



# Global Intelligence Summary

REPORTING PERIOD: 11 AUG – 18 AUG 2023



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Week 35: 11 August – 18 August 2023

## Executive Summary

- West African nations have agreed to commit troops to the “standby force” that is being readied to intervene in **Niger**. Any military operation will almost certainly strain relations in Africa and lead to an acute humanitarian disaster.
- In **Sudan**, the conflict that was largely centred in Khartoum has spread to the Darfur region and is likely to spark ethnic tensions, possibly resulting in genocide.
- In **China**, widespread flooding will almost certainly continue to force mass evacuations, destroy homes and will likely result in crop failures.
- Ecuador** remains in a state of emergency with elevated tensions after a third political assassination in as many weeks.



Figure 1: Significant activity identified during the current reporting period (11 August – 18 August 2023)

### AMER

- 1 Canada:** Wildfires force mass evacuations
- 2 United States:** Donald Trump indicted by the state of Georgia
- 3 Ecuador:** Another political figure assassinated

### EMEA

- 4 Libya:** Violent clashes erupt in Tripoli
- 5 Niger:** West African nations commit troops to standby force
- 6 Sudan:** Conflict risks further genocide in Darfur
- 7 Ethiopia:** Deteriorating security situation in the Amhara region

### APAC

- 8 Pakistan:** Christians targeted by enraged mob
- 9 China:** Militarisation of South China Sea provokes regional tension
- 10 China:** Northeastern China plagued by extreme weather



## Americas (AMER)

### Canada:

#### **Yellowknife, State Capital of Northwest Territories, under mandatory evacuation orders.**

Yellowknife, which is one of Canada's most northerly cities, and is also the state capital of the country's Northwest Territories, has been placed under a mandatory evacuation order. The evacuation order has been issued due to fears that the region's wildfires will reach the city if the weather doesn't change. Consequently, the state and federal governments are now in the process of evacuating at least 20,000 residents. Alongside Yellowknife, other settlements in the region have also been evacuated, such as Fort Smith, K'at'l'odeeche First Nation, Hay River, Enterprise and Jean Marie River. Already, the settlement of Enterprise has been almost completely destroyed after wildfires swept through it.

**Assessment:** At the time of writing, Canada is grappling with a staggering number of wildfires, with current estimates exceeding 1000. Of those, at least 236 are actively raging in the Northwest Territories, and these fires alone are currently impacting at least 21,000 kilometres of land. These statistics underscore the fact that Canada is experiencing its worst-ever wildfire season. This has been driven by a lack of rain and extreme heat. Indeed, on 15 August alone, 19 different heat records were broken across the country. The mandatory evacuation of Yellowknife comes after the region's authorities declared a territory-wide state of emergency. Whilst some rain is expected to fall between the 17 and 19 of August, it remains to be seen if it is enough to halt the spread of the wildfires. If the wildfires are not suppressed, it is highly likely that Yellowknife will incur much damage and destruction as it currently stands in the path of wildfires. Due to the early evacuation orders, however, any destruction is unlikely to lead to a significant loss of life, such as that seen in the last reporting period in Maui, Hawaii.

### United States:

#### **Donald Trump indicted by the state of Georgia.**

Former United States President Donald Trump, alongside 18 others, has been indicted by the state of Georgia for charges relating to their bid to overturn the 2020 election loss. Other notable indictees include former New York mayor, Rudy Giuliani and Trump's former White House chief of staff, Mark Meadows. The indictment consists of 41 alleged charges and suggests that the accused engaged in criminal activity amounting to racketeering when trying to overturn Georgia's presidential election results. Charges also accuse the group of violating the state's Racketeer Influenced and Corrupt Organizations Act (RICO), an act that is typically used to target key figures within organised crime syndicates and allows persecutors to amalgamate a range of crimes together. Trump has pleaded not guilty.

**Assessment:** Given the popular support and legal resources of Trump, it is unlikely that the charges will be settled before the presidential election in November 2024. However, if Trump is re-elected, it is almost certain that he will not be able to enact any measures to reverse potential convictions through self-pardoning or appointing a sympathetic attorney general, as these charges have been levelled against him at the state level rather than at the federal level. This is the fourth criminal charge brought against the former president and is almost certainly going to galvanise Trump's base as he begins to campaign for a second presidency. Many of his supporters will doubt the veracity of the charges, and it is highly likely they will claim this indictment is an attempt to weaponise the justice system against a leading presidential candidate. The use of the RICO Act also creates a realistic possibility of a particularly emotive response from



Trump supporters, given its traditional employment against organised crime groups such as the Italian mafia.

## Ecuador:

### Third politician is assassinated in as many weeks.

On 15 August, a local politician in the northern province of Esmeraldas was reportedly shot dead. The victim, Pedro Briones, was a local leader in the region for Revolución Ciudadana, the party of former President Rafael Correa. Mr Briones's death was confirmed in a statement by Luisa Gonzalez, the front-runner of the country's upcoming presidential election and member of the same party as Mr Briones.

**Assessment:** This is the third political assassination in less than a month. It follows the assassination on 26 July of Agustin Intriago the recently re-elected Mayor of Manta, and the 9 August assassination of Fernando Villavicencio a candidate in the country's upcoming Presidential election. Even before this spate of political assassinations, the country's high rates of violent crime had been dominating the discussions and rhetoric in the run-up to the country's presidential election which is due to take place on 20 August. It is widely alleged that the country's steep rise in violence, which has left thousands dead, has come as the country has transformed into a major drug trafficking hub. This has resulted in the country becoming a major battleground for cartels and criminal gangs, who are now also fighting for dominance and control of the streets, prisons and drug routes. It is almost certain that whoever wins the presidential election, will have a major task on their hands to try and restore law and order in the country. There is a realistic possibility that whoever wins may seek to emulate some of the heavy-handed, yet seemingly successful measures which have been rolled out in El Salvador. These include mass imprisonment, the suspension of constitutional rights to a fair trial, and the allowance of arbitrary arrests. These and other measures are commonly called the "Régimen de Excepción". The success of these measures in curtailing the country's insecurity problem has been noted by other countries and politicians in the region and as such, they are beginning to be emulated by countries such as Honduras and Guatemala.

### AMER Regional Forecast.

In Ecuador, the country heads to the polls on 20 August to elect a new President and new members of the National Assembly. These elections come after three political assassinations and amid the wider backdrop of surging violent crime rates. It is likely that Luisa González, will win the highest number of votes, although she may not win by enough to prevent a run-off vote. Voters will also head to the polls on the same day in Guatemala, to vote in their presidential run-off race between Bernardo Arevalo of the progressive Seed Movement and Sandra Torres, a former First Lady representing the conservative National Unity of Hope Party (UNE). Mr Arevalo is widely expected to translate his large poll lead into a majority of votes; however, his Seed movement has recently faced a number of obstacles from the country's election authority, which may lead to accusations of vote rigging or manipulation and thus stoke unrest or violence. The news that in Venezuela prosecutors have launched investigations into death threats sent to a Presidential candidate shows how the recent spate of political assassinations is being taken seriously across the region. Meanwhile, in the United States, 23 August will see the first debate between Republican Presidential candidates. Expect further government seizures and crackdowns in Nicaragua, after the government seized the Jesuit-run and owned Central American University (UCA). The government has accused the university of being a "centre of terrorism" after it emerged as a hub for anti-government protests in 2018. In recent years 26 universities have been closed completely or had their assets seized by the government after being accused of fomenting terror. This is highly likely to exacerbate the strain on relations with both the Catholic Church and the Vatican, significant institutions in the country. These developments compound the already elevated tensions, as the government has taken bishops into custody and accused the Vatican



of endorsing terrorism. This follows the Vatican's offer to facilitate dialogue between protestors and the government.

Argentina's economy is likely to become more volatile in the coming weeks, as markets reacted badly to the news that the Libertarian outsider candidate Javier Milei won the country's primary election. This has already placed further pressure on the government to devalue the currency and has worsened its wider struggle to avoid a total economic collapse before the October elections. In Chile, the news that Codelco, the world's largest copper producer, is at risk of insolvency will be greeted with concern. Chile provides around 20 percent of all the world's copper and Codelco provides one-quarter of that figure, generating over USD 17 billion in revenue for the country's government due to being a state-owned enterprise. Its potential collapse into insolvency will have detrimental impacts on the Chilean government's finances and will also likely lead to instability in global copper markets.

In Canada, further evacuations are almost certain to occur as more than 1000 wildfires continue to burn nationwide. At least one settlement has already been destroyed, and as the wildfires continue to spread it is likely other settlements will face a similar fate. In the United States, the death toll from the wildfires in Maui will continue to be adjusted upwards, with over 2,000 structures destroyed and more than 1000 people still missing. Due to the number of wildfires across the wider North American region, it is likely that poor air quality will persist across the short term, likely prompting warnings from regional and local health officials. Hurricane Hilary which as of 18 August has become a category four storm and has sustained winds of 220 kmph, is forecast to bring tropical storm conditions, high winds and heavy rains to south-west US and north-west Mexico in the next reporting period. Hilary's possible path is forecast to cross the Baja Peninsula. Anticipate an increase in seismic activity in Colombia following the occurrence of earthquakes measuring 6.3 and 5.0 in magnitude. These tremors were felt in Bogota, Medellin, and Cali. There is a strong likelihood of aftershocks and smaller earthquakes taking place in the upcoming days.



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## Europe, Middle East & Africa (EMEA)

### Libya:

#### Violent clashes erupt in Tripoli.

At least 27 people have been killed and more than 100 have been injured during violent clashes in Tripoli between rival militias during the last reporting period. The catalyst for the clashes came on the evening of 14 August, when a senior figure in the 444 Brigade, Mahmoud Hamza, was detained at Mitiga Airport by the Special Deterrence Force. The two rival forces fought through the night and for the duration of 15 August until the Special Deterrence Force agreed to release Hamza.

**Assessment:** The Special Deterrence Force and the 444 Brigade are two of the strongest military forces in Tripoli, and any sustained fighting between the two factions would highly likely pose significant risks to the security of the city and country. Both factions had backed the interim Government of National Unity (GNU) during brief battles last year and had been coinciding peacefully in Tripoli prior to this. It is likely that this incident came about as a result of the notoriety of Hamza, who before being a leader of the 444 Brigade, was a former officer in the Special Deterrence Force, and had previously been a key figure in mediating an end to tension between other armed factions. This situation has likely been resolved, and further violence related to this event is unlikely. What this incident underscores, however, is that the unresolved conflict and volatile political solution in Libya can easily create opportunities for these sporadic eruptions of violence, and these are highly likely to continue until a sustained peace process and a political solution are agreed.

### Niger:

#### ECOWAS members agree to commit troops to Niger.

Reports suggest that the majority of West African countries, comprising the 15-member Economic Community of West African States (ECOWAS), are ready for a potential military intervention in Niger after a meeting was held in Accra, Ghana. After the summit, it was agreed that all countries except Cabo Verde and those under military rule would provide troops for any proposed military operations. However, they emphasised that this course of action would only be implemented if all diplomatic initiatives prove unsuccessful in reversing the coup. A standby force has already been assembled and placed on alert however, no action has been taken despite ECOWAS's previous deadline for coup leaders to step aside by 6 August. West African nations that are currently under military rule, such as Mali, Burkina Faso and Guinea have condemned ECOWAS's intervention plans and suggested that any external aggression would be an act of war. Furthermore, a separate meeting in Addis Adaba, Ethiopia by the African Union's Peace and Security Council rejected the notion of military action, with northern and southern African countries said to be fiercely against the proposal. Meanwhile, in Niger, the military junta has declared that it will put the deposed President, Mohamed Bazoum, on trial for high treason and could face the death penalty if found guilty. While political factionalism has yet to evolve into fighting on the streets of Niger, the country has remained a target for insurgents who have sustained attacks on the Nigerien Army, with one ambush on 17 August killing at least 36 troops.

**Assessment:** Amid broader African insistence against military intervention and uncertainties surrounding the domestic approval of military action by individual ECOWAS member states, it remains to be seen as to whether the standby force is simply posturing or actually prepared to cross into Niger. Military intervention will almost certainly further strain relations within West Africa. All seven countries neighbouring Niger are likely ill-prepared to deal with any sharp



increase in refugees and the crisis will almost certainly have a knock-on effect with refugees trying to reach Europe. Countries that border Niger but are not members of ECOWAS such as Algeria and Libya are likely to be most outraged as they have had no voice in the decision. Most Nigeriens live in the south of the country near the borders with Nigeria, Benin, Burkina Faso and Mali. These countries will likely bear the brunt of the refugee crisis given their proximity to major population centres and an influx of refugees will threaten to destabilise these already fragile states. It will also likely provoke civil unrest in many West African nations, particularly in northern Nigeria where there has been much popular support for the coup, with demonstrations against the prospect of military intervention occurring in cities like Kano. Furthermore, many ECOWAS members are dealing with problematic security issues at home, with a myriad of Islamic insurgents and militias operating across the region. Military intervention in Niger will doubtlessly divert critical resources from these internal threats, providing a situation that will likely be exploited by armed groups who will be afforded more freedom of movement. Within Niger itself, military intervention will almost certainly lead to a severe humanitarian crisis, with millions of Nigeriens already suffering from food insecurity prior to the coup. Humanitarian access will be largely denied with closed borders and threats made against aid workers. The provision of clean water and electricity, much of which comes from neighbouring countries, will almost certainly be disrupted. The coup leader's threat to put President Bazoum on trial will likely be delayed, as such a move will likely rally his base internally and provide a further justification for external intervention. Many analysts have posited the prospect of Russia's Wagner Group being deployed to Niger after the assumed expulsion of Western powers. This is unlikely to happen in the immediate future due to the threat of a Russian proxy group directly engaging with soldiers from West African nations, especially whilst Putin is attempting to foster better relations with them after the war in Ukraine has threatened food security in the region.

## Sudan:

### Humanitarian situation deteriorating and threat of growing violence in Darfur.

Violence has continued to degrade the humanitarian situation in Sudan with reports now suggesting that over one million refugees have fled into neighbouring countries to avoid the bloodshed and its consequences. Fighting between the Sudanese army and the paramilitary group, the Rapid Support Forces (RSF) began in April over plans to transition to civilian rule and has now spread from Khartoum and instigated ethnic violence in the western region of Darfur, where rape is reportedly being used as a weapon. The United Nations has warned that millions are at risk of running out of food and that people are dying due to restricted access to healthcare. The United Nations has also warned that the violence is prohibiting farmers from planting their crops, prompting fears of further starvation. In Khartoum and inside the major population centres in Darfur and Kordofan, there are reports of looting, electricity blackouts, communications disruption and water cuts.

**Assessment:** It is almost certain that the humanitarian crisis in Sudan will deteriorate with the conflict spreading to the Darfur region. Access to Darfur for humanitarian agencies has traditionally been complicated by its relative remoteness, with many of the key population centres like Nyala, hundreds of kilometres away from the capital Khartoum or the Red Sea city, Port Sudan. Moreover, access from the border regions with Chad, South Sudan and the Central African Republic has often been limited due to the violence affecting these regions. Darfur has also been an epicentre for interethnic and intertribal violence with groups like the Fur, Zaghawa, and Massalit frequently clashing over scarce resources in an arid and often inhospitable environment. As the conflict spreads into Darfur, there are legitimate concerns that the war between the Sudanese central government and RSF evolves into genocidal violence between the rival ethnic groups. It is also likely that the competition for resources and land has been exacerbated by a growing population, higher rates of drought and desertification, and decreased access to water and arable land. The rainy season, which typically runs from June to September, threatens to disrupt the planting of crops and cause outbreaks of waterborne diseases such as cholera, both



of which will only serve to worsen the current humanitarian situation. Furthermore, historic violence in the region has traditionally increased with the ending of the rainy season due to issues relating to resource scarcity, livestock movements and harvest competition. With no signs of the violence abating and millions of people already displaced, there is a possibility that the conflict matures into a civil war, which will threaten to destabilise the region and result in millions more refugees, many of whom will look to Europe, likely resulting in a growing Mediterranean refugee crisis.

## Ethiopia:

### Deteriorating security situation in the Amhara region.

The last reporting period has seen the security situation in the Amhara region further deteriorate. On 13 August, a government airstrike killed at least 26 people and injured another 70, as protesters gathered in the town of Finote Selam to protest against plans by federal forces to enter the area. The following day, in a parliamentary announcement, the Ethiopian government declared a six-month state of emergency, with night-time curfews declared in six cities. In the subsequent debate, former Foreign Minister Gedu Andargachew, who once led the Amhara regional government, stated it was clear that the ruling party had lost its support in the region.

**Assessment:** This crisis reaches back to the fall out of the peace deal signed by the federal government and the Tigray People's Liberation Front (TPLF), when it was ultimately decided that each of the security forces in Ethiopia's 11 ethnically based regions would be dismantled and absorbed by the national security forces. This was likely a surprise move for the Amharans, who had fought on the side of the Ethiopian army in the Tigray War and likely expected to maintain their military independence. The regional force in Amhara did ultimately agree to the proposal but the Fano militia, a group who did support the government, refused to disarm, and this prompted the federal government to deploy the army, leading to heavy clashes in recent weeks. It is highly likely that the Fano militia has grown in capability and size in recent weeks, as disgruntled former security forces personnel join their cause, contributing to the violence. With the Amhara state government, controlled by President Abiy Ahmed's Prosperity Party (PP), likely to collapse in the coming weeks if the current rate of escalation continues, there is a realistic possibility that Ethiopia will be embroiled in another extended period of internal conflict. The current hostilities could result in a war as deadly as the Tigray War which lasted from 2020-2022 and led to the deaths of over 100,000 people and caused millions to be internally displaced. With Amhara being a largely mountainous region with many forested areas, and the Amharan ethnic group constituting over 90 per cent of the region's population, it is likely that the area could be exploited by an insurgency. To counter these advantages, it is likely that the Ethiopian armed forces will utilise its air superiority and repel the territorial gains of the Fano, likely resulting in further mass casualty events similar to Finote Selam.

### EMEA Regional Forecast.

In Poland, lawmakers have approved a referendum to take place on 15 October, alongside the country's general election. The referendum will ask if voters agree with continuing the process of privatising state assets and will ask if they agree with EU proposals on burden sharing for the migrant crisis. As campaigns for the general election and the referendum get underway, expect heightened political rhetoric and unrest, such as demonstrations and rallies. In Spain, it looks increasingly likely that the socialists and Pedro Sanchez will seek to form a new left-wing government after parliament voted by a majority to elect a Socialist member as Chamber Speaker. If Mr Sanchez fails to form a government, it is increasingly likely that new elections will be called. The news that the Netherlands has entered a technical recession will further stoke fears around the performance of other EU economies, particularly, Germany, which increasingly looks like it may fall back into a technical recession.





The protests against the judicial overhaul in Israel show no signs of ending with the Supreme Court set to convene to examine the bill in mid-September. Thousands of military reservists have stopped reporting for duty, affecting the country's readiness at a time of heightened tensions with Lebanon, Iran and the Palestinians. This was initially condemned by Netanyahu who rejected the idea of "conditional reserve service" and has now apparently rescinded these remarks in a bid to win over the service personnel. In Lebanon, the acting governor of the country's Central Bank, Wassim Mansouri, has announced he has frozen all accounts linked to the former head, Riad Salameh, and all his close relations and associates. This comes as at least three states are investigating Mr Salameh for several international financial crimes. These are also almost certain to be the first steps that Mr Mansouri is taking to try and undo the damage done to the country by his predecessor. Further reforms are likely to follow, as he tries to signal to the IMF, domestic Lebanese and Lebanese allies that he is serious about halting the Lebanese economic crisis.

The BRICS Summit in South Africa will last until 24 August. The main issue set to be discussed will be whether to expand the membership of the group. Both China and Russia wish to expand membership, whilst as many as 30 countries have expressed interest in joining. In Zimbabwe, the country will host general elections on 23 August. These will see incumbent President Emerson Mnangagwa run against veteran opposition leader Nelson Chamisa. Given Zimbabwe's repressive political environment and the entrenched nature of the ruling ZANU-PF party, it is almost certain Mr Mnangagwa will win. Criticisms of the vote are already being voiced and there is a realistic possibility that the country witnesses violence and unrest.

The British government has warned its citizens travelling to Sweden of an increased risk of terror attacks in response to a series of Quran burnings that have occurred in the Nordic country. Swedish authorities have already successfully disrupted some planned attacks, made arrests, tightened borders and raised the terror threat level. There is a realistic possibility of further burnings and that these could trigger protests and attacks either in Sweden or further afield. In the DRC it is almost certain that violence will continue following an armed militia's killing of at least ten people in the country's west. Tensions have been high since the introduction of land rights and tax reforms in 2022. The conflicts have primarily taken place between the historical inhabitants of the region, the Teke, and settlers from other parts of the DRC. United Nations peacekeepers have declared that they are accelerating their withdrawal from the city of Ber, Mali after a surge of fighting. The area has witnessed fighting between Tuareg rebels and the Malian government forces purportedly with the help of the Wagner Group. The withdrawal of UN forces will likely lead to more frequent and intense fighting between the rival factions, raising concerns of a potential increase in war crimes without external oversight.

It is likely that many parts of Europe will encounter additional episodes of extreme weather. Forecasts predict temperatures exceeding forty degrees Celsius in large portions of France and Spain with major wildfires already blazing in Tenerife. Southern Germany, already grappling with ongoing flooding, which has forced the closure of Frankfurt International Airport, is expected to continue facing deluges. Additionally, significant flooding is anticipated in much of northern Italy following a series of thunderstorms. A powerful heatwave is expected to expand across much of western and central Europe, increasing the risks of either wildfires or flooding when rainfall eventually occurs, given that much of the ground has become impermeable.

Finally, it is likely that intra-European rail travel will remain seriously disrupted for several months following the derailment in the Gotthard tunnel in the last reporting period. Swiss authorities have announced that the tunnel, a crucial trans-alpine route, will remain partially closed for several months to allow major repair work to be carried out. The tunnel is a major international route allowing both freight and passengers to cross between northern and southern Europe. Around 10000 passengers and around 67000 tonnes of freight pass through the Gotthard tunnel daily. Whilst the undamaged tube of the tunnel will be partially reopened for some freight traffic, the diversion route is set to add two hours onto every journey and will be in effect until early 2024.





## Asia Pacific (APAC)

### Pakistan:

#### **Sectarian violence erupts in Pakistan after alleged desecration of the Quran.**

Over 100 Pakistani Muslims have been arrested after mobs set fire to multiple churches in the Punjab region after allegations of blasphemy were levelled at members of the Christian community. The violence began on 16 August after two Pakistani Christian men were accused of burning the Quran in the town of Jaranwala, Faisalabad district. Thousands of Muslims then set fire to at least eight churches in the area as well as multiple buildings linked to the Christian community and there were reports of many bibles being desecrated. Local sources reported that the situation began to deteriorate when members of the Tehreek-i-Labbaik Pakistan (TLP) party made announcements from mosques and other areas, allegedly inciting further violence. In a move to quell future violence, the authorities have prohibited all public assembly for at least seven days and several thousand extra police personnel have been deployed to the area.

**Assessment:** Pakistan has some of the toughest blasphemy laws in the world, which if convicted could result in the death penalty. The laws have been used and exploited in the past to target the Pakistani Christian community which comprise just over one per cent of Pakistan's largely Muslim population. It is likely that deteriorating economic conditions in Pakistan have led to an upsurge in violence directed towards minority religious groups and that the reported Quran desecration was simply used as a justification to incite violence. It is also likely that Pakistan's blasphemy laws provide for inadequate protection for minority religions and that they will not be applied to anyone burning a church or desecrating a bible in equal measure. It is likely that political groups with hardline religious stances like the TLP will exploit this violence to rally its base, with the next election in Pakistan officially set for no later than 8 November 2023 after the dissolution of the National Assembly earlier this year. There is also a realistic possibility that incidents outside of Pakistan, such as the burning of Qurans in Sweden and Denmark, have influenced the targeting of the Christian community in Pakistan and with the election looming, further violence cannot be discounted.

### China:

#### **Militarisation of Island likely to flare tensions in South China Sea.**

On 15 August, satellite imagery produced by Planet Labs PBC indicated that China was constructing a runway on Triton Island in the South China Sea. Triton Island, in the Paracel Group of islands, is a disputed territory with both Vietnam and Taiwan also claiming ownership of the island, whereas China, despite international condemnation, claims almost the entirety of the South China Sea. Imagery analysis suggests that the airstrip would be around 600m in length, which would be long enough to accommodate the launching of propellor planes and drones but not long enough for fighter jets or bombers. Other observations identified the presence of trucks, containers and other forms of construction equipment.

**Assessment:** Tensions are almost certainly going to flare in the South China Sea after further indications of China militarising the disputed islands. The South China Sea is seen as of great strategic importance for China for both economic considerations and for reasons of power and influence, with China's claims being contested by multiple Southeast Asian nations like Vietnam and the Philippines. China's strategy has entailed aggressive rhetoric, perpetual military patrols and the gradual development of military installations on a range of existing islands throughout the South China Sea, as well as the construction of artificial islands. A network of islands will allow China to sustain coastguard and naval operations throughout the South China Sea, an area



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reportedly rich in hydrocarbons and fish stocks. It will also enable China to conduct intelligence and surveillance operations in the South China Sea, thus protecting its southern flank, particularly against hostile submarine operations. It is likely that the militarisation of islands is part of China's attempt to construct a "Great Underwater Wall", effectively a system of layered surface, sub-surface, island-based and aerial sensors or systems that will monitor any threats in the area. The runway will likely be used for the launching of intelligence, surveillance and reconnaissance (ISR) unmanned aerial vehicles (UAVs) that can patrol the maritime approaches to China and the South China Sea at a much faster rate than coastguard or naval vessels. It is almost certain that China has plans to militarise more islands in the South China Sea and that in the long term, these moves will likely unite Southeast Asian nations in a common strategy to counter China, which will likely serve to isolate China in its own backyard.

### **China still threatened by the aftermath of Typhoon Doksuri.**

Heavy rains and storms have continued to batter much of northern China in the aftermath of Typhoon Doksuri. A vast area in northeast China is now threatened by mass flooding as over 90 rivers have risen above the warning level and 24 rivers in the area have already overflowed. Crews are prepared to defend homes and farms and to evacuate people across the Songliao Basin area to the north of Beijing. The basin encompasses more than 1.2 million square kilometres and is almost five times the size of the United Kingdom; it includes four provinces and has a population in excess of 100 million. Flash floods and landslides have already led to the deaths of 100s of people in the area, the evacuation of millions and the destruction of over 200,000 homes.

**Assessment:** The extent of the flooding in northern China is almost certainly linked to global climate change, with the heavy rains falling after historically high temperatures. The high temperatures have likely baked the ground, reducing the infiltration capacity of the soil and effectively rendering it impermeable. This phenomenon, coupled with the fact that much of the traditional Chinese flood plains have been completely urbanised, has meant that there are fewer areas for rainwater to be absorbed or flow, leading to severe flooding. It is likely that future Chinese droughts and floods will become more frequent and intense as a result of climate change and its consequential effects. The authorities, beyond evacuations, are presented with few countermeasures, many of which have proven incredibly unpopular. Mass flooding in Beijing was mitigated by the diversion of floodwaters to neighbouring Hebei province, a move that resulted in the destruction of numerous homes in the province and the inundation of much arable land. Another strategy has been to drain reservoirs, a dangerous move if water sources become contaminated with floodwaters or if China is faced with further high temperatures. With weather forecasts anticipating more rain during the next reporting period, it is almost certain that the threat of flooding will persist, resulting in more evacuations, the further inundation of farmland and continued disruption to transport, electricity and communications. President Xi has yet to tour the affected areas and there is a realistic possibility that such perceived inaction will lead to rare condemnation of the regime by ordinary Chinese citizens.

### **APAC Regional Forecast.**

Thailand's Constitutional Court has rejected the appeal of the triumphant Move Forward Party, which had sought reconsideration of a parliamentary ruling that prevented its Prime Ministerial candidate from being re-nominated. This verdict weakens the prospects of the progressive Move Forward Party forming a government with it at the centre of a coalition. It is widely anticipated that the next prime ministerial nomination will likely emerge from a member of the Pheu Thai party, prompting the need for the formation of a new coalition, with the final outcome resting on Pheu Thai's ability to amass the necessary votes.

In the aftermath of the US, South Korea and Japan summit at Camp David this week, the US and South Korea will conduct their largest-ever joint drills under Exercise Ulchi Freedom Shield on 21 August. The exercise will likely simulate the containment of military threats posed by North Korea, most notably the detection and interception of ballistic missiles. North Korea undoubtedly fears

the developing tri-nation alliance in the region and will almost certainly respond with the launching of missiles and other demonstrations of force.

In Japan, the effects of Typhoon Lan are still being felt after it hit western Japan and began moving north. As a result of heavy rain, the authorities have issued multiple flood and landslide warnings. The typhoon has already resulted in hundreds of flight cancellations, road closures and electricity being lost to thousands of homes. It is almost certain that further disruption will ensue as the typhoon slowly transits north. In northern China, further flooding from monsoon rains is anticipated to inundate more farmland and potentially lead to crop failures. There are also serious concerns that the flooding will lead to crop diseases and infestations of pests that target key agricultural products like cotton, corn and soybean.

In China, economic uncertainty will continue to persist. The news that the government has ceased releasing youth unemployment data after it reached a record high in June of 21.3 percent signals this has only continued rising in the face of efforts to stop it. Other indicators, such as the emergence of deflation, and the surprise cut in the benchmark interest rate by the People's Bank of China also suggest that the Chinese economy is weaker than officials and international economists are hoping for. The news that Evergrande has filed for bankruptcy in the US and Country Garden's bonds have ceased trading are also indicators the country's property crisis continues to mount. Beijing has historically implemented large debt-driven stimulus packages to kick-start its economy, and whilst it is trying to roll back this approach, it is likely that the compounding economic issues may lead Beijing to issue a smaller batch of stimulus measures and pledges of state support.



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and Safety Management  
System  
CERTIFIED

ISO 18788:2015  
Management System  
for Private Security  
Services  
CERTIFIED

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