

WEEKLY DIGEST

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R.Politik's Weekly Digest is the definitive weekly guide to Russian politics. Each week, we examine the major developments, shifts and trends unfolding across the country to keep you abreast of the ever-changing situation.

Wildberries deal

On 18 June, Wildberries, founded by Russia's richest woman, Tatiana Bakalchuk (ranked 22nd on the Forbes list of Russian billionaires with a net worth of \$7.4 billion), announced a [merger](#) with Russ, Russia's largest outdoor advertising operator. The goal is to "jointly create a cutting-edge digital shopping platform." [According](#) (Rus) to a source speaking to RBC, Bakalchuk will become the CEO of the "future merged group of companies", while Russ's head, Robert Mirzoyan, will be promoted to Chief Executive Officer.

This merger has become one of the most high-profile, yet unusual, deals in recent times. It has received direct support from President Putin: Russian Forbes reports that Putin [instructed](#) (Rus) his deputy chief of staff, Maksim Oreshkin, to support the merger. RBC, citing sources, noted that the merger between Wildberries and Russ has already been approved by the government, with Oreshkin assigned to oversee the deal. In a letter to Putin, signed by Bakalchuk and Mirzoyan, it is claimed that the deal will create a competitor to Amazon and Alphabet, facilitate ruble transactions bypassing SWIFT, and potentially increase the country's GDP by 1.5 percent per year, meaning that the deal carries significant political implications amid the ongoing sanctions.

Secondly, the exact nature of the planned partnership between Wildberries and Russ remains unclear. While RBC reports that the current stage is not a legal merger of the entities but rather a "consolidation of efforts", a letter sent to Putin describes it as "consolidation" and "infrastructure joining." There is widespread speculation in the market that Wildberries will be absorbed and potentially disappear as an independent private entity.

Thirdly, it is not known for certain who is behind the deal. Numerous Russian media outlets have [reported](#) (Rus) that Dagestan businessman Suleiman Kerimov may indirectly control the company Russ. According to a source speaking to R.Politik, Kerimov, as a friend of Anton Vaino, Putin's chief of staff, on occasion has the opportunity to meet with Putin - one of these meetings was supposedly used to promote the idea of merging with Wildberries. While the company is highly motivated to secure its "krysha" (a term that literally means "roof" but refers to political protection), their biggest concern is potential Western sanctions. However, the way the deal has been announced, this risk is only becoming greater.



Dive Deeper:

[Bulletin No. 19 \(59\) 2020:](#)
Dagestan's New Governor

Another source mentioned that Wildberries has accumulated significant debts to a state bank and is nearing bankruptcy. Moreover, the company has been approached by various parties interested in acquisition, but Bakalchuk has consistently advocated for its independence. A challenge for any potential buyer is that the company's IT platform was developed from scratch by Bakalchuk's staff and cannot be easily replaced. Without Bakalchuk and her team, maintaining the company's operations could prove difficult. This deal may signify the end of one of Russia's greatest self-made success stories, of a family that managed to build a multi-billion dollar business while staying outside politics.

Beseda's Replacement

Media outlet iStory [reported](#) (Rus) that Sergey [Beseda](#) (Rus) has been replaced as the head of the FSB's Fifth Service. He turned seventy in May and so reached the maximum age allowed for his position. He has become an advisor to FSB Director Aleksander Bortnikov. The Fifth [Service](#) (Rus), responsible for the FSB's foreign activities, was established out of the [Department of Analysis, Forecasting, and Strategic Planning](#) (Rus) of the FSB in 2004. It has been notably active in Ukraine, Armenia, Moldova, Georgia (it covered former Soviet countries). In spring 2022, there were rumours that Beseda had been dismissed and even arrested due to the failure of the Russian attack Ukraine, but this was later confirmed to be disinformation.

 **Dive Deeper:**
[Bulletin No. 6 \(92\) 2022:](#)
An FSB Purge? Not Really

A source speaking to R.Politik indicated that one of Beseda's deputies was expected to succeed him. However, Aleksey Komkov, who previously served as the deputy head of the military counterintelligence service, has taken over instead. Komkov also led the FSB's Internal Security [Service](#) (Rus) from 2016 to 2019, succeeding Sergey Korolyov, who then moved to head the FSB's Economic Security Service. In 2021, Korolyov was appointed as the first deputy director of the FSB, positioning him as a potential successor to Bortnikov. Komkov is regarded as his proxy.

 **Dive Deeper:**
[Bulletin No. 5 \(69\) 2021:](#)
The Rise Of Sergei Korolyov

It is noteworthy that Aleksander Beseda, Sergey Beseda's son, [heads](#) (Rus) the staff of the [Department for Ensuring the Operation of Administrative Bodies of the Government](#) (Rus). This department manages the cabinet's interactions with the siloviki. Aleksander was appointed in December 2022, succeeding Bogdan Stezhka, who was a proxy for Mikhail Mishustin and had previously

worked with him at the Federal Tax Service. In 2022, Stezhka was promoted to deputy chief of staff of the board of the Military Industrial Commission.

The replacement of Sergey Beseda has no significant implications for Russian policy towards Ukraine or the post-Soviet space. The primary consideration is how effectively Aleksey Komkov will interact with the Presidential Administration, particularly the department under Dmitry Kozak's supervision. However, this change is not expected to affect the nature of decision-making.

Belousov's New Deputies

On 17 June, President Putin signed decrees allowing the Minister of Defence to have twelve deputies instead of ten, including two first deputies. Concurrently, he appointed four new deputies, only one of whom is considered part of Belousov's team.

 **Dive Deeper:**

[Bulletin No. 10 \(140\) 2024:](#)
Arrests In The Ministry Of Defence

Leonid Gornin has been appointed First Deputy Minister of Defence and will oversee the ministry's financial unit. His primary responsibilities include increasing the transparency of financial flows and ensuring that budget funds are spent efficiently, as emphasised by the Ministry of Defence. Prior to this appointment, Gornin served as First Deputy Minister of Finance, where he was responsible for supervising the Department of Budget Policy in the areas of state military and law enforcement service and the state defence order. He was previously Minister of Finance and Tax Policy and then First Deputy Governor of Novosibirsk region.

 **Dive Deeper:**

[Bulletin No. 9 \(139\) 2024:](#)
Personnel Reshuffle in the Cabinet

Anna Tsivileva has been appointed Deputy Minister of Defence, where she will be responsible for organising social and housing provision for military personnel, aiming to significantly improve the quality of service provided. From 2018 to 2023, she led the Board of Directors of coal company Kolmar and has served as Chairwoman of the Board of Trusteeship (in the social sphere) in Kemerovo region since 2018. In April 2023, Tsivileva was appointed the chairwoman of a fund to support participants of the special operation called "Defenders of the Fatherland". According to Vedomosti, she will retain her position at the head of the fund after joining the Ministry of Defence. Her spouse, Sergey Tsivilev, formerly headed Kemerovo region, was appointed

 **Dive Deeper:**

[Digest No. 19 \(133\) 2024:](#)
The "New" Military Establishment

Minister of Energy in May. Tsivileva is known to be President Putin's first cousin. A source close to the Kremlin told R.Politik that Putin has been very happy, even enthusiastic, about her work at the "Defenders of the Fatherland" fund.

Dive Deeper:

Bulletin No. 2 (3) 2018:

New Governor of Kemerovo region

Pavel Fradkov has been appointed another Deputy Minister of Defence, where he will oversee property management, land resources, and the construction of facilities for both the ministry and the national economy. Fradkov, the son of former SVR chief and ex Prime Minister Mikhail Fradkov, graduated from the Moscow Suvorov Military School, the Academy of the Federal Security Service of Russia, and the Faculty of World Economy of the Diplomatic Academy of the Ministry of Foreign Affairs. His professional background includes roles in the Department for Pan-European Cooperation at the Russian Ministry of Foreign Affairs and at the FSB. In 2012, he was appointed Deputy Head of the Federal Property Management Agency. Later, in 2015, he was made Deputy Chief of the Administrative Directorate of the President and in 2021, was promoted to First Deputy.

Oleg Savelyev, appointed a further deputy minister and chief of staff, is the only appointee associated with Belousov at the ministry. Since 2019, he served as an auditor of the Accounts Chamber of the Russian Federation. Savelyev's previous roles include Deputy Minister of Economic Development from 2008 to 2014 and Minister for Crimean Affairs for two years after that. In 2015, he was appointed Deputy Chief of Staff of the Russian Government, a position he held until joining the Accounts Chamber in 2018.

There has been a lot of [speculation](#) about Belousov's new deputies, with some suggesting they represent Putin's family interests or those of the children of his proxies. However, this appears to be overstated. Belousov does not really have his own team and lacks the ability to independently form one, especially in a complex field like military affairs where multiple interests intersect. Putin's appointments were made with clear objectives: Tsivileva was chosen for her proven efficiency in handling social issues for military personnel; Gornin was selected from the Ministry of Finance to exercise greater control over military spending; and Fradkov, with his background in the FSB and experience in both the Presidential Administration and the cabinet, was chosen to deal with ministry's property. His father, Mikhail Fradkov, lost influence a long time ago and has never been really close to Putin. Another one of Fradkov's sons, Pyotr, heads Promsvyashbank, which is close to Rostec.

Urazov's Arrest

On 20 June, RBC [reported](#) the arrest of Robert Urazov and Danir Mukhametzyanov by the Zamoskvoretsky Court of Moscow. Urazov serves as Director General of WorldSkills Russia, an agency for the development of professional skills, and Mukhametzyanov is the chief of staff. They are charged under Part 4 Article 159 of the Criminal Code, which deals with "Fraud committed by an organised group or on a particularly large scale."

WorldSkills Russia was established in 2020 by presidential decree and was tasked with popularising skilled professions, including through national championships. The agency was founded by the Russian government and the Agency for Strategic Initiatives (ASI). A source in the government [told](#) (Rus) RBC that a financial audit at WorldSkills uncovered the embezzlement of subsidies from the Ministry of Education and Science totalling more than 300 million rubles (roughly \$3.4m). The defendants could face up to ten years in prison if convicted.

Urazov himself is not a high-profile public figure, but the main intrigue lies in the fact that WorldSkills is closely affiliated with the Agency for Strategic Initiatives (ASI) and has been one of Russia's most successful and prominently promoted projects. Urazov also held the position of director for the Human Resources Potential division at ASI, making him one of its key figures. ASI is regarded as the Kremlin's premier and most advanced technological think tank, with close ties to Andrei Belousov, the former vice prime minister and current minister of defence. Additionally, Urazov is a member of the Supreme Council of the United Russia party and sits on the Presidium of the Presidential Council on Science and Education.

One immediate question is whether this arrest is an attempt to [undermine](#) (Rus) Belousov's position. Indeed, Belousov was an overseer of the work of the Agency for Strategic Initiatives (ASI), which he founded in 2011 and which became a central think tank for developing ideas for Putin's 2012 presidential campaign. Belousov has personally promoted its leaders: Alexander Nikitin, who led the Novgorod region in 2017 and was later replaced, and Svetlana Chupsheva, who was also promoted on Belousov's recommendation. As such, the arrest of the head of one of the ASI's key initiatives is a significant political event that could put Belousov in an uncomfortable position. A source close to the cabinet mentioned that the ASI has become less public-facing, focusing more on social rather than investment projects for obvious reasons.

According to a source speaking to R.Politik, Urazov's arrest is strictly a corruption case and should not be viewed through a political lens. It would also be misleading to see it

as a direct attack on Belousov, even if it does put him in an uncomfortable spot. In 2021, when another of Belousov's associates, former Minister of Education and ex-Vice President of Sberbank Marina Rakova, was arrested, there was speculation that it weakened both his and Sberbank CEO German Gref's positions. However, in the current context, particularly due to the wartime, the political significance of personal connections is diminishing and the arrest of a proxy does not necessarily lead to problems for their patron.

In Urazov's case, what is more significant is the increasing number and scale of high-profile criminal cases concerning businessmen (for example, the recent [arrest](#) (Rus) of ex-president of AFK Sistema Yevgeny [Novitsky](#) (Rus)), and regional and federal officials. For many in Russia, this trend epitomises a new reality where the FSB is increasingly pursuing indiscriminate criminal prosecutions that could potentially affect anyone with undisclosed issues—suggesting that no one can feel entirely secure.

Dive Deeper:

[Bulletin No. 18 \(82\) 2021:](#)

Rakova's arrest and Inter-Elite Political Split