

# EURASIA DIGEST

### Monthly Compilation of News from Russia, Central Asia & Europe

Vol 3 | Issue 6 | June 2023



- Georgian Prime Minister said Implementing Sanctions on Russia would 'Devastate' Economy
- Russia and Belarus Signed Agreement on Tactical Nuclear Weapons Deployment
- Moscow Hit by Drones
- Russia told West to Stop 'Propaganda' Over Kosovo Clashes
- Russia and Iran Signed Agreement on Completion of INSTC
- SCO Foreign Ministers Meeting Held in India
- Russia to Develop Military Facilities in Kyrgyzstan
- China-Central Asia Summit Held
- Armenia and Azerbaijan Optimistic on Normalization of Ties at Moscow Talks
- Stockholm Hosted Second EU Indo-Pacific Forum
- Potential UK-Germany Defence and Security Treaty
- Germany Facing Recession
- Spain Headed Towards Early Election

### Georgian Prime Minister said Implementing Sanctions on Russia would 'Devastate' Economy

Georgia's Prime Minister said, on 24 May, that his government could not afford to impose sanctions on Russia over the Ukraine war as it would "devastate" the Georgian economy. Garbashvili's government has refused to impose and implement Western economic sanctions against Russia. Garbashvili also criticized the international community for not taking action, including sanctions, during the 2008 conflict between Georgia and Russia.

### Russia and Belarus Signed Agreement on Tactical Nuclear Weapons Deployment

The <u>Defence Ministers</u> of Russia and Belarus, on 25 May, signed an agreement on the deployment of Russian tactical nuclear weapons in Belarusian territory, with Russia retaining control over its nuclear weapons stationed in Minsk. The move has been met with mass criticism and threats of new sanctions from the EU.

#### **Moscow Hit by Drones**

Moscow was targeted, on 31 May, by a swarm of drones, marking the first time that unmanned aerial vehicles have struck residential areas of the Russian capital since the war began. Moscow Mayor Sergei Sobyanin said that the drone attacks caused minor damage to several buildings and that no casualties were reported. The attacks occurred against the backdrop of reports of an imminent Ukrainian counteroffensive. President Putin blamed the drone attack on "terrorist activity" and called it an attempt by Ukraine to "intimidate" ordinary Russians.

#### Russia told West to Stop 'Propaganda' Over Kosovo Clashes

The <u>Russian Foreign Ministry</u>, on 31 May, told the West to "stop its deceitful propaganda

and stop blaming the incidents in Kosovo on desperate Serbs who are trying to defend their legitimate rights and freedom peacefully and without weapons." This statement was made against the backdrop of the clashes between ethnic Albanians and ethnic Serbs.

### Russia and Iran Signed Agreement on Completion of INSTC

Russia and Iran, on 17 May, agreed to collaborate on the construction of the final part of the International North South Transport Corridor (INSTC), which includes the 164-kilometer railway in Iran's north within three years. The planned railroad would connect Rasht in northern Iran with Astara crossing on the border with Azerbaijan. Meanwhile, Russia will invest in the development of six oil fields in addition to the existing seven which it is already developing. Both countries have set a goal of increasing freight transit by rail to up to 15 million tons per year by 2030. Russia's second-largest bank, VTB, has recently opened a representative office in Iran, as the two countries move toward connecting their banking systems.

### SCO Foreign Ministers Meeting Held in India

India hosted the Shanghai Cooperation Organisation's Foreign Ministers meeting on 4-5 May. During the meeting, India's Foreign Minister Dr. S. Jaishankar highlighted the deepening of cooperation between SCO members in various fields. He also highlighted the menace of terrorism and called upon member states to tackle it.

## Russia to Develop Military Facilities in Kyrgyzstan

Following <u>talks</u> between the Russian and Kyrgyzstan Presidents on 11 May, the Kremlin stated that Russia will "develop" its military installations in Bishkek.

Kyrgyzstan hosts a Russian military base made up of an airfield and a naval installation on Lake Issyk-Kul and several other sites. The Kremlin also stated that the two countries expect to deepen their economic and cultural relations in order to "reach a new level of integration."

#### **China-Central Asia Summit Held**

The China-Central Asia Summit was held in Xian on 18-19 May which witnessed participation of all the five Central Asian States. This was the first major diplomatic event hosted by China in 2023. During the Summit, the leaders signed the Xian Declaration, which stressed on the enhancement of connectivity, cooperation, trade, security, and everlasting friendship between China and the Central Asian nations. It was also decided to hold the summit biennially on a rotational basis.

### Armenia and Azerbaijan Optimistic on Normalization of Ties at Moscow Talks

Armenian Prime Minister Nikol Pashinyan and Azerbaijani President Ilham Aliyev, on 26 May, said that the two countries are "advancing towards normalizing their ties" following mutual recognition of territorial integrity, at talks held in Moscow. The discussions took place following the recent border clashes between the two Caucasus neighbours who have been locked in a decades-long conflict for control of Azerbaijan's predominantly Armenian-populated region of Nagorno-Karabakh.

### Stockholm Hosted Second EU Indo-Pacific Forum

Stockholm <u>hosted</u> the second EU Indo-Pacific Forum on 13 May with India's Foreign Minister Dr. Jaishankar attending the meeting. The Forum focused on building more sustainable and inclusive prosperity, pursuing green opportunities, and tackling emerging common threats and challenges in the Indo-Pacific.

### Potential UK-Germany Defence and Security Treaty

On 16 May, Labour's Shadow Defence Secretary, John Healey, said that the UK would seek a bilateral <u>security and defense</u> <u>agreement</u> with Germany. The agreement could include a joint defence industrial strategy to support the German and British defence sectors. Cooperation in research and development, technology, procurement, production, and equipment programmes allowing more interoperability between the British and German armies could be developed.

#### **Germany Facing Recession**

Once famed for the financial might of its currency, the German economy suffered an unexpected dip in the first quarter of 2023 which formally put the country into recession. Rental, energy, and supermarket prices have been rising, thereby further tightening the purse strings of an already thrifty nation. Notably, just weeks ago, the German government had doubled its growth forecast for this year after a feared winter energy crunch failed to materialise.

#### **Spain Headed Towards Early Election**

Spain's Prime Minister, Pedro Sanchez, called for an <u>early general election</u> in July after his party suffered a significant setback in local and regional polls. In a televised address to the nation on 29 May, Sanchez announced that he had informed King Felipe VI about the dissolution of parliament. The elections will take place after Spain assumes the rotating European Union Presidency on 1 July.