

## How Russia is evading sanctions to get the computer chips it needs for war in Ukraine

Russia has bypassed sanctions on vital technologies by using repurposed consumer goods, including microchips from fridges, in its missiles



A damaged church and destroyed Russian tank in the town of Svyatogirsk in Ukraine's Donetsk region on 1 March (Photo: Anatolii Stepanov / AFP)



By **Leo Cendrowicz**

Brussels Correspondent

March 15, 2023 12:02 pm (Updated March 19, 2023 8:50 am)

BRUSSELS – Over the past year, the West has led a global effort to sanction **Russia** for its **war on Ukraine**, imposing trade embargoes and travel bans, freezing assets and blocking international bank transfers.

Yet despite the many **measures aimed at choking the Kremlin war machine**, Russia has found ways to secure vital technologies like computer chips.

Cut through the noise with i's  
morning news briefing

**i Early Edition** subscriber-only newsletter  
Get it every single weekday at 6.30am from just £0.96/week

[Subscribe now](#)

Russia's defence industry has bypassed sanctions on vital technologies by using repurposed consumer goods, including microchips from fridges, in its guided missiles.

The United States and the European Union are moving to clamp down on Russia's sanction dodging. Last month, EU governments agreed to their tenth round of sanctions on Moscow, emphasising enforcement of existing measures to prevent the export and re-export of technology for the Russian energy and defence sectors.

Targeted tech includes semiconductors, computers, telecommunications equipment, electronic components, spare parts for planes, as well as software services from companies like IBM, Microsoft and Adobe. These technology-specific sanctions are aimed not just at Russia's military capacity, but also at non-military uses, like oil and gas production.

Iryna Bogdanova, a research fellow at the University of Bern's World Trade Institute, says the sanctions are not yet halting the Russian war machine. "With time and strict enforcement, however, their effectiveness might significantly improve, especially if countries curb Russia's efforts to evade them by imposing secondary sanctions," she says.

### Related Article



The Geneva-based Trade Data Monitor says that while Russia's imports of advanced chips and integrated circuits from the EU, the US, Japan and the UK slumped from \$163m (£135m) each year between 2017 and 2021 to about \$60m (£50m) in 2022, it still managed to import high-tech components.

It did so through sympathetic countries. Figures reveal that Kazakhstan exported

repurposed to help Russia's war effort, with exports of electronic parts to Russia surging more than seven-fold last year to almost \$283m (£235), prompting visits from EU, US and British officials in recent weeks urging it to end its role as a re-exporting hub.

"The fact that globally not everyone has joined the Western sanctions is helping Russia circumvent some effects," says Sophia Besch, a fellow at the Carnegie Endowment for International Peace. "The most useful sanctions now are those that target the military, through export controls on the high tech used in weaponry."

Western authorities are trying to clamp down on transshipments, with allies warning of "severe costs" for countries helping Russia evade sanctions, and G7 finance ministers saying: "To deter this activity around the world, we are taking actions against third-country actors materially supporting Russia's war in Ukraine."

Last month, EU member states called for sanctions to focus more on components used in Russian weaponry and military equipment, which are not easily replaced. The EU's new special envoy for the implementation of sanctions, David O'Sullivan, told a recent meeting: "Those willing to make a profit regardless of legal or moral circumstances are ingenious in their tactics and methods."

He said that EU action "means making sure that operators know their obligations and consequences of sanctions breaches and, importantly, ensuring that our sanctions are not circumvented, including through third countries."

The Biden administration is also targeting "evasion-related targets", noting tell-tale signs like using shell companies to execute international wire transfers, being reluctant to share information about the end user, and routing shipments through notorious transshipment hubs in China, Armenia, Turkey and Uzbekistan.

Earlier this month, authorities **arrested two US citizens** for circumventing US export laws to provide avionics equipment and repair services to entities that operated Russian-built aircraft in Russia and other countries. **i**

---

Topics

[European Union](#) / [International sanctions](#) / [Kazakhstan](#) / [Russia](#) / [Russia-Ukraine war](#) / [Turkey](#)

---

Subscribe →



**News** **World** [UK](#) [Scotland](#) [Health](#) [Education](#) [Technology](#) [Science](#) [Environment](#) [Business](#) [Hous](#)

[Sport](#)

[Lifestyle](#)

[Culture](#)

[Opinion](#)

[About](#)

[Advertise](#)

[i Print Subscriptions](#)

[i competitions](#)

[i newsletters](#)

[i app](#)

[i Student Digital Subscription](#)

[Sitemap](#)

**Follow us on**



All rights reserved. © 2021 Associated Newspapers Limited.

[Cookie Settings](#)

[Do not sell or share my personal information](#)

[Terms and Conditions](#)

[Privacy Policy](#)