

VEB Chief Economist Fired After Warning Russia Cannot Win ‘War of Attrition’ – The Bell

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Andrei Klepach. **Sophia Sandurskaya / Moskva News Agency**

The chief economist at Russia’s state development corporation VEB.RF has been fired after presenting a report earlier this year warning that Russia cannot win a prolonged war of attrition against Ukraine and is falling behind economically and technologically, [The Bell reported](#) on Sunday, citing sources familiar with the matter.

Andrei Klepach, who served as VEB.RF’s chief economist for 12 years, delivered the stark assessment during a May meeting at the Moscow Exchange’s Nikitsky Club. However, Klepach’s remarks only attracted widespread attention this weekend after the Russian service of The Moscow Times [published](#) excerpts from his report.

In it, Klepach offered a blunt evaluation of Russia’s wartime economic outlook, saying that the country is “losing not only to China and the United States, but in some ways, we’re losing to Ukraine.” While noting Ukraine’s severe demographic and economic problems, Klepach

argued that Western financial backing was a key reason the country “despite everything is surviving.”

“We won’t win the competition in this war of attrition,” Klepach said in the report. “We’re under the illusion that everything [in Ukraine] will collapse. It hasn’t, and it won’t. Meanwhile, the costs we bear are mounting.”

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Klepach said Ukrainian strikes on Russian infrastructure, Western sanctions and high domestic interest rates are cramping future growth and hindering technological investment.

“I don’t believe Russia will collapse, but I’m almost certain we’re coming up against a social crisis,” he warned. “We won’t collapse economically, but we are going to lag behind even further, with all of its ensuing consequences.”

An anonymous source told The Bell that Klepach, whom some have described as “one of the best” macroeconomics experts in Russia, was fired on Sunday after VEB.RF leadership received a phone call “from above,” suggesting that the Kremlin ordered his dismissal. A second source directly linked Klepach’s firing to his remarks in May.

VEB.RF has not commented on his reported dismissal.

Before joining VEB.RF, Klepach spent a decade at Russia’s Economic Development Ministry, serving as deputy minister from 2008 to 2014 alongside senior officials including Central Bank Governor Elvira Nabiullina and Defense Minister Andrei Belousov.

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