

EURASIA DIGEST

Monthly Compilation of News from Russia, Central Asia & Europe

Vol 3 | Issue 10 | October 2023



- **North Korean Leader Kim Jong Un Visited Russia for Summit-Level Talks**
- **Gazprom Delivered LNG to China Via Arctic Sea Route**
- **Russia's Defence Minister Visited Iran**
- **Russia Curbed Gas and Diesel Exports to Stabilize Fuel Prices**
- **Russia Rebuffed Armenian Prime Minister's Claims of Betrayal**
- **Armenia-United States Military Drills**
- **Fifth Consultative Meeting of Central Asian Heads of State**
- **First United States-Central Asia C5+1 Summit**
- **Germany-Central Asian Leaders Meeting**
- **Italy Considering Withdrawing From BRI**
- **British Pound Fell 3.75 Percent Against the American Dollar**
- **Kyiv Hosted the First International Defence Industries Forum**
- **Change of Guard in Slovakia**

North Korean Leader Kim Jong Un Visited Russia for Summit-Level Talks

In a landmark development, Russian President Vladimir Putin held summit-level talks with his North Korean counterpart Kim Jong-Un at Vostochny in Russia's Far East on 13 September. The event was marked by the apparent bonhomie between the two leaders and their statements affirming an understanding of each other's core concerns amidst their hostile geopolitical environment. The Russian President also accepted Kim's invitation for a state visit to Pyongyang. The summit, inevitably, signals a growing warmth in the bilateral relationship.

Gazprom Delivered LNG to China Via Arctic Sea Route

Gazprom said, on 15 September, that it has delivered the first liquefied natural gas (LNG) shipment to China (Tangshan port) via the Arctic's Northern Sea Route as receding ice sheets render the route more viable. Moscow hopes that the route will help increase oil and gas deliveries to Asia at a time when its traditional European clients are scaling back their energy dependence on Russia amidst the war in Ukraine. The Arctic route cuts down the duration of shipments by more than a week compared with the Suez Canal in Egypt.

Russia's Defence Minister Visited Iran

Russian Defence Minister Sergei Shoigu visited Iran on 19 September with the objective of deepening bilateral defence ties. The Russian Defence Ministry stated that the 'visit will contribute to strengthening Russian-Iranian military ties

and will be an important stage in the development of cooperation between the two countries”.

Russia Curbed Gas and Diesel Exports to Stabilize Fuel Prices

On 21 September, Russia imposed “temporary restrictions” on the export of gasoline and diesel in order to stabilize domestic fuel prices. This is expected to “saturate the fuel market, which will reduce prices for consumers”. The decree of the export curbs, signed by Prime Minister Mishusttin, includes exceptions for transit, humanitarian and intergovernmental purposes. Meanwhile, the rise in fuel prices was attributed to maintenance at oil refineries, railway holdups and the rouble's weakness. After the announcement, wholesale gasoline and diesel prices declined by up to 6 per cent on Russia's commodities exchange.

Russia Rebuffed Armenian Prime Minister's Claims of Betrayal

Russia's Foreign Ministry, on 25 September, rejected Armenian Prime Minister Nikol Pashinyan's accusation that Moscow abandoned his country after Azerbaijan launched a military operation in the disputed territory of Nagorno-Karabakh. Pashinyan stated that the Russian-Armenian strategic partnership is “insufficient.” Russia's Foreign Minister responded by stating that “Pashinyan's address contains unacceptable attacks on Russia and causes nothing but rejection. Yerevan's leadership is making a huge mistake by deliberately trying to destroy Armenia's multifaceted and centuries-old

ties with Russia”. Notably, Russia had refused to come to Armenia’s aid against Baku's most recent attacks, arguing that Yerevan had recognized Nagorno-Karabakh as part of Azerbaijan following a ceasefire in the 2020 war.

Armenia-United States Military Drills

The EAGLE Partner Military Drill comprising of Armenian and American troops took place at Armenia’s Zar Training Centre during 11-20 September. The exercise sought to increase the level of interoperability of units participating in peacekeeping operations. The United States described the event as a routine exercise unrelated to regional events.

Fifth Consultative Meeting of Central Asian Heads of State

The five leaders of the Central Asian nations met in Dushanbe on 14-15 September for the fifth consultative meeting of the Heads of State. Azerbaijan President Ilhan Aliyev was a special invitee to the forum. The meeting focused on the need for expanding regional integration, transport and trade. There were also discussions on deepening infrastructural, cultural and humanitarian cooperation. Meanwhile, a meeting between Kyrgyzstan and Tajikistan leaders took place on the side-lines to discuss their bilateral border disputes.

First United States-Central Asia C5+1 Summit

The first Central Asia-United States C5+1 Summit took place in New York on 19 September on the side-lines of the United Nations General Assembly meeting. The

main focus of the meeting was on – ‘building resilience through partnership, expanding security cooperation, building C5+1 economic and energy corridor, enhancing energy security, combatting climate change and strengthening people to people partnerships.

Germany-Central Asian Leaders Meeting

On 29 September, the leaders of Central Asia and German Chancellor Olof Scholz met in Berlin to discuss cooperation in economy, energy and natural resources. The leaders welcomed the intensification of the European Union and Central Asia relations and underlined the importance of the EU Strategy for Central Asia. The leaders also agreed on the importance of connectivity. The next meeting will take place in Central Asia.

Italy Considering Withdrawing From BRI

At a press conference during the G20 leaders’ summit in New Delhi, Italian Prime Minister Giorgia Meloni admitted that Rome was considering leaving China’s Belt and Road Initiative (BRI). The comments came on the heels of Prime Minister Narendra Modi and President Joe Biden’s announcement to launch The India-Middle East-Europe Economic Corridor. The current Italian government does not consider its BRI membership sufficiently beneficial to its economy. Italy’s reported withdrawal plan may set a precedence for constructive exit from China’s global trade and infrastructure initiative, setting the stage for future exits.

British Pound Fell 3.75 Percent Against the American Dollar

The British pound suffered its worst month against the U.S. dollar for a year in September. There is little optimism for the rest of the year as growth expectations weaken. Sterling fell 3.75 percent against the dollar through the month, logging a steep decline similar to the UK currency being rocked by the short-lived “mini-budget” announced by Liz Truss. The pound also slid 1.26 per cent against the euro last month, notching its weakest performance since December 2022.

Kyiv Hosted the First International Defence Industries Forum

On 29 September, Kyiv hosted the first International Defense Industries Forum. The forum brought together 252 companies from 30-plus countries. It was the biggest event of this magnitude in Ukraine. It witnessed participation by manufacturers of tanks, artillery, drones, ammunition, innovative software developers and owners of sophisticated technologies from partner countries. Ukrainian companies signed 20 documents with foreign partners, including creating the Alliance of Defense Industries.

Change of Guard in Slovakia

Slovakia's SMER-SSD party, led by former Prime Minister Robert Fico, beat Progressive Slovakia (PS) in parliamentary elections after campaigning to end military aid to Ukraine. However, Fico must win over allies to form the government, especially the HLAS party which could become the kingmaker. Fico appears to be

sympathetic towards Russia. He has pledged to end military supplies to Ukraine and is expected to adopt a position similar to that of Hungary's leader Viktor Orban.