



RUSSIA REFORM MONITOR

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Related Categories: Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; Middle East; Russia

A FRUITFUL SAUDI-RUSSIAN SUMMIT

An October meeting between President Vladimir Putin and Crown Prince Mohammed Bin Salman appears to have set the stage for an increasingly warm relationship between Russia and Saudi Arabia. In his first trip to the Gulf nation since 2007, Putin signed a slew of contracts reportedly worth billions of dollars on cooperation and investment across multiple sectors, including security, counterterrorism, aerospace technology and oil. At the signing ceremony, Putin remarked that Russia "attaches particular importance to the development of friendly, and mutually beneficial ties with Saudi Arabia," citing in particular the need to "stabilize the global energy situation." (*Radio Free Europe/Radio Liberty*, October 14, 2019)

A BOON FOR MOSCOW IN THE MIDDLE EAST

Russia is moving quickly to fill the void left by the sudden withdrawal of U.S. forces from Syria. Russian forces now conduct regular patrols in Manbij, the strategic northern city protected until recently by U.S. and coalition troops, and reporters embedded with the Russian patrols have flooded social media with videos of the abandoned American bases. The Russian Academy of Science's Aleksandr Shumilin called the U.S. withdrawal "an unexpected gift for Putin" that will open the door to a number of important strategic gains, including a new role as a mediator between the Kurds and the Syrian government, a greater chance of success for its ally Bashar al-Assad, improved attractiveness as a strategic partner to other Middle Eastern countries, and a way to isolate Turkey from its NATO allies.

With this fresh leverage in hand, Putin invited Turkish President Recep Tayyip Erdogan to Sochi, where Kremlin spokesman Dmitry Peskov confirmed that the size of a border security zone and ways to deal with the humanitarian crisis around it would be the primary topics of discussion. However, the Russian Foreign Ministry prefaced the Sochi talks with a staunch public position that control of the Syrian-Turkish border must be returned to the Assad government in Damascus before any resolution is possible - a sign that, without the U.S. at the table, a resolution to the long-running conflict is increasingly likely to be shaped by Russian desires and goals. (*New York Times*, October 15, 2019; *Financial Times*, October 17, 2019)

EXERCISING RUSSIA'S NUCLEAR CHAIN OF COMMAND

This October, the Russian military revamped its approach to the annual exercise of its nuclear forces. For the first time, the October wargames conducted by the Strategic Missile Forces received a formal name - "Thunder 2019" - and involved the vast majority of the country's ground-based missile launchers. Along with the 200 launchers, 12,000 troops participated, simulating an escalation along Russia's western border. When announcing the kick-off, the Russian Defense Ministry confirmed that the exercise would also include sixteen practice launches of various cruise and ballistic missiles, including the *Yars* intercontinental ballistic missile and the *Sineva* ballistic missile. (*CBS News*, October 15, 2019)

ROSNEFT HALTS WORK AT KURDISH OIL FIELD

Russian oil giant ROSNEFT has been forced to suspend operations on one of its fields in Iraqi Kurdistan, citing safety concerns. In announcing the suspension, the company's Vice President, Eric Liron, said that the block in question was located too close to the Syrian border, and that the recent Turkish incursion into northern Syria puts its personnel at risk. However, Liron emphasized that other ROSNEFT-Kurdish joint projects would continue as planned. The project is one of five blocks in the region under joint Russian-Kurdish development. Thanks to production sharing agreements signed in 2017 and 2018, the Russian company now owns 80 percent of the lucrative venture. (*Itar-TASS*, October 17, 2019)

STATISTICS VERSUS REALITY

The newest rosy data released by Russia's chief statistics agency has many economists scratching their heads. The third quarter data published by ROSSTAT in October painted a positive economic picture for the country, showing, among other indicators, a 1.9 percent GDP increase and 3 percent jump in real disposable incomes – the fastest reported growth rate in the last five years. The numbers indicate a stark reversal from the negative trends of the second quarter, and are strangely juxtaposed against the reality of Russia's falling living standards, rating downgrades, and decrease in retail spending recorded by independent domestic and international agencies. As a result, multiple Russian economists have voiced their skepticism regarding the data, noting that no obvious factors can explain such positive increases and expressing a need for further clarification. (*The Moscow Times*, October 18, 2019)