

Conflict Update Day 391

March 21st, 2023

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Conflict Assessment

Russian losses – 166,570 (+960) soldiers killed, 3,552 (+15) enemy tanks, 6,879 (+10) armored combat vehicles, 2,586 (+9) artillery systems, 507 (0) MLRS systems, 270 (+2) air defense systems, 305 (+0) warplanes, 290 (+0) helicopters, 2,167 (+7) UAVs of the operational-tactical level, 907 (+0) cruise missiles, 18 (+0) warships/cutters, 5,428 (+12) trucks and tankers, 4 Iskander Missile Launchers (+0), 239 fuel bowsers (+0) and 266 (+1) units of equipment.

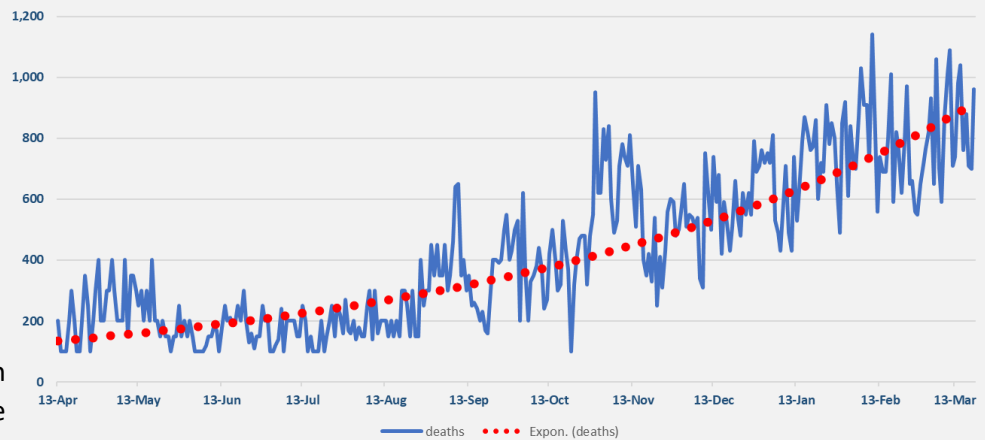
Death Toll

Russia continues to lose hundreds of soldiers by the day.

Small wonder when sending unarmed combatants (?) into battle sans weapons, armed solely with shovels to dig trenches.

The Kremlin has been unsuccessfully slogging away around Bakhmut for some seven months in trying to breach Ukrainian defences, particularly over the winter “break.”

Russian troop deaths by day



Now they are moving their assaults further south, where they are suffering even greater numbers of soldiers dying, as well as losing increasing amounts of armored equipment.

Their tactics, as always, is to confront Ukrainian forces with overwhelming superiorities of numbers in the hope that, given the 8:1 kill ratio in favor of defending forces, their higher troop number will offset the astronomical Kremlin attrition rate, and will suffice to win the day. But this is not happening with their attacks being rebuffed.

Key Takeaways

Ukraine reported the destruction of “multiple” Russian cruise missiles being transported by rail to Russia’s Black Sea fleet in Crimea. The Kalibr cruise missiles were destroyed by an explosion, its military said, without explicitly saying Ukraine was responsible.

The train carrying the missiles was destroyed in the northern Crimean town of Dzhankoi, Ukrainian Intelligence Directorate (GUR) said. Reports on a Wagner-affiliated Telegram channel alleged that at least two drones had successfully struck the train in the village “with military equipment or fuel,” residents had noted several explosions.

GUR explained that the missiles are “designed for launches from surface ships of the Russian Black Sea Fleet. The range of damage of such weapons is more than 2,500 kilometers against land targets and 375 kilometers against sea targets.”

Ukraine launch counter-offensive as fierce battle for Bakhmut rages on - Ukrainian forces have launched a counter-attack south-west of Bakhmut to push Russian troops away from the last remaining supply route to the besieged city, according to Western analysts.

Geolocated footage shared on social media show Ukrainian troops in a position once occupied by mercenaries from the Wagner Group in the settlement of Ivanovske, almost four miles from the centre of the salt-mining town.

The offensive move by Kyiv's armed forces pushed the Russians further away from the T0504 highway, which has been dubbed "the highway of life" because of its importance to the troops holding out in Bakhmut.

The eastern town of Avdiivka could soon become a "second Bakhmut" with the risk of being encircled, Ukrainian military said. **Comment** – As mentioned further below, is this change in attack direction by the Kremlin in response to a suspected Ukrainian counteroffensive from this area and further south?

A Russian Su-35 combat plane was scrambled over the Baltic Sea after two American strategic bombers flew in the direction of the Russian border, the defence ministry said.

Is Ukraine building an offensive momentum? – As we know, Kyiv is absolutely silent on future moves and military tactics. They just don't talk.

Russia on the other hand cannot stop talking. Tells you something.

Ukraine is nearing the post-winter window of offensive opportunity with underfoot conditions improving and front line terrain progressively more amenable to heavy armor movement.

Modern equipment continues to enter the country, Intelligence is increasing – view the latest "incidents" surrounding British and US drones and monitoring aircraft – and Ukraine is increasingly striking Russian defensive stations, anti-aircraft batteries, armored equipment locations, troop assembly points and supply chain nodes.

See further below an article regarding the US speeding up delivery of Abrams tanks and Patriot Systems to Ukraine – in order to assist in their "counteroffensive."

It appears to be a prelude to offensive action.

In any offensive, particularly one with heavy armor, essential is a mechanical maintenance capability. Ukraine will have been using the winter to not only move this essential backup element of offense closer to offensive lines, but also to acquaint its mechanics and supply chain with new modern weapons arriving in its ranks. Reports have been ongoing of NATO training Ukrainian mechanical staff.

This has been and continues to be a cardinal element of Russian failure over the last year. Maybe they really believed they were on a three-day Sunday drive to Kyiv and wouldn't require maintenance backup, perhaps because they were militarily arrogant or maybe they overestimated their abilities following minor battles against lesser foes in Syria, Georgia and Chechnya?

But fail they did because even today they cannot adequately maintain their equipment.

Now one understands militaries engaging in so many army training programs in testing all elements of battle, especially maintenance and supply chain. And why supply of F16's to Ukraine is still the subject of debate – because it is not only an airplane arriving, but also spares, tooling, mechanical training and supply chain essentials to keep that plane aloft.

Back to Ukraine building momentum, Melitopol, followed by Mariupol, still seem the most advantageous strike points and targets for Kievan forces, with Ukrainian success here splitting all Russian forces in occupied territories.

This may explain Putin’s Mariupol and Crimean visits of late as well as Kremlin activities in Kherson and Crimea that typify pre-evacuation planning. And may also explain Kremlin assaults further south of Bakhmut toward areas where Ukrainian counteroffensive assaults will more than likely originate.

Securing return of Kherson, Zaporizhia and Crimea at the very least, will see Ukraine enjoy incredible national success, providing unfettered Black Sea access and protection of vital trade lanes down the River Dnipro.

If this is all Ukraine achieves, or deems acceptable, or comes under pressure from its Allies to end the conflict once thus far into capturing Russian-occupied territories, it also provides something Russia can claim as success should the parties enter negotiations. Moscow can present Luhansk and Donetsk Oblasts as “bragging rights,” and justification for its invasion of its smaller neighbor.

Although it’s not clear Kyiv will relinquish any forward momentum once and after achieving results such as the above.

How many artillery shells Ukraine is using to defeat Russia – “According to our estimates, for the successful execution of battlefield tasks, the minimum need is at least 60 percent of the full ammunition set,” Ukrainian Defense Minister Reznikov says. That equates to 6,000 to 7,000 shells of all sorts per day.

Russia is firing way more shells - approximately five times more artillery shells according to Reznikov, a situation that makes Ukraine’s defense, and eventual counter-offensive, far more difficult.

Hundreds of Palladium fighting units arrive in Ukraine, together with German Marder IFV armor – A trainload of US Palladium armored fighting units is pictured below left arriving in Ukraine over the past week, as is a trainload of German armored vehicles.



Shipments of British armored personnel carriers and other vehicles arrive in Poland en route to Ukraine last week – Pictured are British armored vehicles arriving in Gdansk en route to the Ukrainian front.



French armored vehicles arriving in Ukraine – French fighting vehicles seen arriving in Ukraine two weeks ago.



45,000 body bags - Before the beginning of Russia's invasion of Ukraine, it purchased 45,000 body bags. Given Moscow's belief in a short victorious war, the question must be asked: who were these body bags originally for?

I keep coming back to the 45,000. Forty-five thousand body bags – I just can't stop thinking about it.

The news that the Russian Ministry of Defence purchased 45,000 body bags appeared in the Ukrainian mass media at noon on February 23rd. Then, less than a day before the invasion, it finally convinced me of the inevitability of a major war. I was not the only one: the Russians were preparing for brutal fighting and stocking up on body bags for their own soldiers who would die in those battles.

Then the Russians entered Ukraine as if on parade march, planning to take Kyiv in three days and hardly expecting significant losses. A hundred and a half dead at most. For several days, those 45,000 body bags caused dissonance in my head. I could not figure out who they were for. Suppose the Russian army was preparing for a quick and victorious war. Why did they need so many body bags and mobile crematoria, which were transported to the border?

The dissonance, however, did not last long.

At the beginning of March, a journalist reported that in September 2021, Russia developed, and on February 1st 2022, put into effect, a national standard for the urgent and mass burial of corpses in wartime. Looking back, I'm surprised I didn't see it sooner. It seems evident to the point of banality after what we've seen in Mariupol and Bucha.

All those bags were meant for us.

Kyiv conquered in three days, a parade on Khreshchatyk, Gazmanov's concert, and then slaughter. The execution of politicians and civil servants, volunteers and veterans, journalists and bloggers. And then, probably, doctors, teachers, and scientists because 45,000 body bags might seem too many for activists alone.

Since then, I have not been able to get this thought out of my head: 45,000 black body bags. For Ukrainians. Why? Simply because we are Ukrainians. This is all happening at the same time as humanity is preparing to return to the moon, nuclear fusion is being mastered, and a cure for Alzheimer's disease is being successfully tested.

And another thought always follows. If I, having a good understanding of what current Russia is, only later realised that those body bags were meant for us Ukrainians, how much harder is it for my friends from the US or Europe to believe

it? On March 18th, I published a Facebook post in English, mainly addressed to foreigners. I wrote about my Russian relatives, most of whom strongly support what the West calls “Putin’s war.”

I tried to explain that they are no different from Putin. Instead of support and understanding, I received wary silence in response. Seriously, after the post was published, neither Jan, with whom I studied for two years in Stockholm, nor Miguel, with whom I once lived in a student dormitory, wrote to me. No messages for more than half a year. Before the invasion, they regularly asked how I was doing and what was new in my life.

I don’t blame them, to be honest. It is easier for a westerner brought up in a liberal environment to believe that I am simply dehumanizing my enemy in the midst of a war, rather than the fact that there is a nation in the 21st century that purposefully attempts to annihilate its neighbour. And this is not the first time. This innocent blindness, this irritating inability to recognise evil when it is right under your nose, existed before.

The British historian Max Hastings wrote in the book *“All Hell Let Loose: The World at War 1939-1945”* that few of his compatriots recognised the severity of the Holocaust following the Second World War. There were objective reasons for this: the Soviets, for example, hid the facts of the systematic extermination of Jews because, in their opinion, it contradicted the thesis about the USSR being the country most affected by the Nazis. Overall, the British knew about gas chambers, crematoria and death camps like Auschwitz. They just refused to believe that the Germans – a civilized European nation – tortured millions of people in these camps.

I don’t blame my foreign friends, but all the same, it makes me angry. Despite everything, I’ll still have to find a way to communicate with them.

Realizing how many times in the future we will have to explain seemingly obvious things and how painful an experience it will be is downright sad. I still can’t gather my thoughts and write about my mother’s friend who lived for two months under occupation in Kupyansk. To fully understand how bad it was, you need to listen to the admiration in her voice when she speaks about how wonderful the Kharkiv region is now.

I tried three times to write a post about Volodymyr Vakulenko, a poet and children’s writer from Izyum, who the Russians kidnapped at the end of March and is still missing. We were not close, but we corresponded occasionally; he came in and out of my life. He once had a fight with me on social media, although I don’t remember the subject. Once he came to my book launch, and after it was over, he talked strenuously and for a long time about the book he was working on. The novel was about “indigo children.” And I understand that I should have written about Volodymyr, as many of my colleagues have already done. Still, whenever I open my laptop, I struggle to squeeze out two or three long sentences. After that, I close my laptop. The right words slip out, but the apt phrases that seem to have held together a moment ago fall apart. It might take years to put them back together.

It isn’t easy. It’s sad. And it hurts.

Nevertheless, we must find the strength to speak despite the pain, insults and anger. We must learn to put together the right words — both now and after the war. But especially after the war.

Eventually, the war will end. But the Russians’ desire to fill 45,000 body bags will not.

An article written yesterday by Max Kidruk in New Eastern Europe website.

The head of Russia’s Wagner Group of mercenaries, Prigozhin, said his forces control 70 percent of Bakhmut.

Prigozhin told Defence Minister Shoigu in a letter the Ukrainian army was planning an imminent offensive aimed at cutting off his Wagner forces from the main body of Russian troops in eastern Ukraine.

Wagner warns Russia military chief of imminent Ukraine attack - Prigozhin says ‘large-scale’ offensive aims to cut off his fighters from regular Russian forces in an unusual open letter to Russian Defence Minister Shoigu.

The owner of the Russian mercenary Wagner Group warned Defence Minister Shoigu that the Ukrainian army is planning an imminent offensive aimed at cutting off his forces from the main body of Russian troops in eastern Ukraine.

He said the “large-scale attack” was planned for late March or early April in a letter published yesterday.

“I ask you to take all necessary measures to prevent the Wagner private military company being cut off from the main forces of the Russian army, which will lead to negative consequences for the special military operation,” Prigozhin said, employing the term that Moscow uses for its invasion of Ukraine.

It was the first time Prigozhin published such correspondence with the defence minister, whom he has frequently criticized over the conduct of the war.

The unusual move appeared to have two possible aims: to wrongfoot Ukraine commanders and to seek to pin blame on Shoigu, not Prigozhin, if the purported Ukrainian manoeuvre proved successful.

Comment – He continues his verbal assaults on Kremlin commanders, best he not enter high rise buildings of any sort.

NATO chief warns China against supplying Russia with weapons - NATO’s Jens Stoltenberg warned China against supplying weapons to Russia as leaders of both countries continue talks in Moscow.

“We haven’t seen any proof that China is delivering lethal weapons to Russia, but we have seen some signs that this has been a request from Russia, and that this is an issue that is considered in Beijing by the Chinese authorities,” Stoltenberg told reporters in Brussels.

“China should not provide lethal aid to Russia that would be to support an illegal war.”

Comment – The EU and US, combined, account for roughly 67% of Chinese manufacturing exports. Silly to fool around with this crucial domestic multiplier

Ukraine’s 2023 grain harvest is likely to fall to 44.3 million tons from 53.1 million in 2022 as fewer crops are sown due to the Russian invasion, according to a forecast by the Ukrainian agriculture ministry.

This is misleading as normally Ukraine production would increase from year-to-year. thus the 53.1 million tons would actually have been higher, increasing the shortfall as reported here.

Ukrainian military waiting for final Russian suicidal assault in Bakhmut, says officer - According to the officer, the Defense Forces are “pounding” the Russians and are waiting for their final suicidal assault in Bakhmut.

Ukraine’s Operational Command East spokesman, Serhiy Cherevatyi Voloshchenko, said Russian troops were carrying out inertial attacks in the Bakhmut area but it is obvious that they won’t be able to capture Bakhmut, but they’re still moving towards it with these inertial waves.

“The attacks had some more or less clear outlines, but have stopped at the river in Bakhmutka in the east. They’re trying to forge the river, to build some engineering river crossings. But all this is covered by our mortars [*sic*], our guys, who are in more advantageous positions.”

“The same situation is in the north – they’ve stopped. They’ve not had much success — about five days ago they occupied one of the shops, took a joyful selfie, and that’s it. Then our guys surrounded and destroyed them there, so there are no more selfie men.”

“South. They’re trying to get to the so-called “plane.” (Referring to the monument to the MiG-17 jet fighter at the western entrance to Bakhmut) but the monument was destroyed on March 10). “Unfortunately, the “plane” no longer exists since they couldn’t capture that Tchaikovsky intersection. They destroyed it physically from a distance.”

“That’s why they stopped from three directions and now such inertial attacks are already taking place: they advance — they die.”

“It seems that the command doesn’t tell those new groups that enter after the previous ones that it’s a live-fire zone. We see this is as simply some planned demilitarization of the Russian army.”

Ukrainian drone attacks Druzhba pipeline - A Ukrainian UAV has attacked the Novozybkov oil pumping station of the Druzhba pipeline located in the Bryansk region of Russia, local governor Alexander Bogomaz reports.

He adds that power had to be temporarily turned off in villages Mamai, Trostan, Druzhba, Novskoye, and Dubrovka for security reasons. Bogomaz assures the local residents that the power will be turned back on after the operational and investigative activities have been conducted.

State of emergency declared in Crimea’s Dzhankoi after overnight Ukrainian drone attack - A municipal level state of emergency has been announced in the town of Dzhankoi in the north of Crimea after an overnight drone attack, head of the town administration Igor Ivin says.

Even bigger US spy plane spotted near where Russia shot down US drone - In the midst a Pentagon briefing about one of its drones downed by Russian fighter jets, a manned U.S. maritime surveillance plane was spotted flying in the skies not far from the region where the incident took place.

According to Flightradar24 data, an oft-cited civilian aviation website pooling open source aircraft data from global networks, a manned U.S. Navy Boeing P-8 Poseidon surveillance aircraft was flying off the coast of the Black Sea in Romanian airspace not far from the Ukrainian port city of Odessa, a frequent target of Russian air strikes. The sight of the U.S. aircraft near the Ukrainian border came shortly after the first time American and Russian forces physically engaged one another since the war began.

US B52 bomber intercepted by Russian jet - A US Air Force B-52H Strategic Bomber was intercepted by a Russian Su-35 fighter aircraft yesterday over the Baltic Sea.

It was approaching Russian airspace when it was intercepted, according to Russia’s MoD, and escorted until it entered Estonian Airspace.

The Polish MoD said the bomber was escorted by Polish F-16s at one point, however it is likely that the bomber was intercepted by the Russian Su-35 after the Polish jets returned to base.

Comments, Updates, Developments and Reports

US pushes back on Russian demands to ease Western sanctions - The United States has pushed back on Russian demands that Western sanctions be eased before it allows Ukrainian Black Sea grain exports beyond mid-May, saying there were no restrictions on Russian agricultural products or fertiliser.

Moscow’s demands include allowing the Russian Agricultural Bank to return to the SWIFT banking system and unblocking the accounts and financial activities of Russian fertiliser companies.

The deal allowing the safe wartime export of Ukrainian grain from its Black Sea ports, initially brokered last July by Turkey and the United Nations, was renewed on Saturday for at least 60 days, half the intended period.

The US strongly supports UN efforts to get Ukrainian and Russian agricultural products to world markets, said a State Department spokesperson, adding that it has “gone to extraordinary lengths to clarify that we have carved food and fertiliser out from our sanctions imposed on Russia.” “The only prohibitions on food and fertiliser exports from Russia

are those imposed by the Government of the Russian Federation,” the spokesperson said. “Russia is the one restricting its exports – it imposed export quotas on certain fertilizers, and recently extended them through the spring.”

Comment – Another Russian pressure point – Access to SWIFT.

In Ukraine to offer solidarity, Japan's Kishida tours Bucha massacre site - Japan's Fumio Kishida arrived in Kyiv for a meeting with President Zelenskiy on Tuesday, a rare, unannounced visit by a Japanese leader that underscored Tokyo's emphatic support for Ukraine against Russia's invasion.

Comment – A meaningful connection for Kyiv, given Japan is one of the largest global economies and reportedly willing to not only beef up its domestic defensive capabilities but also extend these to aiding foreign nations it views can rally in combatting Chinese/Russian global order expansionist desires, Taiwan never far from thought.

China has offered a 12-point Ukraine peace proposal, and Putin told Xi that Russia was ‘open to negotiations’ about Ukraine.

ICC Warrant of Arrest for Putin - Officials say an international conference in London raised \$4.9m to support the ICC in its investigations into alleged war crimes in Ukraine. ICC Chief Prosecutor Karim Khan told the conference the issue of the arrest warrants was “very sad” and “very somber,” noting it was the first time such action had been taken against a permanent member of the UN Security Council.

Latvia is going on offense against Russian culture - Latvia, a small country on the Baltic Sea with just over 1.8 million people, recently passed a spate of laws to reduce Russia’s influence in the former Soviet nation. Lawmakers hope the measures will deepen domestic cohesion against threats from Moscow. But some experts worry the laws could dangerously deepen fault lines between ethnic Latvians and the significant domestic minority of ethnic Russians.

Wariness of Russia has already led to the removal of Soviet-era monuments and proposed renaming of a street that celebrated Russian poet Alexander Pushkin. More significantly, Latvia has separated the Latvian Orthodox Church from the Russian Orthodox Church and banned some Russian TV broadcasts. It is even considering a return to the mandatory military service that had been abolished in 2006, several years after Latvia joined NATO and the European Union.

Containment

How the GLSDB long range weapons system could change the war in Ukraine - The US is expected to send a new longer-range weapon to Ukraine. The Ground-Launched Small Diameter Bomb can send missiles more than 150 kilometers - roughly double the range of Ukraine's current longest-range weapon.

That would enable the Ukrainian army to attack Russian forces from a greater distance AND far behind enemy lines. The weapon is made jointly by the American aerospace company, Boeing and Sweden's SAAB.

The GLSDB exchanges speed for distance so as you get to the end of the possible glide path you are under 160 kph, therefor need to launch a lot more at that longer distance.

Accuracy is not affected but speed drops and allow SHORAD to be more effective. Now the GLSDB can attack from many angles within the glidepath, unlike the GMLRS which always comes in at the lowest radar horizon at Mach 2.5.

Introduction of HIMARS (and M270) was a game changer, allowing Ukraine to hit targets far behind the front line at great accuracy and almost impossible to shoot down.

Now with longer range, it will probably have a massive impact, since they fly longer and might give Russian SAM assets more time to respond, but my guess is that these can hit targets more or less unhindered.

Pentagon to speed up deliveries of Abrams tanks and Patriot Systems to Ukraine - The Pentagon is speeding up delivery of Abrams tanks to Ukraine, opting to send a refurbished older model that can be ready faster and delivered in eight to 10 months, US officials told The AP.

The original plan was 31 of the newer M1A2 Abrams, which could have taken a year or two to build and ship.

But officials speaking on the condition of anonymity said the decision has been to send the older M1A1 version, taken from Army stocks and easier for Ukrainian forces to learn to use and maintain.

A group of 65 Ukrainian soldiers will complete their training on the systems at Fort Sill, Oklahoma, in the coming days, the defense officials said.

The troops will then move on to Europe for additional training on the two Patriot systems – one American and one built by the Germans and Dutch – that will be deployed to Ukraine in coming weeks, the officials told reporters at Fort Sill.

The announcement of the acceleration of Patriot deployments came shortly after it was reported that the US will accelerate the time it takes to ship Abrams tanks to Ukraine by sending older M1-A1 models of America’s main battle tank instead of the more modern version of the tank, according to two US officials.

The decision to speed up the delivery of tanks and Patriots comes as Ukraine is preparing to launch a spring offensive against Russian forces, built largely around the more powerful and more advanced systems Western countries have agreed to send, including tanks and other armored vehicles.

Norwegian Army delivers eight Leopard tanks to Ukraine - Norway has delivered eight Leopard 2 tanks to Ukraine as part of its commitment to fight the Russian invasion, the Norwegian Army has confirmed.

The Armed Forces have reported that eight tanks and four support vehicles are already on Ukrainian soil, and have reported that training of Ukrainian soldiers who will be tasked with their use is already underway in Poland, in addition to funds for ammunition and spare parts.

Russia slams UK plan to send depleted uranium ammo to Kyiv - Russia’s foreign ministry condemned a British plan to send ammunition that contains depleted uranium for use in Ukraine.

Russian Foreign Ministry spokeswoman Maria Zakharova said on Telegram, “Yugoslav scenario. These shells not only kill, but infect the environment and cause oncology in people living on these lands.

“By the way, it is naive to believe that only those against whom all this will be used will become victims. In Yugoslavia, NATO soldiers, in particular the Italians, were the first to suffer. Then they tried for a long time to get compensation from NATO for lost health. But their claims were denied,” she said.

Zakharova added, “When will they wake up in Ukraine? [...] Their benefactors poison them.”

Comment – Depleted uranium ammunition facilitates a higher kill rate against armored vehicles, allowing incoming fire to penetrate the outer shell of a tank or APC. The US used it extensively in Iraq, but forces using them must be vigilant as to the side effects of the weapon.

Russia’s Shoigu says fewer steps before ‘nuclear collision’ - Russia has condemned British plans to send ammunition that contains depleted uranium to Ukraine, a move Defence Minister Shoigu says leaves fewer and fewer steps before a potential “nuclear collision” between Russia and the West.

“Another step has been taken, and there are fewer and fewer left,” Shoigu said in remarks to domestic news agencies.

On Monday, British Minister of State for Defence Annabel Goldie said some of the ammunition for Challenger 2 battle tanks includes armour-piercing rounds containing depleted uranium.

This type of ammunition is a health risk around impact sites, where dust can enter people's lungs and other organs.

If China arms Russia, the US could kill it's aircraft industry - Beijing's aerospace future is uniquely dependent on Western companies. US and EU trade sanctions could bring its indigenous aviation sector to a halt.

As Chinese President Xi Jinping meets in Moscow with Putin this week, the war in Ukraine will be high on the agenda. While the Chinese leader might pressure Russia to pursue a peace deal, there are also worries in Western capitals that the authoritarian allies could agree to work together more closely.

A Chinese decision to provide Russia with weapons would change the world. Only China has the stockpiles and industrial capacity to replace Russia's ruinous equipment losses in its war against Ukraine. Worse, it would help cement a Russo/Sino alliance, one pitted against Western interests. US President Biden and other Western leaders have warned China's leadership that providing lethal technologies to Russia, on top of the non-lethal aid already provided, would have serious consequences.

One western option would be to bring China's commercial aircraft industry to a halt, striking a blow against Beijing's economic, technological, and transport aspirations as well as to Xi's prestige, too, since he has made technological self-sufficiency a key priority for the country.

The aviation industry is not just a matter of pride; it is foundational to China's infrastructure and an essential mode of transport for many middle-class Chinese. According to the World Bank, passenger air traffic in China grew more than tenfold between 2000 and the 2019 peak, from 62 million passengers to 660 million passengers.

While China wants to develop home-grown substitutes for these imported components, ultimately creating purely Chinese jets, this will be a very long road. Besides, modern jet producers rely on purchases of best-in-class technologies from a globalized industry; autarky is a very bad way to run a jetliner industry. Even the US jetliner industry has long been wedded to industrial partners in Canada, France, Japan, the UK, and many other countries.

Engines are the weakest link in China's civil aviation plans. Airframes and aircraft systems and technologies may be difficult to develop, but jet engines are at a completely different level in terms of barriers to entry. In fact, only three companies, located in two countries (General Electric (GE) and Raytheon/Pratt & Whitney in the US and Rolls-Royce in the UK) build commercial jet engines. France's Safran plays a role as a partner to GE in the CFM joint venture, but otherwise there are no other sourcing options.

Russia cannot be a jet engine supplier option for China. The Soviet Union had a second-rate commercial engine industry for mostly domestic applications, but Russia's efforts to revive it have been uncertain and very slow. Today, Russia remains completely dependent on Western aircraft and engines; it has only been able to keep its existing aircraft flying by illegally evading sanctions. (**Comment** – In yesterday's Update we spoke about Russia extending its domestic airplane industry entrance by another 10 years because of challenges in starting production afresh).

Only tiny numbers of obsolete Russian models have been manufactured over the last few decades. There are plans for new engines, but international sanctions, massive corruption, and the brain drain of the last year have likely doomed whatever chances Russia's commercial aviation engine industry once had. Besides, the priority is now military systems.

As a consequence of the limited number of jet engine suppliers, the Commercial Aircraft Corporation of China's (COMAC) ARJ21 regional jet and C919 are both powered by GE or GE/Safran engines, imported from the United States. For the ARJ21, there is no backup plan to GE's CF34 engine.

Australian cardboard drones already performing battlefield missions in Ukraine – The Australian company managed to accomplish one of its most ambitious tasks - deliver many Corvo Precision Payload Delivery System (PPDS) drones to the battlefield. They are delivered in the form of blanks, which are flat sheets of cardboard that can be used to assemble the UAV.

About 100 Australian drones are delivered every month, the manufacturer said and Ukraine has already sent more than 60 on sorties to the front line. They can be launched manually or with a catapult. The flight range is 40-120 kilometers.

The primary task of the drones is to deliver ammunition, food, and medicine directly to the front line. However, they can also perform reconnaissance flights or drop small explosive devices.

The drones are designed to operate in difficult conditions, said Osborne. To prevent the fuselage from collapsing and failing during wet weather, the sturdy cardboard is coated with wax.

Sanctions

Russia ready to help Chinese businesses replace Western firms that left: Putin - Putin says Russia is ready to help Chinese businesses replace Western firms that have left Russia over the war in Ukraine during formal talks with his Chinese counterpart, Xi Jinping.

The Russian president also said he had discussed the proposed Power of Siberia 2 pipeline, which would ship Russian gas to China, with the Chinese leader.

Comment – Speaks of Russian desperation in trying to counter the effects of sanctions. Making it out to be a favorable commercial approach is nothing more than a transparent guise of seeking desperately needed Russian Main Street assistance from China, particularly as sanctions begin to bite ever deeper into ordinary Russian lives.

But something Putin has obviously forgotten is that China, like all investing countries, seeks only to strengthen its own economic footing. Chinese aid to Russian Main Street is nothing more than an aid to the Chinese economic position. All Putin needs do is ask the many flailing BRI member states about their experiences with Beijing “largesse.”

Putin & Russia

Russia’s Supreme (Court) loss - The UK Supreme Court decision to send Ukraine’s Eurobond default to trial is a major blow to Putin’s plans to break the Western-led economic order.

The British Supreme Court ruled in Ukraine’s favour in one of the longest-running legal disputes between Moscow and Kyiv, ordering a full London trial on Ukraine’s claim that it should not have to repay a decade-old \$3bn loan it says the pro-Russian administration of then-President Viktor Yanukovich took out under pressure from Russia.

In the context of Russia’s war in Ukraine and all the horrors resulting from it, a legal victory far away in Britain may appear minor. After all, the funds in dispute are not even a fraction of the hundreds of billions in damages Russia has caused in Ukraine in the past year.

Nonetheless, Ukrainian President Zelenskyy hailed the ruling as a “decisive victory.” and many Ukrainians celebrated it as much as their country’s successes on the battlefield.

This ruling is indeed decisive and important not only for Ukraine but for the West as well. Because the loan in question was Russia’s first attempt to challenge the Western-led economic order through its actions towards Ukraine.

The disputed loan was agreed in December 2013. Back then, protests were raging in Kyiv against corruption and Yanukovich’s decision to abandon plans for closer ties with the EU. In the months prior, Moscow had put the Ukrainian economy under substantial duress to persuade Yanukovich (then Ukrainian pro-Russia president) to move away from signing an association agreement with Brussels and instead join the Russia-led Eurasian Economic Union. According to the current Ukrainian government, Russian pressure on Ukraine at the time was not solely economic. Kyiv alleges that in addition to a trade blockade, Moscow threatened the Yanukovich administration with military action if it did not comply.

On December 17 that year as protests continued in Ukraine, Yanukovich flew to Moscow for a meeting with President Vladimir Putin. Details of the discussions between the two presidents were never publicly disclosed, but after the meeting, Yanukovich announced that Ukraine would seek observer status in the Eurasian Economic Union and receive \$15bn in loans from Russia.

The announcement did nothing to assuage protests in Kyiv, but the Yanukovich government moved forward with the agreed plan anyway. The first \$3bn tranche of the \$15bn loan was issued just 3 days after Yanukovich's Moscow visit.

At the end of February 2014, deadly clashes between protesters and state forces in Kyiv culminated in the Maidan Revolution. Yanukovich absconded to Russia, and the remaining \$12bn Putin had offered to loan Ukraine was never delivered. But as Russian forces began to seize control of Crimea, and Ukraine hurtled towards defaulting on its debts, sovereign debt experts started looking into Ukraine's books and noticed some anomalies in Moscow's initial \$3bn payment to the Yanukovich administration.

First and foremost, the loan was structured in a rather unusual way – in the form of a Eurobond. Such debentures are a common way for sovereign governments to borrow, but they are used for borrowing from private creditors, not from other states. When governments borrow from each other or from international institutions such as the International Monetary Fund (IMF), the terms are typically concessional – such loans are known as “official debt.” Private debts, such as Eurobonds, may be traded on open markets. Official loans may not. When governments face debt duress, their private and official debts are also restructured in separate, if typically concurrent, processes. So Russia's use of a private market instrument for its loan to the Yanukovich administration was highly unusual.

As experts picked through the language of the bond's offering, they discovered unique terms that gave the Eurobond's holder substantial leverage over the Ukrainian economy by effectively allowing it to force Ukraine into default.

Russia's National Wealth Fund owned the Eurobond, which meant that the Kremlin could blackmail the Ukrainian government.

That the loan was structured as a private market debt despite being issued by an official creditor also meant that Russia could potentially frustrate Ukraine's ability to restructure its private debts and to receive support from other official creditors in the event of duress.

Putin has been complaining about the dollar's dominance over the global economy for a long time. He first declared his intent to create a “sphere of influence” for the Russian rouble during his annual address to the Federal Assembly in 2006. The pro-Putin youth group Nashi, the brainchild of Putin aide Vladislav Surkov, subsequently embarked on an extensive public campaign to end the dollar's role in the Russian economy.

But at the time of Yanukovich's ousting, Russia had made no meaningful progress on its de-dollarization agenda. Even Putin's “blackmail bond” was denominated in the US currency. The Eurobond issued to the Yanukovich administration, however, was still an attack on the dollar-dominated economic order. It was Putin's attempt to try and break the Western-led system from within.

Russia confiscates officials' passports to stop them fleeing the country or defecting, UK intel says -

Russia is taking passports from state industry employees and “increasingly disaffected” public officials to prevent them from fleeing abroad, the British MOD has said.

Russian officials and state company workers are “increasingly disaffected” and are now considered a flight risk by the government which is subjecting them to “increasingly severe foreign travel restrictions,” the MOD had said in their frequent Ukraine war intelligence update.

These extreme moves are necessary to “prevent the flight or defection of increasingly disaffected officials,” the MOD claimed, noting some have “likely had to forfeit their passports... Employees closer to the centre of power face more severe restrictions; Kremlin officials are banned from all international leisure travel.”

Russia faces an 'exodus' of troops as prisoners recruited to fight in Ukraine start to be pardoned and return home, says UK intel - Russia is about to face further major personnel problems in Ukraine, as thousands of convicts who were recruited to fight in the war are set to be pardoned and sent home, according to UK intelligence.

The UK MoD said in an intelligence update earlier today that in the coming weeks "thousands of Russian convicts who have fought for Wagner Group are likely to be pardoned and released."

It described it as an expected "exodus" from the mercenary army's ranks.

China

Beijing has an 'impartial position' on Ukraine crisis - Chinese President Xi Jinping said Beijing had an “impartial position” on the conflict in Ukraine and that it supported peace and dialogue, RIA news agency said.

Xi, speaking through a translator after talks with his Russian counterpart Vladimir Putin, said talks with the Kremlin leader had been “open and friendly”.

Putin said China’s peace proposals could be used as the basis for peace negotiations.

Comment – Although not a psychiatrist, looking at Putin in his meeting with Xi, he was slumped in his chair, his hands and feet fidgeting the whole time and looked submissive. Not the stature of a Stalin, Khrushchev or Brezhnev of yesteryear.



Nothing comes for free: What China hopes to gain in return for helping Russia - The visit by China's president, Xi Jinping, to Moscow this week comes at a time when Russia, and Putin, look vulnerable.

Analysts are questioning what price China could extract from Russia in return for supporting it.

China has a strategic interest in Putin's war on Ukraine being victorious but it doesn't want to risk Western sanctions on its own economy.

One of the big questions to emerge from the visit by Xi Jinping to Moscow this week is the degree to which it could help a geopolitically isolated Russia both on the battlefield, and off it — and what price it could extract for doing so.

Analysts say the presidents are likely to discuss how China can assist Russia without being hit with sanctions itself.

Moscow reportedly asked Beijing for military and economic assistance early on in its invasion to help it wage its war against Ukraine, although both governments publicly denied it. The eye of suspicion is still being cast on Beijing, despite its continuing denials that it could help Moscow with lethal weapons.

For many close watchers of Russia and China's deepening relationship over the past decade, the big question then is this: What could China want in return for helping Moscow?

What does China want?

When geopolitical analysts discuss China, one aspect of Beijing's foreign policy is agreed on fully: China never acts purely out of altruism and there is always a price (or perceived prize for Beijing) for its support or intervention.

Today Xi and Putin are expected to issue a joint statement as well as to sign, potentially, other deals relating to energy with analysts saying Beijing could well be looking to access Russian commodities and resources at a discount.

"Putin is weak, coming into these negotiations from real vulnerability," Timothy Ash, emerging markets strategist at BlueBay Asset Management, said in emailed comments yesterday, adding that he wondered "what price Xi will extract for saving Putin ... he has to get something out of it."

"Xi knows Putin is desperate, and increasingly dependent on China. If Putin is willing to offer China cut price long term commodity deals, all the better. China will take whatever it can from a weakened Putin."

China could also look to Russia for support were it to enter an armed conflict with Taiwan.

Analysts were quick to say China will watch Russia's invasion of Ukraine to see how it proceeded, and how the world reacted, and to factor that into its own calculations over whether it might launch a form of armed aggression against Taiwan.

"One day, if we face a crisis over the Taiwan Strait, I guess it [China] would also need different kinds of support from Russia if such a conflict takes place, so that's one thing [we could see]," Alicja Bachulska, policy fellow at the European Council on Foreign Relations, told CNBC.

"But the other thing in the short-term perspective is that it will probably mean an even more asymmetric economic relationship between Russia and China, and this is something that has been happening for many years now, with Russia becoming a very cheap source of energy to China," she added.

China was diversifying its energy sources and turning to Russia, Bachulska noted, as well as looking to its neighbor for raw materials. She noted that there were some dynamics in the relationship in which Russia still had the edge, noting that, "in the military industry ... Russia still has an upper hand in, for example, jet technologies like those for fighter jets, or in nuclear technologies."

"But still, in overall bigger-picture terms, China has an upper hand economically and if China supports Russia in a more substantial way this will continue even more," she added. CNBC contacted China's Foreign Ministry for a response to the comments and is yet to receive a reply.

Xi tells Putin he wants to boost coordination with Russia – Xi Jinping and Vladimir Putin have held further talks in Moscow, with the Chinese president on a state visit amid the Ukraine war.

The two leaders, who have discussed China's peace plan for Ukraine, heaped praise on one another and promised to strengthen ties.