

Conflict Update

March 26th, 2022

Conflict Assessment

Russia signals scaled-back war aims as Ukrainians advance near Kyiv - Moscow signaled on Friday it was scaling back its ambitions in Ukraine to focus on territory claimed by Russian-backed separatists as Ukrainian forces went on the offensive, recapturing territory on the outskirts of the capital Kyiv.

In the first big sign that Western sanctions on Russia were impacting investment from China, sources told Reuters state-run Sinopec Group, Asia's biggest oil refiner, had suspended talks on a petrochemical investment and a venture to market Russian gas.

Battlelines near Kyiv have been frozen for weeks with two main Russian armored columns stuck northwest and east of the capital. A British intelligence report on Friday described a Ukrainian counter-offensive that had pushed Russians back in the east.

"Ukrainian counter-attacks, and Russian forces falling back on overextended supply lines, has allowed Ukraine to reoccupy towns and defensive positions up to 35 km east of Kyiv," the report said. Britain has provided Ukraine with weapons and military training.

In an announcement that appeared to indicate that Moscow may be switching to more limited goals, the Russian Defense Ministry said the first phase of its operation was mostly complete, and it would now focus on "liberating" two eastern regions claimed by Russian-backed separatists.

The defense ministry said Russian-backed separatists now controlled 93% of Ukraine's Luhansk region and 54% of the Donetsk region - the two areas that jointly make up the Donbass.

"The main objectives of the first stage of the operation have generally been accomplished," Sergei Rudskoi, head of the Russian General Staff's Main Operational Directorate, said.

"The combat potential of the Armed Forces of Ukraine has been considerably reduced, which ... makes it possible to focus our core efforts on achieving the main goal, the liberation of Donbass."

Brig. Gen. Kyrylo Budanov, Ukrainian Intelligence chief, said was disinclined to trust the Russians— "the Russian side has never been predictable in a case of negotiations"—and struck a defiant note: "Our country understands with whom we are dealing, and we don't expect any miracle here. We are dealing with an army of criminals, of looters, of mercenaries, and we are ready to fight and win."

Warning - Norman Move – Russia is signaling that it is scaling back to concentrate on the south-eastern provinces which they recognized as independent republics earlier in February this year.

The "Norman Move" is one that was practiced by Norman knights in their European conquests and in the Battle of Hastings, where the Norman Duke and later King of England – William the Conqueror – feigned defeat in order to lull the English into a false sense of victory.

The English under King Harold fell for it, charged out behind the Norman knights, and were defeated by William as he swung around behind them. The rest is history. This was a regular military tactic practiced by Norman armies.

The Russian General Staff issued a fictitious report on the first month of the Russian invasion of Ukraine on March 25 claiming Russia's primary objective was to capture the entirety of Donetsk and Luhansk oblasts. Sergei Rudskoi, first deputy chief of the Russian General Staff, gave a briefing to Russian press summing up the first month of the Russian invasion on March 25. Rudskoi inaccurately claimed Russian forces have completed "the main tasks of the first stage of the operation," falsely asserting that Russia had heavily degraded the Ukrainian military, enabling Russia to focus on the "main goal" of capturing Donetsk and Luhansk oblasts.

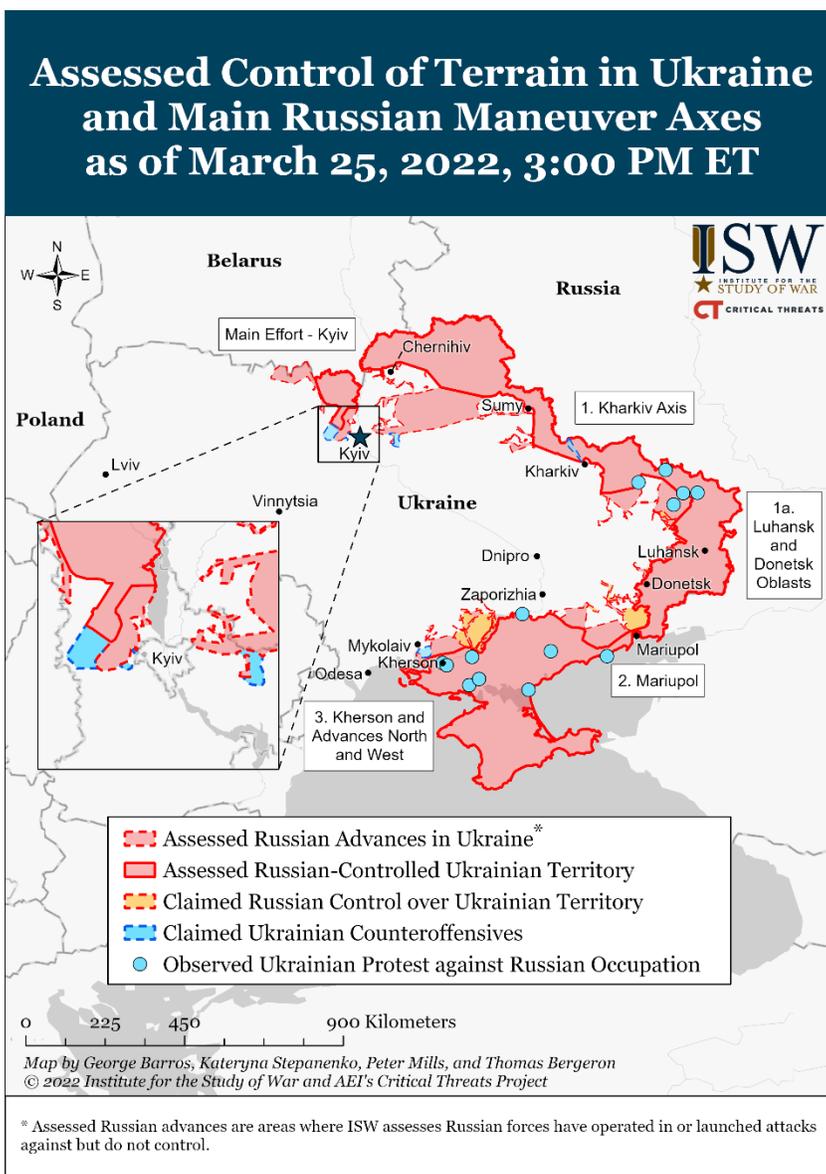
Russia's justification for the invasion of Ukraine from the outset was the fictitious threat Moscow claimed Ukrainian forces posed to the people in Russian-occupied Donbas.

The Kremlin has reiterated this justification for the war frequently as part of efforts to explain the invasion to its people and build or sustain public support for Putin and the war. Rudskoi's framing of the capture of the rest of Donetsk and Luhansk oblasts as the "main goal" of the operation is in line with this ongoing information operation.

Rudskoi's assertion that securing the unoccupied portions of Donetsk and Luhansk Oblasts was always the main objective of Russia's invasion is **false**. The Kremlin's initial campaign aimed to conduct airborne and mechanized operations to seize Kyiv, Kharkiv, Odesa, and other major Ukrainian cities to force a change of government in Ukraine.

Rudskoi's comments could indicate that Russia has scaled back its aims and would now be satisfied with controlling the entirety of Donetsk and Luhansk Oblasts, but that reading is likely inaccurate. Russian forces elsewhere in Ukraine have not stopped fighting and have not entirely stopped attempting to advance and seize more territory. They are also attacking and destroying Ukrainian towns and cities, conducting operations and committing war crimes that do not accord with the objectives Rudskoi claims Russia is pursuing.

Russia continues efforts to rebuild combat power and commit it to the fight to encircle and/or assault Kyiv and take Mariupol and other targets, despite repeated failures and setbacks and continuing Ukrainian counter-attacks. The Ukrainian General Staff reports that the Russian military is building "consolidated units," likely comprised of individuals or small units drawn from a number of different battalions, brigades, and regiments, to replace combat losses and deploying them on the west bank of the Dnipro near the Chernobyl exclusion zone, among other locations. Russian forces continue their grinding and likely costly advance in Mariupol as well. (ISW).



Ukraine will not surrender one inch of land to Russia – the west must understand this - Western analysts are trying to develop different scenarios for Russia's actions in Ukraine. The "menu" is expansive: a protracted conflict with a gradual transition to low-intensity hostilities; a nuclear disaster; the use of chemical or biological weapons to bring victory in land operations; political compromise on the side of Ukraine and others.

It is impossible for Ukraine to accept any of Russia's ultimatums. Not the recognition of the so-called "republics" within the borders of Luhansk and Donetsk oblasts, not the annexation of Crimea, and not the demilitarization of Ukraine.

Kyiv understands that these concessions will not bring any security and in no way will they guarantee the withdrawal of Russian troops. Moreover, these "compromises" will not prevent a new Russian attack. To the contrary, they can only provoke a new Russian offensive against Ukraine. (The Guardian).

Russian General reported killed - Ukrainian General Staff reported at noon local time on March 25 that Ukrainian forces killed Lieutenant General Yakov Rezantsev, commander of the 49th Combined Arms Army (operating around Kherson)

Failure rate of Russian missiles - Russian missiles have a failure rate of up to 60% say U.S. officials.

Russian casualties - Russian General Staff continued to downplay Russian casualties and issued likely false claims of damage inflicted on the Ukrainian military. Rudskoi claimed 1,351 Russian servicemen have been killed and 3,825 wounded since February 24. NATO estimates 7,000-15,000 Russian servicemen have been killed, and Kremlin-affiliated outlet Komsomolskaya Pravda posted and quickly deleted an article on March 22 citing the Russian Defense Ministry that 9,861 Russian soldiers have been killed and 16,153 have been wounded.

In Russia, coming up with an accurate tally is even harder, due to government regulations that have clamped down on independent reporting--and even made uttering the words "war" and "invasion" a potentially criminal offense.

But in the Belarusian regions bordering Ukraine, residents and medical workers have reported a rising tide of corpses and maimed servicemen being shipped out of Ukraine and then sent elsewhere for further treatment -- or burial.

Thousands of Russian soldiers' corpses had already been shipped from the Homel region back to Russia by trains or by plane as of March 13, according to one employee of the Homel regional clinical hospital, 'It was unbelievable how Many corpses there were'.

Mariupol theater death count - Officials in Mariupol say about 300 civilians died in an air strike on a historic theater last week that was being used as a bomb shelter by hundreds of civilians.

Migrant warfare - Ukraine's ombudswoman has accused Moscow of forcibly removing hundreds of thousands of civilians to Russia to put pressure on Kyiv to surrender.

Lithuania - Russian media watchdog Roskomnadzor has blocked access within the country to the Lithuanian news website, Delfi, as the government continues to broaden its clampdown on independent media.

Ukraine gains tanks - Ukraine's army now has more tanks at its disposal than it did at the start of the war with Russia one month ago, while the Russian military has lost hundreds, reports suggest.

Russia had lost 530 tanks as of March 24, according to Ukraine's Ministry of Foreign Affairs, including some that were captured by Ukrainian forces.

The ministry also said that more than 15,800 Russian military personnel have been killed since the beginning of the conflict.

Forbes, citing Oryx, a military website that monitors open-source information on social media to work out losses of military equipment during the war, on Friday said that Ukraine has lost at least 74 tanks since Russia started the war on February 24, but it had captured at least 118 Russian tanks. This means that Ukraine has more tanks than it did at the start of the conflict.

Ukraine's Defense Intelligence Chief Warns of "Real Hell" for Russians -

Changing Face of Warfare

The Ukrainian conflict has shown how outdated the Russian offensive has proven to be. It is rooted in medieval tactics and the use of sheer numbers of men, as in WWII, when "tanks rode over Russian bodies to get at the Nazi's."

This is similar to the British invasion of South Africa when they encountered trench warfare for the first time and found their centuries-old ground offensives and tactics no longer held sway. It took massive injections of British and British Empire troops and expense to eventually subdue a small army of farmers.

A vastly different format of warfare, confrontation and openness will increasingly become evident as the current conflict winds down eventually.

Containment

Estonia increases defense spending to buy air defense systems, more weapons - Estonia has approved a €476 million (U.S. \$523 million) defense spending hike, the majority of which is for short- to mid-range air defense systems.

The decision comes amid Russia's invasion of Ukraine, which has served as a catalyst for other Eastern European nations to boost their own air defense capabilities. Estonia aims to acquire the systems no later than 2025.

Added Battle Command Groups - President Joe Biden and leaders of NATO allies agreed to double the organization's troop presence in Eastern Europe during a flurry of wartime summitry Thursday in Brussels, an effort to keep the alliance united in its effort to isolate and punish Russia for its invasion of Ukraine.

Putin will soon have 'no choice' but to stop his invasion of Ukraine, former US general says - Russian President Vladimir Putin will likely be forced to bring his failing monthlong war against Ukraine to a halt, a retired US general and Russia specialist told Insider — a scenario that may happen within weeks after Russian forces have sustained heavy losses and subjected Ukraine's cities to indiscriminate attacks.

Retired US Army Brig. Gen. Kevin Ryan said he believed this to be the "most likely scenario" to play out, as Putin has already "failed to accomplish" his "main military goals" in Ukraine — a lightning strike to seize Kyiv, Ukraine's capital, and other big cities and remove their elected leaders — and Russia's economy continues to be decimated by sweeping Western sanctions over its war with the Eastern European country.

U.S. engaged in "contingency planning" for any Russian strike on NATO territory - White House national security adviser Jake Sullivan confirmed Friday that he has tasked a special "Tiger Team" of experts to conduct contingency planning for the possibility that Russia uses chemical weapons in Ukraine or strikes NATO territory.

Sullivan pointed to Russia's unprecedented military cooperation with Belarus, which borders NATO states Poland, Lithuania and Latvia, as an especially alarming development that reinforces the need for NATO to be prepared for all possibilities.

Widening of Conflict

Biological, chemical or nuclear attack - America and Europe Must Be Ready for Russian Biological or Chemical Attacks.

Russia's invasion of Ukraine has not gone as the Kremlin imagined, with its forces bogged down around key cities and the Ukrainian army providing stiff resistance. As its troops grow demoralized and its supplies are exhausted, Russia may turn to more drastic measures to win. In Washington, U.S. national security officials are already meeting and planning for a growing possibility that was once unthinkable: that Russia might use biological and chemical weapons in Ukraine.

The League of Nations' Geneva Protocol prohibits the use of chemical and biological agents in war. But maybe that is why Russia continues to insist it is not a "war" but a "special military operation."

As Russian President Vladimir Putin doubles down on his stalled military adventure in Ukraine, the threat has become acute. However implausible a biological or chemical attack once seemed, the United States and its NATO allies need to game out the worst-case scenarios, take inventory of the resources they have at their collective disposal to deal with biological and chemical attacks, and swiftly bolster those resources. There is no time to lose.

Zelenskyy accuses Russia of using phosphorus bombs - Ukrainian President Volodymyr Zelenskyy has accused Russia of using white phosphorus bombs in its attacks on Ukraine. While white phosphorus bombs are not considered illegal chemical weapons, their use is restricted, and there is concern that Russia could use banned chemical weapons in Ukraine.

Russian submarines in the Atlantic - Putin sent 'several' submarines each capable of carrying 16 ballistic missiles into the north Atlantic hours after putting his nuclear forces on 'special' alert over Ukraine invasion.

British navy chiefs believe Russia's decision to move the submarines, which are capable of carrying 16 ballistic missiles each, was an act of 'posturing' rather than an all-out threat. (Daily Mail).

"Total War" - Kremlin official says West has declared 'total war' on Russia. Russian Foreign Minister Sergey Lavrov on Friday took aim at the sanctions the United States and other countries have imposed on Moscow for its invasion of Ukraine, saying he believes that the West has declared "total war" on Russia.

Putin Concerns

Economy – Putin will be worried about safeguarding the Russian economy. It is essential for Russia to maintain its economy given the huge outlays coming through on the Ukrainian conflict.

Coupled to this is the sanctions effect and the drastic reduction in earning capacity through these restrictions.

Russia is burning through cash at an astronomical rate with no end in sight with respect to refilling the coffers. It is reported that the war against Ukraine will take decades for Russia to overcome, as it is fully expected that future foreign trade will be linked to massive reparations costs levied against the country.

This may well prove to be his Achilles Heel through internal revolt driven by rapidly decreasing confidence and prosperity. The Russian people have grown accustomed to higher levels and standards of living, transparency in news and developments and in global exposure.

Once it sinks in and the drastic news restrictions start cracking, Putin's position will be undermined, and he will evidence further paranoia in attacking those around him.

Mounting deaths make Russian censorship of Ukraine war harder to maintain – The increasing number of Russian soldiers and officers dying in combat is making it harder for the Russian government to conceal what is going on. As body bags return, mothers and families are asking questions. This is why Russia conceded c1,500 deaths as opposed to the previous 498. It is large enough to disguise the increase in numbers, yet small enough to conceal their “war.” As mentioned in previous updates, this is Putin’s Achilles Heel.”

China’s Concerns

China’s foreign minister makes surprise stop in Afghanistan - China’s foreign minister made a surprise visit Thursday in Afghanistan’s capital, meeting with the country’s new Taliban rulers – even as the international community fumes over the former insurgents’ broken promise to reopen schools to girls beyond the sixth grade.

According to the official Bakhtar News Agency, Wang Yi was to meet with Taliban leaders “to discuss various issues, including the extension of political relations, economic, and transit cooperation.”

The Taliban, who seized power last August during the chaotic final weeks of the withdrawal of U.S. and NATO forces after 20 years of war, have been seeking international recognition in order to open up Afghanistan’s economy, which has been in free fall since their takeover.

Wang’s visit came as Russian President Vladimir Putin’s special envoy to Afghanistan, Zamir Kabulov, was also in Kabul. Kabulov also met with the Taliban-appointed foreign minister, Amir Khan Muttaqi, Taliban spokesman Qahar Balkhi said. “The meeting focused on strengthening political, economic, transit and regional relations,” Balkhi tweeted.

Both Beijing and Moscow have become significant regional players, outdistancing the United States. China stands ready to “continue to contribute our strengths and advantages as a neighbor to the long-term stability of Afghanistan,” Wang told reporters at a daily briefing.

Not surprising – given the BRI running through Afghanistan, which is an instrumental element of the east to west rail link. This is essential for Chinese future export and strategic growth.

China’s woes grow - Beijing’s initial assumptions about the potential benefits China may derive from Russia’s invasion of Ukraine are becoming less tenable by the day.

At the outset, many strategic thinkers in Beijing reportedly believed Russia’s invasion would divert American focus to Europe. They assumed the toll of war would diminish American power and potentially strain transatlantic unity. They also expected that Russia would become more isolated and dependent on China, giving Beijing leverage to extract concessions from Moscow, much as was the case following Russia’s invasion of Crimea in 2014.

Instead, one month into the conflict, transatlantic unity is arguably as strong as it has been at any point since the 1991 Gulf War. The speed and scale of Western sanctions on Russia exceeded Beijing’s expectations and Russia appears on a trajectory of becoming a rapidly depreciating strategic asset in the international system.

As the world’s leading importer of oil and a leading purchaser of food and commodities, China is also being disproportionately harmed economically by volatility in global markets for such goods.

Chinese officials spoken to are willing to acknowledge privately that Russia’s invasion of Ukraine has harmed China’s interests. Even so, do not expect China to publicly condemn Russia’s behavior.

Instead, Chinese officials almost surely can be counted on to lend public support to Russia. While words are important, actions matter more. The key measure of China’s role in the conflict will be what China does -- and does not do -- to demonstrate its support for Russia. (Radio Free Europe).

China is watching closely - there's no question that Chairman Xi [Jinping] is watching Ukraine very closely in terms of his calculations as to whether he should invade Taiwan, and it will have direct ramifications and implications to that. The Russian offensive is not going well at all and has served to unite what was previously believed to be a disparate group of European and Western allied countries.

This is certainly a "wake-up" moment for both the Chinese and the Russians.

Invading Taiwan requires an air and water-borne assault, both exceedingly difficult. Beyond that is asymmetrical and unconventional warfare, which it is also certain both Russia and China will be analyzing.

Sanctions

The Existential Threat of Extraterritoriality - Secondary sanctions, which prohibit third parties, including foreign entities, from doing business with sanctioned entities, play an increasingly important role in applying pressure. The Foreign Direct Product Rule (FDPR), while not a sanction, was initially beefed up in 2020 to cut off access by Huawei Technologies and many of its subsidiaries to U.S. chips by imposing a license requirement for certain foreign-made items using U.S.-origin controlled software, technology, or equipment if the items were destined for Entity List parties. The FDPR has recently been expanded to include Entity List parties in Russia and Belarus.

These changes fuel speculation that Chinese banks and companies will face the extraterritorial application of U.S. secondary sanctions should they enter into prohibited transactions with Russia. In a recent interview, U.S. secretary of commerce Gina Raimondo stated that the United States could deny exports of equipment and software to Chinese manufacturers found to supply chips and other items to Russia. Shortly thereafter, the Commerce Department published a list of 100 private and commercial aircraft owned or controlled by Russia or Russian nationals that were flown from a third country to Russia. This action gave notice that the servicing of these aircraft anywhere in the world would constitute a violation of U.S. export controls.

The US doesn't need to fully apply any sanctions against China. Every 1% reduction in trade affects Chinese GDP by around .4%.

A 10% US and EU reduction will see China's growth shrink by around 4% - extremely adverse for the Chinese economy and one they will seek to avoid, given the huge knock-on effect this promises to have on internal Chinese societal peace.

US threatens to punish third parties helping Moscow evade sanctions - The US has threatened to impose sanctions on people and corporations exterior Russia which can be serving to it circumvent western penalties imposed because of the conflict in Ukraine, in what could be a big escalation of its efforts to financially isolate Moscow.

Financial

Egypt asks for IMF support - The IMF says it is working closely with Egyptian authorities to prepare for discussions with a view to supporting sustainable, job-rich and inclusive growth as Egypt's economy is buffeted by spillovers related to Russia's invasion of Ukraine.

India - The ongoing Ukraine-Russia conflict has shaken India's already stressed edible oil market. India gets more than 90 per cent of its sunflower oil from Ukraine and Russia. It is feared that retail prices might worsen if the war continues to drag for long.

Oil and Gas - The United States will work to supply 15 billion cubic metres of liquefied natural gas to the European Union this year to help wean it off Russian gas supplies, the transatlantic partners said. The EU is aiming to cut its dependency on Russian gas by two-thirds this year and end all Russian fossil fuel imports by 2027.

Impacts

Finland - Finland's national railway operator will suspend services between Helsinki and Saint Petersburg in Russia on Monday, closing one of the last public transport routes to the European Union for Russians.

International shipping in Sea of Azov - Russia May Create Safe Corridor to Release Foreign Ships From Ukraine. If the corridor is opened as described, and if Russian forces do not further attack merchant ships in transit, the arrangement will provide much-needed relief for hundreds of foreign seafarers who are trapped in and around Odesa. Nearly 70 vessels are expected to participate, Mizintsev said.

India - India 'feeling the heat' over neutrality. On Monday, US President Joe Biden told a meeting of business leaders in Washington that among the so-called Quad group of nations, India was being "somewhat shaky" in its response to Vladimir Putin's invasion of Ukraine.

The US, Japan and Australia - the three other members of this coalition formed to counter China's influence - have been "extremely strong in terms of dealing with Putin's aggression", he said.

"Quad" is a grouping of these four nations formed in 2007 for "maritime co-operation" to counter Chinese growth in the region. It faded for a number of years but recently was revived.

Chip Industry - Chip industry under threat with neon production set to fall off a cliff following Russia's invasion of Ukraine. Neon is required for the lasers that are used in a chip production process known as lithography, where machines carve patterns onto tiny pieces of silicon made by the likes of Samsung, Intel and TSMC.

These machines are produced by Dutch firm ASML.

More than half of the world's neon is produced by a handful of companies in Ukraine, according to Peter Hanbury, a semiconductor analyst at research firm Bain & Co. Those companies include Mariupol-based Ingas, as well as Cryoin and Iceblick, which are based in Odesa, all under direct threat.