



## RUSSIA REFORM MONITOR

The American Foreign Policy Council's Review of  
Russian Government Actions and U.S. Policy

# Russia Reform Monitor No. 2423

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**Related Categories:** Cybersecurity and Cyberwarfare; Democracy and Governance; Human Rights and Humanitarian Issues; Intelligence and Counterintelligence; International Economics and Trade; Global Health; CAMCA; Caucasus; Latin America; Russia

### ECONOMIC COMEBACK REVERSES COURSE

Official state statistics from September show the Russian economic rebound that began when pandemic restrictions were lifted over the summer is slowing, and the country faces a difficult recovery ahead. According to ROSSTAT, Russia's state statistics agency, the third quarter of the year has witnessed a 3.8% decline in Russian GDP, while workers themselves have lost \$10 billion in wages due to business closures and limited work hours. Consumer spending on goods and services both lag behind 2019 totals, showing that small summer boosts in sales were only temporary respites from a larger economic downturn. With the country now seeing record-setting figures for coronavirus-related hospitalizations and deaths, experts worry that the pandemic's second wave will leave the national economy in even worse shape. (*The Moscow Times*, October 22, 2020)

### REFRAMING THE NAVALNY POISONING

In his address to the Valdai Discussion Club last week, Vladimir Putin tried to change the public narrative surrounding the recent poisoning of dissident activist Alexei Navalny. The Russian president claimed in his remarks that he had provided authorization for Navalny to leave the country and travel to Germany for treatment after falling violently ill as a result of what was later determined to be an attempted poisoning. Per Putin's retelling, Navalny's wife requested official assistance in the form of a letter, after which he himself commanded the general prosecutor's office to permit Navalny's departure.

The narrative woven by Putin was intended to have an exonerating effect. Putin claimed state authorities would not have permitted Navalny's departure if he had indeed been poisoned by the state, as Navalny and his supporters have claimed. Navalny's blood samples show traces of what the Organization for the Prohibition of Chemical Weapons believes to be a variant of the Novichok nerve agent, which was developed in the Soviet Union during the Cold War. (*Deutsche Welle*, October 22, 2020)

### RUSSIA STEALING DATA FROM LOCAL GOVERNMENTS IN U.S.

U.S. national security officials have warned that Russian hackers are attempting to steal data from local and state governments in the United States. The attacks have been successful at least twice to date. It has been determined that voter registration data was stolen in these breaches - although details regarding the locations and scope of the intrusions has not been divulged. The warnings, issued by the Office of the Director of National Intelligence, also noted that Russian hackers have attempted to gain access to several dozen other American networks, including those in the aviation sector. (CNN, October 22, 2020)

### BRAZILIAN COMPANY AGREES TO PRODUCE SPUTNIK V

A second Brazilian company has agreed to produce Russia's Sputnik V COVID-19 vaccine. The production by Brazilian pharmaceutical firm Uniao Quimica, which recently signed a deal with the Russian Direct Investment Fund, is expected to commence in mid-November, provided approval is granted by Brazil's health regulator, Anvisa. Several states in Brazil have volunteered to participate in the vaccine's Phase III testing, and local authorities have pledged to purchase 50 million doses for their respective regions. However, these decisions have not yet been approved by Brazilian national authorities.

Sputnik-V is not the only game in town for the Latin American nation, which has been severely impacted by the pandemic. Several other vaccines are currently in late stage trials in the country as well, as the government of Brazilian president Jair Bolsonaro struggles to contain the health, political and economic effects of the coronavirus. (Reuters, October 23, 2020)

### AZERBAIJAN FRETS OVER RUSSIA'S ROLE

Azerbaijan's president, Ilham Aliyev, has requested that Russia abstain from intervening in his country's current hostilities with Armenia. Russia has attempted to mediate the ongoing clashes between Yerevan and Baku over disputed territories, and has already facilitated two ceasefires - although both have failed to hold. Azerbaijan is wary over a more active role for Russia in the crisis, which Baku believes is heavily weighted in favor of Armenia. Russia's government, a historic ally of Armenia, has carried out joint military maneuvers with Armenian forces in recent months, and supplied Yerevan with significant military hardware. (Al Jazeera, October 25, 2020)

