDP (\$17.2bn) in either direction.

Consequently, even if revenues are lower, the budget deficit would not exceed 3 percent of GDP (\$52bn), which can be entirely financed from reserves (currently at \$120bn).

With all of this in mind, it is not foreseen that any major financial constraints will force the Kremlin to radically change its aggressive policy towards Ukraine.

*Article from Al Jazeera*

## Sanctions

**Poland warns of further sanctions on Belarus** - The Polish prime minister said Belarus would face further sanctions due to a Russian plan to station tactical nuclear weapons in Belarus.

“This step taken by Russia ... announcement of deployment of nuclear weapons in Belarus will certainly lead to announcement of additional sanctions, the level of sanctions will be much more severe for the Lukashenko regime,” PM Morawiecki said during a news conference in Bucharest, referring to Belarus President Alexander Lukashenko.

**The largest producer of insulin Eli Lilly leaves the Russian market** - American pharmaceutical company Eli Lilly transferred its business to the Swiss partner Swixx Biopharma, leaving the Russian market completely as reported by "Kommersant" with reference to its own sources. Eli Lilly is the world's largest manufacturer of insulin, oncology and antidiabetic drugs.

Swixx Biopharma will distribute drugs that Eli Lilly continued to supply to Russia after announcing a year ago that it would suspend exports of its products to the Russian market. At that time, the company promised to keep supplies of Humalog insulin, Trulicity, an antidiabetic drug, and Zenlistik, Cyramza, Alimta, and Gemzar, oncological drugs.

Eli Lilly is the second American pharmaceutical company to leave the Russian market amid Russia's invasion of Ukraine and transfer the business to Swixx Biopharma. In May last year, the American Bristol-Myers Squibb did the same .

## Containment

**Poland and the European Union have discussed artillery munitions manufacturing** as part of a new 2 billion euro (\$2.2bn) program to supply Ukraine and restock Europe's armed forces as well.

## Geopolitics

**What do closer Chinese-Russian ties mean for central Asia?** - Shortly after wrapping up a high-profile meeting in Moscow with Putin, Chinese leader Xi turned his sights toward Central Asia and announced plans to host a summit in May as the ripple effects from Russia's invasion of Ukraine continue to shake up the region.

The announcement came on the heels of a visit to Russia where Xi and Putin heralded a new era in their ties despite fallout from Moscow's invasion of Ukraine, a development that has wide-ranging ramifications for Central Asia.

The Kremlin traditionally views the area as its strategic backyard, but has been displaced by China as the premier economic force for the region's five countries. Moscow's war in Ukraine has released geopolitical and economic shock waves and seen China's role in the region grow through diplomatic summits and new initiatives that have disrupted the tightrope that Central Asian governments have walked for balancing their ties between China, Russia, and the West.

As Xi and Putin strengthen their partnership and work closer together, Central Asia is now left walking an even wobblier tightrope than before, analysts argue.

"I don't think Central Asia is caught by surprise by this growing Russia and China cooperation," Temur Umarov, a fellow at the Carnegie Endowment for International Peace, told RFE/RL. "But the big question is how they will adapt their foreign policies to these big changes."

Beijing once positioned itself cautiously in Central Asia to ensure it didn't upset Russia as the Kremlin guarded its influence in the region. But that dynamic has shifted in recent years.

Beijing has expanded the scope and scale of the Shanghai Cooperation Organization (SCO) and moved to grow its leadership role in the region with stepped up diplomatic engagement and a heightened security presence.

In September, Xi made his first trip abroad since the COVID-19 pandemic to Kazakhstan and then to Uzbekistan for the annual SCO summit. Beijing has stepped up its bilateral diplomatic ties with Central Asia and sought to create more formats with regional governments that don't include Moscow.

Chinese officials have also been hosting virtual summits with Central Asia's top brass -- the upcoming meeting in May will be the first in-person summit between the region's leaders and Xi.

But while the slated summit highlights how China's influence is rising and Russia's has diminished since the war started, Umarov says Beijing and Moscow are not competing in the region.

"I don't see this as an attempt to [snub] Moscow. China doesn't want to push out or even replace Russia in the region," he said. "Actually, [China] is working to better coordinate things with Russia and this [fits] with Beijing's foreign policy priorities."

In a statement issued on March 21 following the Moscow talks, Xi and Putin spoke about their shared interests in Central Asia, saying that they would work together "to support the countries of Central Asia in ensuring their sovereignty and national development" and safeguard them against so-called "color revolutions and external interference in the affairs of the region."

Warnings of a "color revolution" have been a standard talking point from Beijing and Moscow when discussing Western involvement in Eurasia.

Xi also used the term to describe unrest in Kazakhstan in January 2022 when violent clashes sparked by simmering popular grievances and a behind-the-scenes power struggle culminated in a Russian-led military intervention under the guise of the Collective Security Treaty Organization (CSTO).

In a potential blueprint for navigating future crises in Central Asia, Beijing deferred to Russia to act as the key political and security actor.

But Haiyun Ma, a professor at Frostburg State University who studies Beijing's relations with Russia and Central and South Asian countries, told RFE/RL that Moscow's influence has declined since then and regional governments have looked to gain some political distance from Moscow.

"It seems clear that Central Asian states would prefer China's economic and peaceful development as a model to Russia's political and military coercion," he said.



## A Complicated Reality

This shift has created new opportunities for Beijing as it looks to shore up its influence along its western border at a time of intensifying competition with the United States.

Xi will chair the third Belt and Road Forum for International Cooperation later this year -- a gathering of global leaders centered around the Chinese investment initiative -- where Central and South Asia could feature prominently. Beijing and Moscow continue to find ways to harmonize the Belt and Road Initiative with the Russian-led Eurasian Economic Union and China has also agreed to tentatively fund the China-Kyrgyzstan-Uzbekistan railway.

“Central Asian countries are closely watching Chinese-Russian ties with complex feelings,” Ma said. “On the one hand, a closer China-Russia partnership in noneconomic areas is not good news. On the other, China's economic blueprint for Central Asia [and including Russia], is attractive.”

Despite Russia's weakened state and unease in the region over Moscow's unprovoked attack on a neighbor, Central Asian states have managed to capitalize on the fallout from its sanctions-riddled economy.

Russia remains a top destination for work for millions of Central Asians, with remittances sent home by migrants holding steady to preinvasion levels or in some cases rising, according to the World Bank.

Trade turnover between Russia and Central Asia -- particularly with Kyrgyzstan and Uzbekistan -- has also grown since February 2022 as Moscow has needed to replace European imports and sell its own products.

“China and Russia are high on Central Asia's list of priorities and they won't risk their relationships with Eurasia's two big powers,” Umarov said. “The disadvantage from this is that the West's presence will inevitably decrease in the region.”

*Article by Reid Standish in Radio Free Europe earlier today.*

**Comment** – I agree, but the larger picture is that Central Asian countries have literally seen the geopolitical genie escape the bottle, especially insofar as they are concerned. Free'd from “big brother” watching them constantly, guiding and, if necessary, forcing their focus toward a central Russian Federal direction, they are reveling in their new-found geopolitical fresh air.

European countries and the US have been courting their leaders with all sort of attractive offer. Beijing needs their long-term favor for its BRI, and all the while Moscow is looking on, deflated and at their Central Asian wits end.

The genie is out and it is very doubtful it seeks to re-enter its centuries-long home.

So the bigger picture is that these five countries, forming as they do the Russian southern security gateway, just as Ukraine forms its western security gateway, together with Belarus, are an unknown entity at present.

And let us not forget Turkey and Iran, both intimately and actively interested in this area – forming a part of their respective backyards as well. And creeping in between all of them is the lot of the Kurds, long seeking their Kurdistan once more.

## Sources

Aside from articles authored by myself, I include news items and articles from a number of global organizations, authors and websites, including but not limited to:

- ISW
- Al Jazeera
- ИБЕРСНА
- Newsweek
- UpRoxx
- Axios
- Inbound Logistics
- Shipping Gazette
- Novaya Gazeta
- Straits Times
- CNN
- Washington Post
- Der Spiegel
- Associated Press
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- Bloomberg
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- Meduza
- USNews
- Fox News
- NewsMax
- MSNBC
- Barrons
- Reuters
- eurasiareview
- POLITICO
- Daily News
- Kyiv Independent
- World Politics Review
- 1945
- The Moscow Times
- The Jamestown Foundation
- philstar global
- Daily Mail
- The Guardian
- Eurasianet
- npr
- DW



Some Russian authors, news and web sites are based outside of Russia due to the dangers of criticizing Putin and the Kremlin from within the country itself.

They escaped and are based in surrounding countries such as Latvia, Lithuania and Holland, for example.

Their news coverage is in Russian and I rely on imbedded translation tools, not always accurate.