

# RUSSIA RELATED ANALYTICAL DIGEST ON MAY 2025

**“Russia’s illusion of strength: building armies amid economic collapse and demographic disaster - who will pay for its growing budget deficit and economic collapse?”**

The world needs a proactive strategy on Russia, taking the initiative by developing and communicating a clear strategic vision for Ukraine, along with a plan to contain and counter Russian influence.

The [NGO ANTS](#) conducts monitoring and research work on the state not only of the Ukrainian economy and society, but of the Russian economy and Russian society as well in order to have a true picture of the situation in this country, and not be satisfied with the bluff, hybrid aggression and desinformation that Vladimir Putin loves so much.

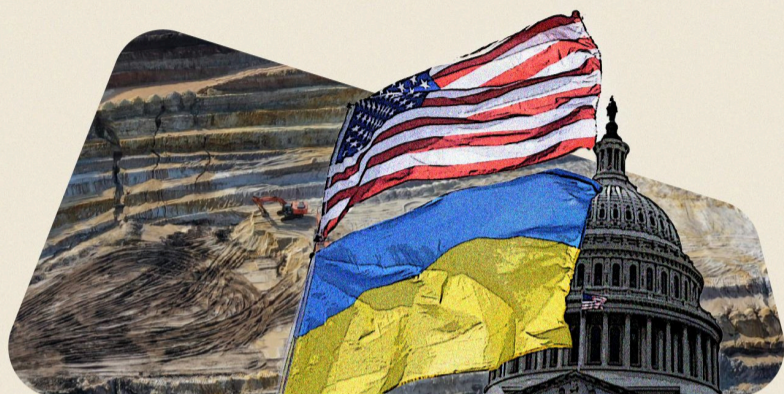
Fortunately, in today's world it is difficult to hide anything, and realistic conclusions can be drawn if information is analyzed in a timely and correct manner, having instant access to the Russian and international information field, and an excellent understanding of the context and social processes.

**The head of our organization, Dr. Hanna Hopko, former head of the Foreign Affairs Committee of the Verkhovna Rada of Ukraine,** is making great efforts in the international arena to advocate for the cessation of appeasement of the aggressor, who should not be irrationally feared, because his economy and social processes are far from being in the best shape.



Analytical column:

## Why is the subsoil agreement with the US not a "financial occupation" of Ukraine?



By Ilya Neskhodovsky, Expert of ANTS, Forbes Contributor In Forbes Ukraine

Some analysts call the agreement between Ukraine and the United States on the creation of an investment fund for reconstruction a “financial occupation” of Ukraine. Is this really so? Ilya Neskhodovskyi, head of the analytical direction of the National Interests Advocacy Network “ANTS”, analyzed the “tax” part of the agreement. Here are his conclusions

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## Mosaic of Russian economic news for May 2025

### Budget Deficit, Investment Cuts, Sector Losses, and Demographic Pressure

#### Structural Budget Crisis and Depleting Reserves

The Russian fiscal position is deteriorating, heavily dependent on volatile energy revenues. With limited borrowing options and decreasing revenues, Russia is eating into reserves, suggesting long-term unsustainability.



## **Defense Spending Is Soaring – But Not on Military Modernization**

The war economy is not building long-term capability – it's financing social stability within the military while undermining modernization.

## **Sanctions Are Deepening Trade & Investment Isolation**

Russia's trade and investment landscape is shrinking due to sanctions. Even "friendly" partners like China are retreating, and payments in rubles increasingly reflect grey-zone or opaque transactions.

## **Real-Sector Recession and Business Distress**

Beyond military-linked industries, the Russian economy is experiencing a deepening slowdown. Consumer demand is shrinking, investment is down, and business failures are accelerating.

## **Inflation, Interest Rates, and Public Sector Stress**

The government is caught between inflation control and growth stimulus. Policy tools are limited, and both real income and public services are under strain.

## **Demographic and Labor Market Crisis**

The demographic collapse is now visibly affecting labor availability, economic productivity, and future potential growth.

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# **Mosaic of socio-political news from Russia in May 2025**

## **Repression, Militarization, Demographic Crisis and Control through Fear and Censorship**

## **Political Repression and Centralized Control Are Intensifying**

The Kremlin is intensifying political control and erasing avenues for dissent or opposition. The legal environment is becoming increasingly arbitrary, reflecting a pre-election crackdown designed to suppress both liberal activism and anti-war sentiment.

## **Demographic and Social Decline Is Being Obscured, Not Addressed**

Russia's worsening demographic crisis is being hidden rather than solved. The lack of transparency suggests panic within state institutions, and short-term campaigns cannot offset structural population decline.

## **Militarization Is Deepening, Targeting NATO and Ukraine Simultaneously**

Russia is preparing for prolonged and possibly expanded war. Industrial and strategic moves point to a militarized economy aiming for both near- and long-term confrontation, despite internal fatigue and resource constraints.

## **International Isolation Is Growing – Even Among Allies**

Russia's global partnerships are thinning, even with “friendly” states. Its increasing reliance on covert trade and informal alliances underlines the erosion of international trust and investment.

## **Internal Security Prioritized Over Civil Freedoms**

The Kremlin is institutionalizing digital authoritarianism and social control. This securitization reflects fear of domestic unrest, and ethnic scapegoating may become a more prominent diversion tactic.

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**ANTS is open to cooperation! The most accurate information on your desk before anyone else!**

NGO National Interests Advocacy Network ANTS is a non-governmental organization, a powerful analytical center working to develop a strategy for countering the threat from Russia and its allies. We are open to proposals for cooperation in this direction for a deeper awareness of our partners and allies about



socio-political and economic processes in Russia and Ukraine, and therefore a more profitable strategy for dealing with threats.

We offer operational and high-quality monitoring, analytics, joint events, briefings and discussions.

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