



# Global Intelligence Summary

REPORTING PERIOD: 05 JAN – 12 JAN



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Week 2: 05 January – 12 January

## Executive Summary

- In **Ecuador**, the declining security situation is **highly likely** to persist in the short term as security forces and criminal organisations continue to compete for power.
- Houthi attacks in the **Red Sea** have resulted in US and UK air strikes in **Yemen**, a move that will **almost certainly** raise tensions in the region and increase the prospect of a wider conflict.
- **South Africa's** genocide case against Israel is **highly unlikely** to influence the IDF's operations in **Gaza**, which will **almost certainly** continue to strain tensions across the region.
- In **Myanmar**, successful rebel offences have **almost certainly** forced the junta into a ceasefire, however the ceasefire is **likely** to fail if the junta doesn't concede to rebel demands.



Figure 1: Significant activity identified during the current reporting period.

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## Americas (AMER)

### United States:

#### Mid-air blowout prompts reinvestigation of Boeing safety issues.

On 5 January, Alaska Airlines Flight 1282, a 737 MAX 9 aircraft, experienced an uncontrolled decompression shortly after departure from Portland International Airport (PDX) in Oregon. During the aircraft's initial ascent, the rear mid-cabin exit door opened following the dislodgment of a door plug, leading to cabin decompression. The aircraft promptly returned to PDX, where no casualties were reported, only the loss of possessions. As a precautionary measure, Alaska Airlines promptly grounded its entire 737 Max 9 fleet. Subsequently, the US Federal Aviation Administration (FAA) also took similar action, grounding an additional 171 737 Max 9 aircraft from various other airlines. This decision was made pending thorough safety investigations. Notably, this incident marks the third significant safety occurrence involving this type of aircraft, following the Lion Air Flight 610 incident in Indonesia in 2018, resulting in the deaths of 189 people, and the Ethiopian Airlines Flight 302 incident in Ethiopia in 2019, resulting in the deaths of 157 people. The safety crisis was further deepened after United Airlines and Alaska Airlines announced they had found loose parts on multiple grounded 737 MAX 9 aircraft.

**Assessment:** This recent event has placed considerable strain on Boeing, which is already grappling with challenges such as delivery delays and heightened competition from both domestic and international competitors. The 737 MAX 9 aircraft endured a grounding that started in March 2019, and lasted over 20 months, following the FAA directive mandating substantial software enhancements and training improvements for the aircraft. This has made the 737 MAX one of the most rigorously scrutinised commercial aircraft ever constructed. However, the recent incident raises fresh concerns regarding Boeing's commitment to quality and safety, potentially stemming from cost-cutting measures aimed at alleviating its substantial USD 39 billion debt burden. Since the grounding in March 2019, Boeing has witnessed a more than 40 percent decline in share prices, in stark contrast to the upward trajectory of its European-based competitor Airbus, whose shares have surged by over 25 percent during the same period. In the aftermath of the accidents, Boeing faced widespread accusations of prioritising profit over passenger safety. Whistleblowers asserted that the company exerted undue pressure on its workforce to accelerate aircraft production, resulting in chaotic conditions in its factories and compromises in production line integrity. Boeing has refuted allegations of compromising safety and quality to meet production demands. The recent incident undoubtedly serves as a significant wake-up call for Boeing and for airlines, prompting a reconsideration of their business affiliations. This may lead airlines to explore alternative options earlier, particularly directing attention to emerging aircraft-exporting nations such as China, with its newly produced domestic Comac C919, and similar aircraft. In the immediate aftermath of the grounding of 737 MAX 9, hundreds of flights from Alaska Airlines and United Airlines are expected to be cancelled in the coming days and weeks.

### Ecuador:

#### Dramatic deterioration in internal national security.

In Ecuador, the last reporting period has seen the nation's internal security situation dramatically decline so far that President Daniel Noboa now distinguishes that the country is in the midst of an "internal armed conflict." The chaos started on 7 January when special forces entered a prison in Guayaquil ahead of the scheduled transfer of Adolfo Macias, the leader of the Los Choneros criminal gang, to a maximum-security unit, to find that he had escaped. The news spread quickly, and the following day six riots were reported at jails across the country, with hundreds of prison guards and staff taken hostage, leading Noboa to declare a state of emergency for 60 days. The

emergency legislation led to the deployment of the military onto the streets and into prisons, and a national curfew was set between 23:00-05:00 every night. However, on 9 January violence escalated across the country when gunmen with explosives stormed a TV station in Guayaquil that was on-air across Ecuador. Gunmen also stormed the corridors of the university in the same city causing students to flee; seven police officers were kidnapped in Machala, Quito and Los Rios provinces; explosions were reported in Esmeraldas, Los Rios, Cuenca and Quito; and 39 prisoners escaped from a prison in Riobamba. Events throughout the day led to Noboa intensifying the state of emergency, with the president declaring nearly two dozen gangs as terrorist groups, saying that they were now also military targets. Noboa also announced that Ecuador will start deporting foreign prisoners, especially Colombians, to cut down on its prison population. Thousands of soldiers, including in armoured vehicles, have begun patrolling the streets of major cities, but violence has continued, with at least 125 prison guards and 14 administrative staff still being held hostage at this time. Brazil, Colombia and Chile have all expressed support for Noboa's government, whilst China, a major investor in Ecuador, has closed its embassy and consulates until further notice.

**Assessment:** Violence in Ecuador has grown exponentially in recent years, with the murder rate quadrupling from 2018 to 2022, with 2023 the most violent year yet with at least 8,000 documented homicides. However, this latest wave of violence marks a significant deterioration in the country's security situation. Noboa took office in November in an election that was dominated by the country's growing insecurity, especially following the assassination of a leading presidential candidate. It is unsurprising that the origins of the crisis began in Ecuador's prisons. Gangs have exploited the weak penitentiary system to expand their power, which has resulted in the deaths of hundreds of inmates as a result of warring sides or internal power struggles. Noboa recognised this and amidst his new security legislation, prison reform has taken a central position, including specifically his plans to build a new high security prison for gang leaders. It is highly likely that the catalyst for the aggressive and forceful response taken by criminal actors this week is in response to Noboa starting to enforce this reform, with his intentions to remove Macias to a more secure location, away from his gang's powerbase. Gangs likely used tactics to create maximum violence and chaos to frighten the populace, influencing them to remove their support for Noboa, and with it his mandate. Scaring the population has almost certainly worked with many Ecuadoreans scared to leave their homes, but having just voted Noboa in on security promises, it is unlikely that his support has been significantly affected so far. The crisis highlights the challenge Noboa faces, and it will almost certainly be the biggest test in the 18 months before the country's next election. Previous governments have utilised states of emergency in the past with the aim of boosting security, but without major results. Noboa has however already gone further with legislation in the fight, empowering the military whilst having a more coherent plan with the government and the judiciary. In the short term, it is highly likely that the current state of violence persists, as the military and gangs continue to fight for dominance, with neither Noboa nor gang leaders likely to back down. Nevertheless, with the support from the US already agreed, and Noboa's continued efforts to securitise Ecuador, there is a realistic possibility that there is a marked improvement in Ecuador's internal security in the next 18 months, albeit almost certainly with hundreds of fatalities as a consequence.

## Argentina:

### Milei's controversial reforms help Argentina secure IMF funding.

Argentina and the International Monetary Fund (IMF) have reached a USD 4.7 billion agreement as part of a debt restructuring plan for the nation. The deal aims to address Argentina's economic challenges, including high inflation and widespread poverty. The agreement puts back on track a USD 44 billion bailout package initiated in 2018, with the IMF stating that strengthened policies and a focus on macroeconomic stability were the reasons for the change in direction. However, the deal has yet to be finalised and will require approval by the IMF's executive board.

**Assessment:** The agreement with the IMF will almost certainly be welcome news to President Javier Milei, who assumed office in December and inherited a major economic crisis. The Milei administration has already introduced measures such as fiscal consolidation, reserve building and controversially halved the value of the Argentinian Peso. Milei has also promised to hugely reduce the size of the Argentinian government, introduce comprehensive privatisation of state-owned enterprises, and scale back the rights and benefits of many workers. Such sweeping and contentious reforms have already been the catalyst for sustained civil unrest and have led to widespread disruption. Whilst support from the IMF is likely to be welcomed by most in Argentina, the policies that have helped Milei secure it will highly likely trigger further protests and be denounced by the opposition. However, previous governments had failed to meet specific economic targets to secure the IMF's help. If the deal does materialise, it will doubtlessly be heralded as a success for Argentina's new and controversial president. Moreover, if Milei continues to secure IMF funding and successfully improves economic conditions in Argentina, there is a realistic possibility that current poverty rates and associated crime levels could significantly improve.

**AMER Forecast.** Ahead of the first Iowa caucus on January 15, it was announced in the last reporting period that Chris Christie had withdrawn from the Republic nomination race for president. This leaves Nikki Haley and Senator Ron DeSantis to battle for second place, with Haley highly likely to win this contest. Donald Trump has refused to take part in many of the Republican nomination debates and his lack of exposure to the brutal debates will likely further increase his chances of winning the nomination and set the stage for an emotionally charged election campaign. Also in the US, Congress leaders have reached a deal on the total amount of spending for the remainder of 2024 as a potential government shutdown looms. The agreement awaits approval from both the House of Representatives and the Senate and will highly likely encounter some challenges, with a partial shutdown still an unlikely eventuality. President-elect Bernardo is set to be inaugurated on 14 January, despite ongoing machinations and investigations aimed at impeding his ascent to the presidency. Protests and counter-protests are highly likely in the run-up to the ceremony and are likely to continue into his premiership as he faces strong opposition in Congress.

The Cuban government has announced that by February, fuel prices are likely to increase by 500 percent. In a country where the average monthly salary stands at approximately USD 60, such a drastic and immediate hike in price is likely to provoke protests. In Panama, approximately 500 people gathered to protest at First Quantum's copper mine in the last reporting period, urging the Canadian mining giant and authorities to adhere to their commitments to close the site. Similar demonstrations are likely to persist until a full resolution is achieved.

A judge in Haiti has issued arrest warrants for over 30 senior officials, including former presidents and prime ministers, on corruption charges related to the National Equipment Center (CNE). The accused are implicated in the alleged misappropriation of funds and equipment from the CNE which was created to respond to natural disasters such as earthquakes. The controversial and unprecedented nature of these arrest warrants are likely to lead to increased concerns about political instability and corruption in Haiti. Meanwhile, in Colombia, negotiations remain ongoing between the government and Estado Mayor Central (EMC), the largest FARC dissident group, to include a ceasefire. However, EMC's battles with other armed groups have continued to rise, threatening President Gustavo Petro's aim of achieving total peace in the country.

Extreme weather continues to disrupt ordinary life in much of the US. Deadly storms in the northeast have left hundreds of thousands without power, caused flash flooding and brought blizzards and strong winds to much of the region. In the Southeast, tornadoes have wreaked havoc, especially in Florida where at least 49 counties have been affected. It is estimated that at least 900,000 people are without power, over 8,000 flights have been delayed and over 1,500 flights cancelled. Further disruption is expected with associated flooding likely to continue. In Argentina, extreme weather has resulted in the flooding and subsequent evacuation of over

40,000 homes in the city of Reconquista and at least two people have been killed in the coastal city of Miramar after storms brought heavy rain and strong winds to the east coast. More extreme weather is forecasted as Argentina is likely grappling with the effects of El Nino.





## Europe, Middle East & Africa (EMEA)

### France:

#### **Gabriel Attal appointed as new Prime Minister.**

On 9 January, Elisabeth Borne resigned as prime minister of France. Her resignation came amid reports that President Emmanuel Macron was seeking to reshuffle his government in an attempt to restore his political fortunes ahead of European elections in June, and the Paris Olympic Games. Later the same day, Macron revealed Gabriel Attal as the new prime minister, marking him as the youngest and first openly gay individual to hold the position in France at the age of 34. Before being nominated prime minister, Attal was education secretary, during which time he backed the introduction of school uniforms, obligatory mathematics examinations, and banned the Muslim abaya clothing in schools. Following his selection, he stated that he wished to help the middle classes with the cost-of-living crisis.

**Assessment:** Macron, his government, and his party, Renaissance, have seen their popularity wane significantly across 2023 under Borne. This has come as the government faced widespread political unrest around its controversial pension reforms and then its immigration laws. This move is almost certainly designed to refresh the government as Macron seeks to boost his flagging popularity and fend off a resurgent far-right National Rally in the forthcoming European Union elections. It is in this context, the choice of Attal, currently one of France's most popular politicians, has been picked. Furthermore, the selection of Attal as prime minister, a politician who has long been likened to Macron, will only likely further intensify speculation around who may succeed Macron as Renaissance's presidential candidate in the 2027 election. The move also highlights Macron's desire to promote a younger generation of politicians. Over the coming days, Attal is expected to announce the composition of his cabinet with several senior figures likely to remain in government to provide stability. If Attal can successfully survive as prime minister in the face of the government's lack of a legislative majority, an issue which contributed to Borne's resignation, then it is almost certain he will be in a favourable position to contend for the presidency.

### Israel and Gaza:

#### **IDF continue operations in Gaza as ICJ hears South Africa's genocide case against Israel.**

Throughout the reporting period, the Israel Defence Forces (IDF) have continued to conduct clearance operations in parts of northern and central Gaza Strip and have continued their assaults on Khan Younis in the south. The IDF have continued their bombing campaign with multiple reports of strikes conducted against hospitals and refugee camps within the Gaza Strip. Hamas and other unspecified Palestinian political factions convened an "emergency national meeting" to discuss the current state of the Israel-Hamas war. Hezbollah have limited their operations to cross-border attacks from southern Lebanon, despite IDF drone strikes on several key figures of Hezbollah conducted on Lebanese soil. In Iraq and Syria, the Islamic Resistance of Iraq and other Iranian-back groups have sustained their attacks on US and coalition forces in the region but with no reports of casualties. On 12 January, sirens were activated from the US Embassy in Baghdad amid reports of an explosion in the Green Zone. Iraqi Foreign Minister Fuad Hussein stated that the Iraqi Federal Government is on the verge of declaring a start date for talks aimed at removing US forces from Iraq. Outside of the Middle East, the International Court of Justice commenced hearings on a case filed by South Africa, accusing Israel of genocide during its operations in Gaza. While Palestinians generally welcomed the proceedings, presenting compelling reasons for the ICJ to intervene in Israel's Gaza campaign, Israeli officials criticised the court, alleging it to be a "legal arm" of Hamas.

**Assessment:** The Hamas-led emergency meeting may indicate a potential willingness among Palestinian political factions to reopen indirect talks with Israel, which had previously stalled on 2 January. The extent of IDF operations within Gaza, which is now being described by Oxfam as the deadliest conflict in the 21<sup>st</sup> century due to the daily casualty rate, is likely leaving Hamas with few options other than to negotiate. The current intensity of IDF operations is not consistent with IDF's recent declaration that they are in phase three of their military operations and will begin to withdraw forces from Gaza. There is a realistic possibility that they underestimated Palestinian fighters in the south of Gaza and have been forced to retain personnel and assets in the south due to the levels of resistance encountered. A sustainment of military operations at the current levels will almost certainly continue to threaten a major humanitarian catastrophe and has prompted multiple key figures in the West to demand that Israel increase access to aid. Whilst tensions remain high between Israel and Hezbollah, especially in response to Israel's drone strikes on senior Hezbollah figures, Hezbollah retaliation is likely being deterred by Lebanese public opinion. Furthermore, Israeli attacks within Lebanon have been precise, targeted strikes and have not resulted in mass civilian casualties. Nevertheless, there are almost certainly still major concerns over a regional escalation and Iraq's commitment to removing US forces from its soil is doubtlessly being done to remove a potential source of escalation and will likely be welcomed by the majority of Iraqis. The hearings against Israel in the ICJ will likely serve to further decrease support for Israel across the West, where it has already lost much support due to its military campaign. Whatever the outcome of the hearings, it is highly unlikely to influence Tel Aviv, who have already asserted that the ICJ have no jurisdiction to halt Israel's operations within Gaza.

## Yemen and the Red Sea:

### US and UK forces conduct airstrikes on Houthi military targets in Yemen.

On the night of 11 January, and into the early hours of 12 January, US and UK military forces carried out approximately 70 strikes on multiple military targets in Houthi-controlled Yemen. These strikes targeted at least 16 Houthi locations, including a military base near Sanaa airport, a site near Taiz airport, a Houthi naval base in Hodeidah, and military sites in Hajjah governorate. Over 100 precision-guided munitions were reportedly used in the operation. The strikes aimed at locations associated with uncrewed aerial vehicles (UAVs), ballistic and cruise missiles, as well as coastal radar and air surveillance capabilities. The Houthi leadership claimed that five of their fighters were killed, with six others wounded. The operation received support from several Western nations, while the Houthi leadership and other regional groups condemned the strikes, accusing the US and UK of supporting Tel Aviv and holding them responsible for the regional security consequences. Iran strongly criticised the strikes as a violation of international laws.

**Assessment:** The Houthi's mass attack against merchant shipping on 9 January likely prompted the US and UK to escalate their involvement and indicated that Operation Prosperity Guardian wasn't proving effective as a deterrent. It is highly likely that the Houthis will retaliate by increasing attacks on commercial and military vessels in the region, even though their missile and drone capabilities may have been weakened. If Houthi attacks persist, it's highly probable that the US and UK will continue their strikes in Yemen, potentially leading to the re-designation of the group as a terrorist organisation. This could significantly impact the ongoing peace process in the Yemeni Civil War, potentially reigniting hostilities between the Houthis and the Saudi-led coalition. In the broader Middle East, Houthi allies and other Iranian proxies may act in solidarity, viewing the attacks as Western support for Israel. There is a realistic possibility that groups like the Popular Mobilisation Forces (PMF) in Iraq and Syria will intensify attacks on US military bases, potentially expanding to locations not targeted previously. Hezbollah will likely continue to focus on attacks against Israel, but an attack on the US is not out of the question. Although still unlikely, the recent US and UK strikes on Yemen raise the potential for a broader conflict in the Middle East and an increased risk of the West being drawn into a proxy war with Iran. Such a scenario could also shift attention away from the Gaza conflict, likely worsening the humanitarian situation for the Palestinian people.



## Somalia:

### Fallout from Somaliland-Ethiopia maritime-access agreement intensifies militarily.

The last reporting period has seen the continued fallout from Somaliland and Ethiopia's maritime-access agreement. On 6 January, Somalia's President Hassan Sheikh Mohamud signed a law nullifying the agreement, stating that the legislation was an illustration of the government's commitment to safeguard the unity, sovereignty, and territorial integrity of the country. On 8 January, Mohamud also met his Eritrean counterpart, Isaias Afwerki, as the two leaders vowed to work together in the face of provocations. On 7 January, Somaliland's Defence Minister resigned in protest over the deal because Somaliland's President Muse Bihi Abdi did not consult the cabinet on the pact, with ministers finding out about the agreement on the news. Then on 8 January, the head of Ethiopia and Somaliland's respective armies met in Addis Ababa to explore "possible ways to work together."

**Assessment:** Somalia officially annulling the Somaliland-Ethiopia agreement was almost certainly expected. Despite Somaliland seceding from Somalia in 1991, the state is not internationally recognised and remains claimed by Mogadishu. This is almost certainly why Somalia has called the deal an attack on its sovereignty and it is highly likely that in international courts a similar conclusion will be reached. It is realistically possible that Somaliland's defence minister's objections to the deal are personal, he hails from the Awdal region, where the Ethiopian military base is set to be established. However, his resignation over the agreements lack of oversight likely indicates that even domestically, the deal will have many hurdles. Of most concern however will be the increased militaristic rhetoric that is being expressed from both sides, with the chances of a conflict now more likely than seven days ago. Somalia's President Mohamud has asked people to prepare for the defence of the country, and his trip to Eritrea was likely a plea for support if Ethiopia tries to create a port by force. The public meeting of Somaliland's and Ethiopia's military chiefs has also likely helped to increase tensions. Military tensions have escalated to the point that both the African Union and US have moved to try and calm tensions, while Somalia's allies, including Egypt and Turkey, have pledged to support Somalia in the eventuality of war. Although military engagement is not anticipated in the near future, an increasing number of substantial and escalatory measures, particularly those involving military resources, elevate the potential for a new conflict in the Horn of Africa, whether arising from miscalculation or intentional actions.

**EMEA Forecast.** Charles Michel's decision to step down as European Council President early in order to run for a seat in the European Parliament raises potential challenges, particularly if the 27 EU members cannot agree on a replacement before June. If no consensus is reached, Hungary's Viktor Orban could assume the role due to the rotating council, which could pose difficulties in dealing with issues such as the bloc's relations with Russia and managing populist dynamics. In Germany, a politician has launched the "left-wing conservative" party, Bündnis Sahra Wagenknecht (BSW), aiming to appeal to voters who are culturally conservative but economically left-wing. The BSW's performance this summer's European elections and September's eastern Germany state elections, with it realistically possible the party steals vote from the Alternative for Germany (AfD), stunting its current rise. On the AfD, a recent investigation revealed party members attended a meeting where a "master plan" to deport migrants and "unassimilated citizens" was discussed, drawing historical parallels to Nazi plans, with civil unrest and political volatility likely as a result. On 15 January elites from around the world are set to gather in Davos, Switzerland, for the annual World Economic Forum meeting. However, the event is expected to face protests and disruptions, reflecting concerns about economic inequality, environmental issues, and other global challenges.

Burundi has confirmed the closure of the country's borders with Rwanda, labelling the Rwandan President as a "bad neighbour." This comes two weeks after accusations that Rwanda supported rebels involved in attacks on Burundi. It's worth noting that the borders were previously closed in 2015 amid political tensions but were later reopened in 2022. Elsewhere in the region, Finland has

decided to extend its border closure with Russia until 11 February, citing issues with migrants. Helsinki claims that Russia has deliberately encouraged mass migration into Finland to destabilise the country, a claim Moscow categorically rejects. Meanwhile Russia has begun negotiations with Algeria, Saudi Arabia, and the UAE to try and establish Russian cultural centres. Such a move is likely being conducted to enhance Moscow's political influence and establish relationships, especially following the Ukraine war.

In Nigeria, President Bola Tinubu has suspended the Minister of Humanitarian Affairs and Poverty, Betta Edu, as the anti-corruption agency investigates her use of a personal bank account for official transactions totalling 585 million naira. These allegations against the minister for poverty alleviation during the country's economic crisis may tarnish Tinubu's image as a reformer, potentially sparking protests and leading to broader anti-corruption accusations. The IMF's executive board has concluded and passed the third review of Mozambique's three-year loan program, facilitating an immediate disbursement of approximately USD 60.7 million to Maputo. While this eases the risk of an impending economic collapse, the implementation of more stringent economic policies is likely to contribute to continued civil unrest in the country. Niger's military tribunal has granted provisional release from house arrest to Mohamed Bazoum Salem, the son of ousted President Mohamed Bazoum. This move is likely a sign of the junta's efforts to return to normalcy, decrease tensions and ultimately achieve some legitimacy and easing of sanctions. Also in the continent, the Africa Cup of Nations is set to begin in Ivory Coast on 13 January. The event will almost certainly witness disruptions, including changes in transportation, increased security measures, and potential impacts on daily activities in the host country.

Lebanon has accused Israeli special forces and intelligence operatives of operating in Egypt, Libya and Sudan, citing Israeli fears that Hamas hostages could be smuggled out of Gaza and out of reach of the IDF. If true, such moves could further stoke tension between Israel and the Muslim majority nations they are accused of operating in. In Sudan, the Rapid Support Forces have continued their assaults on Sudanese military positions, forcing retaliations from Khartoum, often in the form of heavy shelling and air strikes. The RSF has called for a ceasefire, however the military run government of Sudan has rejected such calls, accusing the RSF of war crimes. In Somalia, Al Shabaab attacked a UN helicopter, forcing it to make an emergency landing in territory they control. During the attack, one person was killed, and five others were taken hostage. Despite losing control of significant areas, Al Shabaab retains the capability to launch attacks against UN, coalition, and Somali forces, and the hostages may be used as bargaining chips in negotiations with the Somali government.

The Congo River has reached its highest level in over 60 years, leading to widespread flooding in the Democratic Republic of Congo (DRC) and Republic of the Congo, resulting in over 300 casualties in recent months. Weak infrastructure and inadequate urban planning are likely to contribute to further flooding and an increased death toll.

Spain's government has introduced a nationwide mandate for mask-wearing in hospitals and health clinics, while Italy has reported record infection rates for respiratory illnesses amid the spread of flu and COVID-19 across Europe. The increasing cases and concerns are likely to prompt more countries in Western Europe to implement additional restrictions to curb the wave of infections. Authorities in Tigray, Ethiopia, have declared that 90 percent of the population in the region is at risk of starvation. This dire situation follows the deadly conflict between the Tigray regional government and the central government, contributing to a famine in 2020. Zambian President Hakainde Hichilema has called on people to consider relocating from towns to villages in response to a cholera outbreak that has resulted in approximately 300 deaths. He highlighted poor sanitation in densely populated urban areas as conducive to cholera transmission. With over 7,500 reported cases since October and a recent spike, additional measures are highly likely to be necessary to curb the outbreak which has also triggered a state of emergency in Zimbabwe.



## Asia Pacific (APAC)

### Bangladesh:

#### Sheikh Hasina wins a fourth term in office.

This last reporting period saw Sheikh Hasina Wazed re-elected as Prime Minister of Bangladesh for a fourth term in office. Her victory means that she has now become the country's longest-serving leader. Her party, the Awami League, won 216 out of 299 of the seats in the country's parliament, whilst around 40 percent of the 120 million eligible voters cast a vote. The election, however, was marred by violence, whilst it was also boycotted by the country's main opposition party the Bangladesh National Party (BNP).

**Assessment:** Given the fact that the BNP had stated its intent to boycott the election after the government refused to allow a politically neutral authority to run the polls, a victory for Hasina was never in doubt. What this election does confirm, however, is Bangladesh's likely transition from a flawed democracy to a one-party state with the Awami League and Hasini in power since 2009. Furthermore, thousands of leaders and supporters of parties opposed to the Awami League are in prisons, whilst civil society groups and journalists who criticise the government are routinely harassed and threatened. The fact that in four years voter turnout has dropped from around 80 percent to 40 percent, with some claiming a turnout as low as 28 percent, indicates that many Bangladeshis saw they had little influence over the electoral outcome. Both Washington and London have criticised the election for its lack of fairness and reports of voter intimidation and violence. In the hours after the result was declared, Chinese and Russian diplomats visited Hasina to congratulate her on her victory. This dynamic illustrates why the West will likely tread carefully if it seeks to punish those it feels played a role in the electoral unfairness. The US has in recent years sought to build ties with Dhaka as it seeks to build alliances in Asia to counter the rise of China. In addition, Western firms, particularly those in textiles, have sought to relocate into the country's booming garment industry and away from China. Despite this, Beijing has been Dhaka's largest trade partner for more than a decade and Russia has supported Dhaka's nuclear power plant project and has long provided affordable grain and fertilisers. This combined with a shift in Bangladesh towards authoritarianism means that it is realistically possible any Western retaliation over the election will likely only push Hasini's government into closer cooperation with Russia and China.

### Myanmar:

#### Rebels seize major border city as ASEAN envoy visits war-torn country.

During the reporting period, a rebel alliance in Myanmar known as the Three Brotherhood Alliance, took control of the city of Laukkaing on the Chinese border in the Shan state. Local reports indicate that at least 1,000 Myanmar government troops laid down their arms and were allowed to leave by the rebel alliance. After seizing Laukkaing, rebel fighters also raided multiple cyber scam centres, which the rebel groups claim are being run by the Chinese from border towns along the Myanmar-China border. Myanmar's military junta leader, Min Aung Hlaing, met with a special envoy from the Association of Southeast Asian Nations (ASEAN), as Laos takes over chairing the bloc, with ASEAN voicing frustrations over Myanmar's lack of commitment to the bloc's proposed peace plan. On 12 January, both rebel fighters and the junta agreed to a Chinese brokered ceasefire and agreed to work towards a peaceful resolution.

**Assessment:** The Three Brotherhood Alliance is made up of the Myanmar National Democratic Alliance Army (MNDAA), the Ta'ang National Liberation Army and the Arakan Army. However, the alliance is only one of the threats faced by the junta government, with pro-democracy fighters

and ethnic guerillas waging war across multiple parts of the country ever since the junta seized power in 2021. The seizure of Laukkaing is the latest in a series of victories by ethnic rebel groups in Myanmar since a multi-front offensive was launched in October 2023. The loss of a major city is highly likely the largest defeat for government forces to date and the mass surrender would have almost certainly inspired other rebel groups to sustain their military operations against the Myanmar government if it were not for the Chinese brokered ceasefire. Without the ceasefire, there is a realistic possibility that the junta government would have collapsed. However, the success of the ceasefire remains to be seen. The rebel groups will almost certainly demand greater autonomy and if the junta refuses to grant their demands, it is highly likely that fighting will resume. If the conflict continues it will invariably compound the humanitarian situation in a country where the UN estimates that over a third of the population is already in need of humanitarian assistance.

For ASEAN, the ongoing civil war poses the most likely prospect of destabilisation in the region and undermines the integrity of the bloc which has to date, refrained from expelling Myanmar. It is also likely that the within the bloc there is no consensus on how to deal with Myanmar and there are invariably fears that a miscalculation could exacerbate the situation or push the country into the sphere of China. For China, the brokering of a ceasefire will enable it to protect Chinese citizens in the border regions and within Myanmar itself, but most importantly help increase its influence in the country which is being maligned by both ASEAN and the West.

## China:

### China accuses UK's MI6 of espionage as relations continue to strain.

According to China's Ministry of State Security, a foreigner named Huang, in charge of an overseas consulting agency, allegedly established an "intelligence cooperative relationship" with the UK's intelligence agency, MI6, in 2015. MI6 allegedly instructed Huang to enter China multiple times, using his public identity as a cover to collect intelligence for the UK. The Chinese government asserts that MI6 provided professional intelligence training for Huang in Britain and other locations, as well as specialised espionage equipment for intelligence gathering. After a thorough investigation, China's claims to have found evidence of Huang's involvement in espionage activities, and they have taken "criminal coercive measures" against him. In the US, a US Navy sailor, Wenheng Zhao, has been sentenced for over two years for providing information to Chinese intelligence services in exchange for bribes. According to US officials, Zhao passed on information about military exercises, operational orders, and critical infrastructure from 2021 to 2023.

**Assessment:** The alleged spying case in China is a further example of modern-day espionage which both the West and China claim one another is engaged in. The UK accuses China of a sophisticated espionage programme that targets UK officials and key figures within the political, military and business sectors, which China disregards as deliberate misinformation. However, it is almost certain that China's strategic aim is to supplant the US as the world's leading superpower and despite a growing economy and improved military, China still lags behind the US. It is highly likely that China will leverage all its capabilities to gain an advantage over the West and the targeting of senior officials in human intelligence operations has become standard practice for Beijing, especially as countermeasures against cyber or technical intelligence collection are likely robust. For the UK, its penetration into China is almost certainly restricted by China's extensive state security and surveillance measures, challenging cultural and language barriers, robust counterintelligence measures and entail a high degree of operational risk. Consequently, it is highly likely that the UK targets both local and foreign nationals with authorised access into China. It is almost certain that both sides will refuse to acknowledge their sensitive and contentious operations and the exchange of allegations will continue to strain relations between China and the West. Moreover, there is a realistic possibility that such activity will harm the interests of Western businesses in China, which are increasingly raided on the grounds of national security.

## Taiwan

### Island prepares to hold presidential elections.

During the last reporting period, Taiwan has entered its final days of campaigning before it holds presidential elections on 13 January. Around 20 million voters are eligible to vote, and they will be choosing a new president, vice-president, and all 113 members of the country's parliament, known as the Yuan. As is common with Taiwanese elections, one of the major issues is that of cross-strait relations (relations between Beijing and Taipei). For many voters, however, this concern has taken a back seat to what they see as more pressing issues such as low wages, housing affordability, energy security and the country's wider cost of living crisis. There are three major contenders for the role of president, Lai Ching-te, the current vice-president, running for the Democratic Progressive Party (DPP) who are generally seen as pro-Taiwanese independence; Hou You-yi, a popular moderate and the current mayor of New Taipei City who is running for the Kuomintang (KMT) who have historically been pro-China; and Ko Wen-je, a former mayor of Taipei who is running for the Taiwan People's Party (TPP), a party which generally supports the current ambiguous status-quo. Already, there have been accusations of Chinese interference in the election, and arrests under Taiwan's newly passed legislation known as the Anti-Infiltration Act.

**Assessment:** Taiwanese elections almost always lead to heightened tensions between China and Taiwan and thus also the US. However, these tensions are more elevated than usual, as polling indicates that the DPP is likely to win a historic third consecutive election. Such a scenario would be seen as a firm rebuttal by Taiwanese voters of Beijing's intimidation tactics. Despite this, the rise of the TPP, and effective campaigning by the KMT in recent weeks means the race has tightened considerably, and as such, the elections will be the most closely contested since the island's transition to democracy. Even if the DPP wins the presidency, it will likely be by a smaller margin than predicted, whilst it may not secure a majority in the Yuan. Such a scenario would hinder the DPP's ability to pass legislation without relying on lawmakers from other parties. The rise of the TPP, if it can successfully translate this into votes, means that it would be well placed to play a "kingmaker" role in such a situation in the Yuan. A DPP win would likely mean the next four years will see continued tensions between Taipei and Beijing, with a continuation of inflammatory rhetoric from Xi Jinping and further large-scale military drills from China. A victory, however, for the KMT would almost certainly lead to a de-escalation in rhetoric, as they have stated they would accept the premise that Taiwan is part of Chinese territory and would seek to rebuild some political and economic ties. In the long term, however, the underlying tensions in the relationship would remain.

### Papua New Guinea:

#### At least 16 killed during riots in Papua New Guineas two largest cities.

On 10 January, at least 16 people were killed during riots and looting which had broken out in Port Moresby and Lae, after hundreds of police officers, soldiers, prison staff and public servants had gone on strike over a pay dispute. The workers had discovered that their pay had been reduced by up to 50 percent in their latest pay check. Protesters had gathered outside the prime minister's office and attempted to storm the national parliament during the unrest. The riots prompted the government to deploy additional soldiers to the cities. On 11 January, Prime Minister James Marape issued a 14-day state of emergency in Port Moresby.

**Assessment:** The unrest in Port Moresby and Lae highlights the volatile security situation in Papua New Guinea. It is highly likely that criminals exploited the fact the police forces in the cities were fixed with the demonstrations to loot dozens of stores. It is also almost certain that the protesters aggressive response to the pay dispute was likely exacerbated by the country's high levels of unemployment and inflation. Prime Minister James Marape has put the pay dispute down to a computer glitch that had deducted up to USD 100 (377.55 Papua New Guinean Kina) from the pay checks of public servants. Marape said the error would be corrected for next month's payments. It is likely however, that Marape will try to resolve the issue in the coming days due to

fears of continued protests as well as to deter the opposition parties' motion to cast a vote of no confidence in the prime minister.

**APAC Forecast.** The political financing scandal in Japan has witnessed a significant development as prosecutors made their first arrest, detaining a former Vice Education Minister. The scandal involves a faction of the ruling party, and the arrest and the government's dwindling popularity to below 20 percent are likely to spark an internal power struggle. Elsewhere, the President of Maldives' visit to China, where meetings were held with President Xi Jinping and Premier Li Keqiang, signals a definitive shift from the country's longstanding pro-India stance, with such a move likely to cause tensions in the future. The Sri Lankan government's announcement that it has joined US operations against the Houthis in the Red Sea, coupled with economic challenges such as increasing VAT and extending the tax to essential items, has drawn major internal criticism. The decision may lead to protests, especially considering the country's ongoing economic crisis and previous declaration of bankruptcy in April 2022. The IMF has approved the release of USD 700 million as part of a USD 3 billion bailout for Pakistan. The country, grappling with one of its worst economic crises since 2022, faced the risk of defaulting on foreign debt repayments last year due to delays in receiving a crucial instalment from the IMF.

Islamic State Khorasan Province (ISKPP) has claimed responsibility for a bus explosion in the Dasht-e-Barchi area of Kabul, resulting in two fatalities and 14 injuries. This area, with a significant Shiite minority population, has been a frequent target for ISKP attacks, often aimed at Shiite mosques, schools, and hospitals. Enhanced security measures, particularly around religious sites, can be anticipated in response to the incident. On the Korean peninsula, North Korea is set to hold a crucial legislative session on 15 January to deliberate on its state budget for 2024. Against the backdrop of heightened military activities and strained relations with South Korea, North Korea has previously indicated plans for increased military expenditure and operations in 2024, including the launch of three additional spy satellites and the production of more nuclear materials. The legislative session is expected to provide further insights into North Korea's intentions for the new year and will highly likely raise tensions in the Asia-Pacific.

On 11 January, a 6.4 magnitude earthquake in northeast Afghanistan was felt as far away as India and Pakistan. Although no major damage has yet to be reported, the risks of aftershocks throughout the region are high. A major fire at a Rohingya camp in Cox's Bazar, Bangladesh, which began on nations election day is being investigated as arson. The blaze left at least 4,000 people homeless, with the possibility of as many as 7,000 affected. Fires are common in Cox's Bazar between November and April due to the dry season and the presence of makeshift, fire-prone structures; however, authorities suspect foul play this time, given that the fire began on election day. The Meteorology, Climatology, and Geophysics Agency (BMKG) of Indonesia has issued an early warning for potential tidal flooding in parts of Indonesia due to the new moon phenomenon on 11 January, which could increase tide heights. Coastal areas, including North Sumatra, West Sumatra, Lampung, Riau Islands, West Kalimantan, East Kalimantan, Jakarta, Central Java, East Java, North Sulawesi, North Maluku, and Papua, are expected to experience gradual tidal flooding until 19 January. Floods have inundated parts of Victoria state, north of Melbourne, prompting hundreds to evacuate. Authorities have cautioned that flooding is expected to worsen as water levels rise, making road access difficult. While Melbourne has not yet experienced flooding, heavy rainfall has been reported. Floods are also anticipated in South Australia and New South Wales.