



Ukraine Essential

100 Days Brief
13 June 2022



This report, coming over 100 days following Russia's invasion of Ukraine, reflects on central developments and key turning points in the conflict up to the present.

Key Developments

- ▶ **100 Days:** Ukraine emerged victorious in defending Kyiv, Kharkiv and Mykolaiv. Yet Russia, despite suffering heavy losses, has managed to occupy around 20% of Ukraine's territory and cut off Ukraine's access to the Sea of Azov and the Black Sea with devastating economic effects.
- ▶ **Second Phase is Different:** Russia is leveraging its relative artillery and air superiority to make incremental gains across the Donbas region during the second phase of the war. Ukraine's counter-offensives in Kharkiv and Kherson have been partially successful though constrained by the country's lack of heavy weapons and ammunition.

Key Developments to Watch

- ▶ **Who Wins:** If Ukraine can halt Russia's offensive in Donbas, it would deprive Moscow of a strategic victory. Yet the Russian occupation of territory and the current destructive war of attrition has proven costly to Ukraine. Despite the mounting expenses for Moscow too in both blood and treasure, the ability of Russia to strangle Ukraine's economy remains an alarming concern.
- ▶ **Domestic Politics:** President Zelensky, in any peace negotiations, will be constrained by a society distraught by human loss - ceding territory is off the table. Kyiv's objective rather aims at winning the war and mobilizing Western support to this end.
- ▶ **Sanctions Impact:** Russia has weathered the immediate impact of unprecedented Western sanctions. While the numerous sanctions packages are detrimentally affecting the Russian economy and hindering its future growth, the oil embargo has also further exacerbated already steep energy prices and broader inflation in Europe.

100 Days

Last week marked the 100th day of Russia's war in Ukraine with no end seemingly in sight. If the conflict continues on its current trajectory, casualties could exceed 100,000 by the end of the year and match the death toll of the entire three and a half year Bosnian war, the deadliest conflict in Europe since WWII.

Ukraine's fierce resistance has stood tall from the beginning – [Zelensky's first public comments](#), delivered from central Kyiv, dispelled speculation that the country's political leadership had fled. Zelensky's decision to stay also quashed Moscow's hopes as it sought to pursue its objective of encircling Kyiv.

US and other embassies, in fact, had been evacuated in anticipation that Kyiv would fall. But the unexpected Ukrainian resistance underscored [Russia's military shortcomings](#) to the world. Ukraine's effective and sustained armed resistance has also [reinvigorated NATO](#).

Russia's invasion was plagued by a lack of preparation, poor planning and shoddy force deployment. The Kremlin's "special operation" [failed spectacularly with defeats](#) in Kyiv and Mykolaiv that have forced Moscow to revise its war aims. Breakdowns in logistics, poor equipment and morale, abysmal communications lines, muddled command and control operations, a lack of [counter battery radars](#), a beleaguered performance by the Russian air force and a shortage of precision missiles have been particularly pertinent.

The Russians invaded with [tons of metal but little manpower](#). The Russian invasion force is now estimated at around [80K personnel \(125-130 BTGs\)](#) compared to the (maximum) 190K originally devoted to the campaign. The manpower shortage, especially infantry, can be traced back to the fact that Moscow had planned for a short and sharp war with ["peace time" manning levels](#). This strategy, in fact, could have only succeeded if Kyiv had surrendered.

Ukraine's strident resistance instead has enabled the country to protect its sovereignty and state integrity. The Ukrainian Armed Forces (UAF) has prioritized the [creation of fortified defence centres](#) by cities to mitigate Russia's technological advantage. The Kremlin, that said, has responded with immense [levels of destruction](#). Ukraine, for its part, has gained a technical advantage [in managing tactical intelligence](#) (provided by US and NATO in an unprecedented, real-time format). Ukraine's use of artillery and air-defence and Russia's inability to suppress their use proved particularly integral to outcomes during the first phase of the conflict.

Kyiv has also gained an upper hand on the [information front](#) garnering significant goodwill from Western and Ukrainian public opinion (across all political persuasions) alike. Nothing underlines this resistance more than the fact that the Moscow-affiliated Ukrainian Orthodox Church broke ranks and protested Russia's belligerent behavior.

The costs, nevertheless, are enormous. The total economic loss accrued by Ukraine is [estimated](#) at up to \$600 billion. A third of Ukraine's population has further been forced to flee, with 15.7 million people in urgent need of assistance. And a staggering 25 million could need humanitarian assistance by the end of the year.

There is concern regarding whether Western aid will continue to be forthcoming as global attention shifts to other topics: the number of social media interactions accompanying news articles published about Ukraine [decreased](#) by 22 times in the US.

This War is Different

Following its defeat in Kyiv, Russia returned to its [original military objectives](#) including the establishment of a land bridge between Crimea and Donbas. Russia has refocused its forces to more limited goals but is still making only [marginal progress](#) at a tremendous cost to its personnel. The UAF has sought to slow the offensive of the Russian Armed Forces (RAF) and inflict a major toll on Russian troops – these efforts have been met with partial success. If Ukraine can halt the offensive in Donbas, it will deprive Moscow of a strategic victory.

The [attritional slugfest](#), however, favors Russia due to its superiority in [artillery](#) and its focused troop investment to this narrow region of Ukraine. Russia, furthermore, has stepped up its use of drones to identify Ukrainian positions and enhance its use of rockets and artillery fire. The UAF has reportedly suffered massive losses as it is [outgunned 20 to 1 in artillery](#) and 40 to 1 in ammunition by the RAF. The currently acknowledged losses of [up to 200](#) soldiers a day by Ukraine are astounding. A further six thousand Ukrainians allegedly have been [captured](#) as prisoners of war.

Russian logistics are [still scrambling](#), however, to get in place even though the RAF is now aided by the proximity of Donbas to Russia, the assistance of civilians and a generally more cautious approach. Moscow's [shadow mobilization approach has further enabled](#) the RAF to sustain itself even as it fails to address its fundamental deficit in manpower. Russia's electronic warfare capabilities, finally, have begun in earnest and complicated Ukrainian drone (UAV) operations. But the Kremlin has been compelled to continuously turn to [outdated military equipment](#) to replace battlefield losses, putting a spotlight on its own constraints.

Ukraine, for its part, is disadvantaged by a lack of heavy weaponry. Its ammunition utilization rates are also exceedingly high, with no [152mm ammunition left](#) on international markets or surplus supplies from Eastern European allies for Soviet-era weapons systems. Ukraine appears to be now entirely reliant on Western deliveries even though this aid is not sufficient to replace material being used up. A lack of adequate [training and maintenance issues](#) are also stymieing the potential impact of Western weapons pouring into the country.

The UAF now boasts [700,000 soldiers](#) in its ranks but the defense budget only plans for 250,000. And Kyiv has already [allocated additional funding](#) to defense at the expense of social spending. Russia's defense spending, meanwhile, [exceeded \\$9 billion](#) in April alone (or twice the monthly total from before

the war). Ukraine needs monthly aid of up to \$5 billion to [overcome shortfalls](#) caused by the war even as Russia benefits from budget surpluses due to high oil and gas prices.

The long-term [military outlook, however, appears more promising](#) for Ukraine provided the West can ratchet up its military assistance. The gap between the [received and needed weapons](#) is large though. This aid should stand as the utmost priority - the UAF has [probably lost most](#) of its heavy weapons. If Ukraine is to gain the overall military initiative, it will require a significant increase in the supply of heavy weapons.

Who Wins?

Following Ukraine's success in Kyiv, a growing sense emerged that [Ukraine could win the war](#) and achieve - at minimum - the [goal of restoring the pre-February 24th borders](#). Even if Russia succeeds in taking Donbas, the resolve remains that [Ukraine cannot and will not surrender](#).

Yet the same goes for Russia. Given Russian societal support for the invasion and the credibility ramifications for Putin, Moscow is unlikely to stand down. Russia is in this war [for the long haul](#) according to the latest [US threat assessment](#) - its goals lie in seizing territory beyond already occupied territories. Moscow has also recently proclaimed that occupied territories are [not up for negotiation](#) rendering all talks pointless from Kyiv's perspective.

Russia's occupation of 20% of Ukraine's territory and its blockade of the Black Sea will drastically reduce the export of Ukrainian agricultural products (Ukraine's grain exports, for example, had nearly [halved](#) year on year in early June). Ukraine is now entirely dependent on the West for weapons, ammunition, gasoline, humanitarian aid, budgetary support and (later) reconstruction financing. And while Ukraine's finances have nosedived, Russia has amassed a [record \\$285 billion energy windfall](#) since its invasion began.

The atrocities committed in Bucha and other war crimes have spurred the EU to do more than arm Ukraine and impose sanctions on Russia. Similarly, Washington supports a sovereign Ukraine (as Kyiv defines it) and has sought to avert a Russian strategic victory even as it seeks to avoid any (direct) escalation. Both policymakers and US voters, notably though, [oppose](#) putting boots on the ground.

Western backing for Ukraine remains resolute overall, as demonstrated by the broad and ardent denunciation of Henry Kissinger's Davos statement calling for Ukraine to cede territory. And new weapons and sanctions pronouncements continue. Western Europe [remains cautious](#), however, about Ukraine's prospects for a complete military victory (i.e. retaking all lost territory).

Regardless of the [immediate war outcome](#) - the current situation and trends point to a de-facto partition - Ukraine could face continued Russian strikes on its territory and/or a sea blockade long into the future.

Domestic Politics in Ukraine

Public opinion polls confirm the remarkable resilience of Ukrainian society. President Zelensky's approval rating reaches [upwards](#) to an astounding 94%. And an equally astonishing near-80% consider the country to be [heading](#) in the right direction.

Despite the unprecedented resilience of the population, challenges include fatigue and a [lack of reserves](#). But both political leadership and the public at large stridently oppose any deal that would cede Ukrainian territory. Kyiv, consequently, has focused its efforts on rallying the West to its side.

The structure of the Ukrainian economy has also shifted. [Oligarchs have seen their power minimized](#) - their previous influence will not return as the war has rather decimated the industrial eastern parts of the country. Moreover, the dependence on Western aid as a source of revenue will undoubtedly be accompanied with a newfound focus on combatting corruption.

Sanctions Impact

Though Russia may have weathered Western sanctions in the short-term, technology-oriented sanctions will afflict hardship on the country in the years to come. The recently agreed oil embargo [will further](#) reduce Russia's revenue streams.

But the timing of the conflict is staggering in its global economic impact: the invasion, coupled with the Western sanctions, has magnified the COVID related downturn in the global economy. The world could be [entering a period of stagflation](#) that would engender severe consequences for middle- and low-income economies alike. A looming global food crisis and any insecurity that may accompany it are particularly paramount. Russia's port blockades and repeated attacks on food storage sites and agricultural infrastructure have [sought](#) to amplify and exploit potential famine.

The EU finally agreed to [ban most imports of Russian oil](#), the harshest economic penalty yet imposed. The bloc, notably, will be reducing its direct funding of the Russian budget - the EU [paid](#) €44 billion over 2 months for Russian energy whereas the monthly average payment stood at 12 billion last year. The oil embargo, however, may lead to gasoline shortages later this year and heighten already steep inflation.

In the first four months of 2022, Russia's current account surplus was \$96 billion (or [more than triple](#) the same period in 2021). Due to the EU's partial oil ban, the cost of crude oil on global markets has further soared. Russia has generally encountered [relatively few difficulties](#) in finding alternative markets for its energy (exports of oil and gas to China in April were [up more than 50%](#) year on year). However, a full-scale [reorientation](#) to Asia faces significant hurdles, with new infrastructure taking years to build and challenges in locating ships, banks and insurers.