



MAIN TAKEAWAY of the month

October saw a flurry of U.S.–Russia diplomatic activity on the Ukraine war, including a 16 October Putin–Trump call discussing a “political-diplomatic solution,” though talks were strained over U.S. missile supplies and Russian territorial demands. A planned Rubio–Lavrov meeting was postponed amid Moscow’s “maximalist” positions, and the proposed Trump–Putin Budapest summit was ultimately canceled, leaving only backchannel and lower-level diplomacy active. Concurrently, the EU and U.S. escalated sanctions against Russia, targeting its energy sector, banks, and trading networks, including new bans on LNG imports, Rosneft and Gazprom Neft transactions, and dozens of Russian oil tankers.

October 2025 was marked by an escalation on all fronts of the Ukraine war: Kyiv intensified long-range strikes deep inside Russia, while Moscow launched one of its heaviest bombardments of Ukrainian infrastructure, relying its overall war effort increasingly on foreign recruits. At the same time, Western military and financial support surged—with major European defense initiatives, U.S. funding, and EU-backed loans bolstering Ukraine’s resilience—yet diplomatic efforts remained inconclusive.

In autumn 2025, Russia expanded military mobilization, introducing electronic summonses and extending peacetime call-ups for reservists, while testing new defense technologies including AI-powered drones and the nuclear-powered “Burevestnik” missile. Economic growth slowed, with Q3 GDP rising just 0.6%, industrial output stagnating, and oil and gas revenues falling year-on-year, even as inflation rose to 5.11% since January. Politically, Russia accelerated privatization of foreign-held assets, denounced the U.S.–Russia plutonium agreement, and recorded unprecedented arrests of officials tied to military corruption. Diplomatically, Moscow improved ties with Azerbaijan, faced Chinese export restrictions, pursued EAEU trade agreements, and navigated energy and military cooperation with India and Syria amid new U.S. sanctions.

Western Balkan states are strengthening defence and security amid regional challenges. Croatia has reinstated compulsory military service, acquired advanced anti-drone systems, and deepened defence ties with Ukraine; Bosnia-Herzegovina and Kosovo navigate political transitions, while Serbia faces U.S. sanctions and EU pressure on energy and rule-of-law reforms. Defence-industrial efforts include Bulgaria’s €1 billion Rheinmetall artillery joint venture and Romania’s expansion of military readiness, complemented by the U.S. redeployment of its 2nd Infantry Brigade Combat Team from Romania within NATO’s strategic realignment.

Ahead of the September 28 elections, Moldova faced coordinated disinformation on TikTok and Telegram. The Constitutional Court confirmed PAS’s victory with 55 seats, while Deputy Marina Tauber and former regional party leaders received prison sentences for illegal party financing. Moldova approved its 2025–2035 Military Strategy, and Transnistria implemented a temporary gas-saving regime as supplies resumed via MET. Prime Minister Dorin Recean resigned, with PAS nominating economist Alexandru Munteanu, who will seek a confidence vote on October 31 to lead a government focused on economic recovery and reforms.

Throughout October, Ukrainian forces intensified deep strikes across Russian territory, hitting critical infrastructure and military assets. Drone attacks targeted major energy and industrial facilities, including [the Orsknefteorgsintez oil refinery](#) in Orenburg, the [Azot chemical plant in Perm](#), and the [Bashnafta-UNPZ refinery](#) in Ufa. Additional precision strikes damaged [power substations in Ulyanovsk](#) and [Nizhny Novgorod](#), as well as Russia's largest [gas-processing plant in Orenburg](#), forcing a suspension of operations. Ukraine's Special Operations Forces also [struck a Buyan-M-class missile corvette](#) on Lake Onega, while intelligence units (HUR) hit advanced Russian radar stations and [missile launch systems](#) in Donbas. In Crimea, Ukrainian drones ignited massive explosions at [the Feodosia oil terminal](#) and destroyed one of Russia's [most sophisticated counter-drone radars](#). The sustained wave of attacks extended to the outskirts of Moscow, where several drones caused [damage in Krasnogorsk](#) and targeted [the Riazan refinery](#), underscoring Kyiv's growing long-range operational capability.

Russia responded with a month-long escalation of missile and drone strikes aimed at crippling Ukraine's energy and transport networks. Massive barrages struck power plants and heating infrastructure in [Kyiv](#), [Odesa](#), [Chernihiv](#), [Kharkiv](#), and [Dnipropetrovsk](#), leaving tens of thousands without electricity or water. A deadly [overnight assault on 22 October](#) killed at least six people in the Kyiv region, while repeated [attacks on Naftogaz](#) gas facilities and [DTEK coal mines inflicted](#) severe industrial damage. The Kremlin's campaign involved [over 3,100 drones and 92 missiles](#) within a single week, marking one of the heaviest bombardments of the year. At the same time, reports confirmed the presence of foreign combatants aiding Russian forces: [around 1,000–5,000 Cuban nationals](#), [North Korean drone operators](#) coordinating fire from Russian territory, and [Kenyan recruits allegedly](#) coerced into service. As fighting around [Pokrovsk intensified](#)—where Russian troops now outnumber Ukrainians [eight to one](#)—Moscow's reliance on international manpower and relentless strikes revealed both the scale of its offensive and the human costs of sustaining it.

October 2025 marked a new surge in Western military assistance to Ukraine, with multiple European states expanding both supply lines and defense cooperation. Germany [announced a €2 billion package](#) including Patriot interceptors, IRIS-T systems, radars, and precision artillery, while also pledging two additional air defense systems. [Rheinmetall confirmed that](#) Ukraine would receive Skyranger 35 platforms, financed through frozen Russian assets. The Netherlands [allocated €90 million](#) to support reconnaissance and strike drone production in Ukraine, complementing [Estonia's delivery of drones](#) worth tens of millions and [Finland's participation in the PURL](#) framework for joint arms purchases. Slovakia [resumed defense cooperation](#) with demining vehicles, while [Denmark signed](#) a memorandum allowing Ukrainian defense firms to open production sites on its soil. In parallel, the UK and Ukraine [advanced the Octopus interceptor drone project](#) and signed the [LYRA defense technology partnership](#), and [Romania announced plans](#) for joint production of defensive drones. [Saab's decision to expand](#) Gripen jet production with a new assembly line in Ukraine and [Milrem Robotics' delivery of 150 TheMIS](#) unmanned ground vehicles underscored Europe's long-term defense integration with Kyiv. Meanwhile, the U.S. Senate approved a \$925 billion defense budget [allocating \\$500 million to Ukraine](#), though Washington [ruled out transferring Tomahawk](#) cruise missiles despite Kyiv's repeated requests.

Financial support from Western partners continued to underpin Ukraine's wartime resilience and reconstruction capacity. The European Union [transferred €4 billion under a G7-backed](#) loan guaranteed by frozen Russian assets, funding defense expenditures, social programs, and recovery projects. The [European Bank for Reconstruction and Development \(EBRD\)](#) prepared a €500 million package for Naftogaz to secure gas supplies ahead of winter, part of its record €2.3 billion investment in Ukraine this year. Germany [added €60 million](#) to the Energy Support Fund to accelerate delivery

of generators and heating equipment, while Norway's 2026 state budget [earmarked 70 billion NOK](#) (around €6 billion) for continued military support and force reinforcement.

However, Belgium's Prime Minister Bart De Wever [opposed an EU plan for a new €140 billion loan](#) to Ukraine funded by frozen Russian assets, citing legal and risk-sharing concerns. De Wever [warned that using](#) frozen Russian assets to fund Ukraine could violate international law and expose Belgium—home to most of these funds via Euroclear—to lawsuits and an unprecedented legal precedent. He also insisted that Belgium should not bear the financial and political risks alone, urging EU-wide guarantees to prevent possible Russian retaliation and protect Belgium's financial sector.

PEACE NEGOTIATIONS

October saw renewed but fragile diplomatic activity surrounding the Ukraine war, dominated by a [flurry of U.S.–Russia contacts initiated by Moscow](#). A [phone call on 16 October between Presidents Vladimir Putin and Donald Trump](#) focused on what the Kremlin called a “political-diplomatic solution,” though [Putin warned that supplying Tomahawk missiles to Ukraine would seriously damage](#) bilateral relations. The Kremlin leader stressed that such missiles cannot be used without the direct involvement of U.S. military personnel, which, in his view, would constitute a major escalation of the conflict. Reports suggested Putin [demanded Kyiv's full withdrawal from the Donetsk region](#) as a precondition for peace, while Trump pressed [President Volodymyr Zelensky during a tense White House meeting](#) to accept talks along the current front line or risk Ukraine's “destruction.” In the same context, the Kremlin leader [stated that the Russian army holds](#) the initiative along all fronts in Ukraine and that, since the beginning of the year, Russian forces have captured approximately 4,900 square kilometers of territory.

A planned [preliminary meeting between](#) Secretary of State Marco Rubio and Russian Foreign Minister Sergey Lavrov was later postponed, with Washington citing Moscow's unchanged “maximalist demands.” [Lavrov accused the U.S. of shifting from seeking a “durable peace”](#) after the Alaska summit to merely pursuing a ceasefire, [blaming European “hawks”](#) and Zelensky for stalling progress. Meanwhile, [Russian envoy Kirill Dmitriev visited the U.S.](#) for talks amid new sanctions on Rosneft and Lukoil, framing the measures as “pressure tactics.” The new sanctions [mark a major escalation against Russia's](#) energy sector, banning all U.S. dealings with Rosneft and Lukoil and their subsidiaries under Executive Order 14024. They also extend U.S. reach abroad, discouraging foreign partners and banks from engaging with the firms and tightening Russia's global oil export routes, particularly toward India and China.

On the night of October 23, President Donald Trump announced the cancellation of the summit with Vladimir Putin, citing a lack of progress in diplomatic efforts. Nevertheless, Washington expressed readiness to continue dialogue with Moscow, according to Secretary of State Marco Rubio — a position later confirmed by Russian Foreign Ministry spokesperson Maria Zakharova. Though the proposed Trump–Putin summit in Budapest [was ultimately canceled](#), both sides left open the door for future dialogue, while [Moscow and Washington arranged](#) lower-level meetings between lawmakers—signaling that despite public friction, backchannel diplomacy remains active but far from delivering a breakthrough.

That same day, [the European Union approved its 19th sanctions package](#) against the Russian Federation, targeting Russian banks, cryptocurrency trading platforms, and entities in India and China assisting Moscow in evading sanctions. Among the key measures is a ban on imports of Russian liquefied natural gas (LNG), effective within six months for short-term contracts and from January 1, 2027, for long-term agreements, in line with the RePowerEU strategy. A total ban on commercial transactions with energy companies Rosneft and Gazprom Neft was also imposed. Additionally, 117 oil tankers from Russia's so-called “shadow fleet” were added to the sanctions list, bringing the total number of sanctioned vessels to 557.

RUSSIA - internal and external dynamics

In terms of military updates, Russia's autumn conscription campaign, running from October 1 to December 31, 2025, introduced electronic military summonses [in at least 15 regions](#), including Moscow. Dmitry Medvedev [reported that](#) 336,000 people have signed contracts with the Ministry of Defense this year, with another 28,000 joining as "volunteers." At the same time, [authorities suspended](#) about 25,300 criminal cases in the first half of 2025 — up sharply from 648 in 2019 and nearly 10,000 in 2024 — a surge likely reflecting the transfer of defendants to the front under amendments allowing criminal prosecution to be halted in exchange for military service in Ukraine.

On October 28, the [State Duma approved a law](#) allowing reservists to be called up even in peacetime, extending mobilization rules previously limited to wartime or general mobilization. According to the Defense Ministry's proposal, reservists may now be summoned by presidential decree for special exercises to protect critical and strategic infrastructure. At the same time, the government backed a separate bill reducing [from 10 to 2 days](#) the period of unauthorized absence that triggers criminal liability for leaving military service. Another draft law, adopted on October 21 in its second reading, introduces year-round conscription and requires summoned citizens to report to the military commissariat [within 30 days](#) of receiving their summons.

In mid-October, Dmitry Medvedev [inspected new Russian defense technologies](#) at the Kapustin Yar test range, including the "Sarma" rocket launcher with a 120-kilometer range and the AI-powered V2U kamikaze drone, [capable of](#) autonomous target detection and already used in Ukraine since June 2025. In addition, Russian forces have started using [FAB-series glide bombs](#) equipped with the new UMPK-PD guidance system, extending their range to 95–100 km, and up to 200 km with a solid-fuel booster.

Russia plans to [test a civilian air defense system](#) in the Kursk region to counter growing Ukrainian drone attacks, according to *Kommersant*. The system will integrate military and civilian drone data from applications and surveillance cameras into a unified command center, using artificial intelligence for analysis and coordination. Lastly, On October 22, under President Vladimir Putin's leadership, [Russia carried out a strategic forces exercise](#) involving all three legs of its nuclear triad. Shortly after, on October 26, Putin announced the [successful test of](#) the nuclear-powered "Burevestnik" cruise missile, which flew for approximately 15 hours, covering a distance of [14,000 kilometers](#).

Politically, on September 30, Vladimir Putin [signed a decree](#) establishing an accelerated procedure for the privatization of assets held by foreign entities in the Russian Federation. The document requires asset valuation within 10 days, streamlines re-registration, and places the entire sales process under Promsvyazbank, Russia's key bank for the military-industrial sector. Kremlin spokesperson Dmitry Peskov [stated that the decree is a response](#) to discussions within the European Union regarding the use of Russia's frozen Central Bank assets to fund the reconstruction and defense of Ukraine.

In 2025, arrests of high-ranking Russian officials reached unprecedented levels. *Novaya Gazeta Europe* [reports that 155 government representatives](#) have been detained so far — surpassing 2024's total of 122, up from 73 in 2023 and 33 in 2022. Over 50 arrests occurred between August and mid-October, mostly tied to military-related corruption.

Economically, at its October 24 meeting, the Central Bank of Russia [lowered the key interest rate](#) for the fourth consecutive time, from 17% to 16.5%, contrary to most analysts' expectations of no change. This modest adjustment signals the continuation of monetary easing despite mounting domestic inflationary pressures — including the projected widening of the 2025 budget deficit and rising fuel prices. Between October 21–27, Russia's [inflation rose by 0.16%](#), following a 0.22% increase the previous week. Cumulative inflation for October reached 0.79%, slightly above last

year's 0.75%, bringing the consumer price index up 5.11% since January. Meanwhile, economic growth slowed for the third straight quarter. [GDP rose just 0.6%](#) year-on-year in Q3, down from 1.1% in Q2 and 1.4% in Q1, with cumulative growth for the first nine months at only 1% — far below the 4.3% recorded a year earlier.

[Rosstat reported](#) that industrial output grew just 0.3% year-on-year in September 2025, down from 0.5% in August and 0.7% in July — well below forecasts of 1.2%. Seasonally adjusted data showed a 1% monthly contraction, leaving January–September growth at only 0.7%, versus the Economy Ministry's 1.5% target. Russia's oil and gas revenues — which account for about a quarter of federal income — are [estimated at 0.95 trillion rubles](#) for October 2025, Reuters reports. While this marks a 0.37 trillion rise from September, it remains 0.26 trillion below October 2024. For January–October 2025, total revenues reached 7.56 trillion rubles, down 1.98 trillion from the same period last year.

For the first time since the invasion of Ukraine, [defense-related industries are stagnating](#). Production of “finished metal goods,” crucial for arms manufacturing, fell 1.6% year-on-year in September after a 21.2% surge in August, and dropped 6% month-on-month. Output of “other transport equipment” — including tanks and infantry vehicles — grew only 6%, down from 61.2% in August. Overall, industrial production has declined 3.6% since December 2024, according to the Center for Macroeconomic Analysis and Short-Term Forecasting.

This month, relations between Russia and Azerbaijan, strained in recent months, appear to be improving after Presidents Vladimir Putin and Ilham Aliyev met on October 10 during the CIS summit in Tajikistan. In the talks, Putin for the first time acknowledged [Russia's responsibility for the December crash](#) of an Azerbaijani AZAL aircraft, stating, the incident was caused by Ukrainian drone incursions and air defense failures.

On October 8, Russia's State Duma [formally denounced the 2000 U.S.–Russia agreement](#) (ratified in 2011) on managing surplus weapons-grade plutonium. The deal had committed each side to dispose of 34 tons of military plutonium from 2018 onward, potentially for nuclear power use. Implementation had already been suspended in 2016 by a Putin decree, citing U.S. “unfriendly actions.”

China has [tightened export restrictions](#), making high-precision machine tools (3–4 microns) nearly impossible to obtain for Russia without a special license, a Russian industry official said. The move coincides with a sharp drop in trade: Chinese exports to Russia fell 16.4% in August 2025 year-on-year, and total trade in the first eight months declined about 9% to roughly USD 145 billion. Meanwhile, Russia, via the Eurasian Economic Union (EAEU), is [negotiating free trade agreements with 27 countries](#) — 15 in Africa and 10 in Asia. Active talks are underway with Indonesia, India, Egypt, Israel, Morocco, and Tunisia. A roadmap with India is approved, with the first negotiation round set for November, while talks with Egypt are at an advanced stage.

Following new U.S. sanctions on Rosneft and Lukoil, India's largest refineries are [expected to cut Russian oil purchases](#). On October 16, President Trump said Prime Minister Modi [assured him](#) India would stop imports, though declines [likely won't appear](#) before December or January, as November and early December orders are already in place. Meanwhile, India's Russian oil imports [rose about 20%](#) in October to 1.9 million barrels per day, according to Kpler.

On October 15, Syria's interim president Ahmed al-Sharaa [visited Russia](#) to discuss the future of bilateral cooperation amid uncertainty over Russia's military bases in Syria following the suspension of [previous agreements](#). The talks also addressed Assad's situation and potential economic collaboration, with [Russia signaling readiness](#) to explore and extract Syrian oil and planning an intergovernmental trade and economic commission meeting.

Evolutions in the Republic of MOLDOVA

Ahead of the September 28 parliamentary elections, it has been revealed that the Republic of Moldova faced a coordinated [disinformation campaign](#) on Telegram and TikTok, involving over 4,800 TikTok accounts and 470 Telegram channels. In the meantime, the Constitutional Court [validated the results](#) of the elections, confirming the [composition of the new legislature](#): PAS will hold 55 seats, the Patriotic Bloc 26, the Alternative Bloc 8, and Our Party and Democracy at Home 6 each.

The anti-Russian influence efforts continued with Moldova's judiciary sentencing [Deputy Marina Tauber](#) to seven years and six months in prison for the illegal financing of the former Shor Party. Moreover, the former leaders of the Soroca and Cimișlia party offices were sentenced to [five years' imprisonment](#) with asset confiscation.

In the sphere of national defense, the government approved [Moldova's Military Strategy for 2025–2035](#), which establishes priorities for modernizing the armed forces, strengthening national defense capabilities, and expanding international cooperation. Meanwhile, in light of the region's energy difficulties, the transnistrian leader Vadim Krasnoselski called for [renewed high-level dialogue](#) with Chișinău, while Russia [issued warnings](#) regarding Moldova's "confrontational approach" in the context of the newly adopted security strategy. With regard to energy and regional stability, authorities in Transnistria implemented a temporary "[gas saving regime](#)" on October 2, for up to 10 days, while ensuring uninterrupted supply to households, schools, and hospitals. Gas deliveries to Transnistria, halted by Gazprom on January 1, 2025, resumed on February 14 through MET's intermediary scheme, supplying approximately [3.2 million m³](#) daily at the Moldova border for redirection to Tiraspol.

Regarding political leadership, Prime Minister Dorin Recean announced his [resignation](#), and the Action and Solidarity Party (PAS) has nominated [Alexandru Munteanu](#) as his successor, an economist and international investor with extensive professional experience. The designated Prime Minister will request a [vote of confidence](#) from the deputies on October 31. The incoming government intends to focus on economic recovery and the implementation of structural reforms to stimulate growth and attract investment.

The Balkans

Croatia's Parliament approved the [reintroduction of compulsory military service](#), with young citizens set to undertake two months of basic training as part of efforts to bolster national defence amid rising regional security concerns. Furthermore, the Croatian government announced the acquisition of a state-of-the-art anti-drone defence system, valued around [€115 million](#), to protect critical infrastructure and enhance air and drone defences in cooperation with NATO partners. [Croatia and Ukraine](#) held high-level talks: Croatian Defence Minister Ivan Anušić met with Ukrainian President Volodymyr Zelenskyy to discuss further [military assistance](#) to Ukraine and cooperation in veteran policy and defence industry links.

In Bosnia-Herzegovina, the [US lifted sanctions](#) on four Republika Srpska officials following Milorad Dodik's departure from power. Meanwhile, Ana Trisic Babic was appointed [interim president](#) until the November elections.

At the energy level, in Serbia, the Petroleum Industry of Serbia (NIS), the country's main oil company, came under [full-effect U.S. sanctions](#) on 9 October, following repeated postponements, due to its majority Russian ownership. Furthermore, the European Commission invited Serbia to join the [EU's collective gas-buying platform](#) to reduce dependency on Russian fossils, and pressed Serbia to implement rule-of-law and foreign-policy.

In Kosovo, the Assembly failed to elect a [new government on 26 October](#) when the incumbent prime-minister designate Albin Kurti secured only 56 votes in favour — five short of the required majority.

The European Commission released funds under the [Growth Plan for the Western Balkans](#), allocating €99.3 million to Albania — €46.2 million directly to the state budget and the remainder for infrastructure projects. On the other hand, Greece has reaffirmed its veto on Turkey's participation in the [EU SAFE defense program](#) unless Ankara withdraws its 1995 casus belli regarding Greek territorial waters. European Union country has urged Greece [to permit Turkey's participation](#) in the €150 billion program.

The [VMZ-Sopot arms plant in Bulgaria](#), together with Germany's Rheinmetall, signed a €1 billion joint-venture deal on October 28 to build a factory producing gunpowder and 155 mm artillery shells. Bulgaria [holds 49%](#) and Rheinmetall 51% of the venture; financing will partially come via the EU's SAFE mechanism. In institutional security governance, the parliament approved amendments to the law for the head of the [State Agency for National Security](#) (SANS) shifting the appointment power away from the President.

In October 2, the Romanian government approved draft laws to bolster defence capacity: introducing a [voluntary military-service programme](#) for citizens aged 18-35 (four-month training, financial incentive), and expanding the armed forces' authority to operate beyond Romania's territory and streamline command in crises. In addition, the Mihail Kogălniceanu Air Base in Romania is [set to lose the rotational brigade of the U.S. Army](#) Europe, the 2nd Infantry Brigade Combat Team of the 101st Airborne Division, that has been stationed there, as part of a broader draw-down of U.S. forces on NATO's eastern flank. About 1,000 U.S. troops [will remain](#) in Romania despite the reduction. The U.S. government [states](#) this is not a retreat from Europe or from the North Atlantic Treaty Organization, but rather a shift reflecting increased European defense capability and [a strategic refocus](#) toward the Indo-Pacific region. Some U.S. lawmakers and Eastern European officials express concern that the move could weaken deterrence against Russia, especially given the region's security environment.

In the meantime...



Spain is set to host a high-level summit of the Coalition of the Willing on Monday November 4, with representatives from more than 30 nations gathering in Madrid to discuss the next phase of international support for Ukraine, according to spanish news outlet [El Mundo](#).



Hungary's Prime Minister Viktor Orbán will meet U.S. President Donald Trump at the White House on November 7, Gergely Gulyás, Minister of the Prime Minister's Office, [announced](#). The visit aims to finalize agreements on cooperation in energy, defense, economic, and financial matters, following extended discussions between the two countries.



Hungarian Prime Minister Viktor Orbán [stated that](#) the summit in Budapest between U.S. President Donald Trump and Russian President Vladimir Putin is still planned to take place, although he did not specify a date for the meeting.



Defense Secretary [Pete Hegseth plans to unveil](#) a major overhaul of U.S. arms sales on November 7, aiming to reshape Pentagon weapons transfers to allies and help replenish shrinking stockpiles. The announcement will be made at an unusual meeting of defense industry executives, sources say.