



# Global Intelligence Summary

REPORTING PERIOD: 26 JAN – 02 FEB



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Week 4: 26 January – 02 February

## Executive Summary

- In **Argentina**, President Milei's sweeping reforms have secured IMF funding, but the introduction of austerity measures will **almost certainly** be a catalyst for violent demonstrations.
- The suspension of Western aid to UNRWA will **almost certainly** lead to a deterioration in the humanitarian situation in **Gaza** and will **likely** fuel civil unrest in the **West**.
- An **Iranian**-backed militia attack on a **US** military base in **Jordan** will almost certainly result in retaliation across **Iraq** and **Syria**, posing a credible threat of regional escalation.
- In West Africa, **Niger's**, **Mali's** and **Burkina Faso's** decision to leave ECOWAS will **likely** lead to a worsening of material conditions and **almost certainly** be exploited by both extremists and **Russia**.



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

### AMER

- 1 Venezuela:** US begins reimposing sanctions
- 2 Brazil:** Former President Bolsonaro's inner circle investigated for spying
- 3 Argentina:** IMF approves funding bailout in support of Milei reforms

### EMEA

- 4 Israel/Gaza:** IDF continue to push south as humanitarian crisis looms
- 5 Palestine:** Suspension of funding for UNRWA
- 6 Jordan:** US retaliation authorised after deadly attack on Jordanian base
- 7 Sudan:** Multiple killed following cross-border raids in disputed province
- 8 West Africa/Sahel:** Mali, Niger, and Burkina Faso to leave ECOWAS

### APAC

- 9 Pakistan:** Khan sentences increased and deadly Balochistan attack
- 10 Myanmar:** Myanmar's military junta continues to lose territory
- 11 Hong Kong:** Courts rule that Evergrande should be liquidated.



## Americas (AMER)

### Venezuela:

#### US begins reimposing sanctions.

Venezuela's Supreme Justice Tribunal has upheld a ban preventing presidential candidate Maria Corina Machado from holding office, leading the US to reimpose some sanctions on the country. Machado won the opposition's presidential primary in October 2023 with more than 90 percent of the vote, despite the government banning her from running for office for 15 years. Consequently, US companies doing business with Venezuela's state-owned mining concern, Minerven, have until 13 February to complete a "wind down of transactions". In April, a six-month sanctions waiver of oil, gas, and mining activity will expire, however, Washington has not indicated whether this will be renewed or not.

**Assessment:** It was almost inevitable that the upholding of the ban on Machado would result in the US reimposing sanctions. This ruling will be seen by Washington as undermining the promises made by the Venezuelan government in October 2023 that Caracas would allow free and fair elections to take place in 2024, whilst in exchange the US would allow sanctions relief and prisoner swaps. The incumbent government has almost certainly decided that allowing Machado to run for office would risk defeat for them, given the high popularity of Machado. As such, the country's incumbent President, Nicolas Maduro, is likely to remain in office until at least 2030, exceeding the time that his predecessor, Hugo Chavez, spent in office. Washington is likely hoping that between now and April, when the April waiver runs out, a compromise can be brokered. However, given that Caracas has stated the US is seeking to blackmail them, this is proving unlikely, suggesting the waiver will not be renewed, and further sanctions imposed. It is estimated that the loss of the oil, gas and mining waiver will set Caracas back by around USD 500 million a month. Maduro and his regime have previously survived an escalation in US sanctions, mainly by relying on Russian, Chinese, and Iranian help. It is almost certain that Maduro is calculating that these mechanisms will once more allow his government to continue despite the reimposition of US sanctions. The renewal of sanctions will highly likely further push Venezuela into the orbits of Russia, China and Iran, with attempts already being made to include Venezuela within the BRICS intergovernmental organisation.

### Brazil:

#### Former President Bolsonaro's inner circle investigated for spying.

On 29 January, Brazilian federal police searched multiple properties linked to Carlos Bolsonaro, son of former right-wing President Jair Bolsonaro, and seized electronic devices as part of an investigation into suspected illegal spying. The accusations allege that the Brazilian Intelligence Agency (Abin) used FirstMile spyware made by the Israeli firm, Cognyte, to illegally eavesdrop on hundreds of politicians and public figures during the Bolsonaro Presidency of 2019-22. Carlos Bolsonaro, a Rio de Janeiro city councillor, was already facing a Brazilian Supreme Court investigation for allegedly running a fake news factory from within the presidential palace. Federal police also raided the home of Jair Bolsonaro's former intelligence chief and current congressman, Alessandro Ramagem and removed Abin's current deputy chief, Alessandro Moretti, from his post.

**Assessment:** The investigations into Abin and how the organisation was used illegally by the Bolsonaro Presidency will almost certainly increase public mistrust in government institutions. Under Bolsonaro, the Brazilian government moved towards greater militarisation, with military personnel appointed to senior positions in government and civilian roles, tough measures introduced to combat crime, and greater military involvement in traditionally civilian areas such

as the handling of environmental policies in the Amazon rainforest. One of President Lula's first moves was to move Abin from under the control of the military-run Institutional Security Office (GSI) to the chief of staff's office, in a move designed to demilitarise parts of the government. Such a move was almost certainly designed to demonstrate a reversal of Bolsonaro's militarisation and to instil more trust in public institutions. Bolsonaro is under multiple investigations and has been barred from running for office until 2030 for his actions which led to his supporters storming government buildings in the capital, Brasilia, in January 2023. The outcome of the spying investigation is likely to further stunt his future political career and that of his inner circle. However, Bolsonaro has already claimed that these investigations are purely politically motivated and has dismissed all accusations as baseless. Bolsonaro likely commands a significant base of supporters, and the scale of these investigations has the potential to instigate further civil unrest against the Lula government.

## Argentina:

### Argentina secures IMF loans as sweeping reforms continue to meet resistance.

On 31 January, the International Monetary Fund (IMF) Executive Board concluded the seventh review of Argentina's Extended Fund Facility arrangement, approving an immediate disbursement of approximately USD 4.7 billion in loans. The decision was made in response to Argentina's efforts to restore macroeconomic stability after severe policy failings that were made in late 2023. The ambitious stabilisation plan introduced by new President Javier Milei focuses on inflation reduction, reserve rebuilding, and addressing growth impediments.

**Assessment:** The sweeping economic reforms introduced by President Milei have resulted in widespread demonstrations across many of Argentina's main cities, fuelled by accusations that Milei's reforms will reduce worker and consumer protections. Many of these demonstrations have turned violent and have been met with a heavy-handed response from the authorities. The civil unrest and resistance within Congress have already forced Milei to water down many of his proposed 600 political and economic reforms. However, the IMF's endorsement of Milei's plans could help to give his policies credibility and result in less resistance from within a Congress where his party only has 38 out of 257 seats. The IMF has also suggested that Argentina's economy will contract by 2.8 percent in 2024 as a consequence of Milei's policies, a revision from earlier in 2023 when it was forecasted to grow by 2.8 percent. Whilst this news could fuel more unrest, Milei is likely to shrug this off after running on a platform that suggested that things will get worse in Argentina before they are due to improve. The IMF is also planning on allowing Argentina to delay the last review of the USD 44 billion loan agreement. This decision will offer the Milei administration more time to implement economic reforms and potentially negotiate a new program with the IMF. If the administration can agree upon more austerity measures, the IMF is likely to approve the program. However, whilst Argentina's long-term economic stability is looking more promising, any new austerity measures and restrictions on workers' rights are likely to trigger protests within Argentina, especially as many feel Milei does not have the political mandate to introduce these given his party's small footprint within Congress.

**AMER Forecast.** In the United States hospitality workers in Las Vegas will commence strike action on 2 February. This is likely to see nearly two dozen resorts and casinos in the city impacted and will likely affect the city's economy. Furthermore, depending on how long the strike continues, there is a realistic probability that it will adversely impact the preparations for the annual Super Bowl which Las Vegas will be hosting on 11 February. In Guatemala, newly inaugurated President Arevalo has stated that with his party suspended, little support in Congress, and with the attorney general still seeking to arrest him, he will appeal to the Guatemalan people to help him overcome the "entrenched old guard" he campaigned against. This is likely to portend a series of mass protests and demonstrations in support of the president and his anti-corruption and reformist agenda. There is a realistic possibility that such protests will be met with a robust response from security forces, whilst it is almost certain the country's protracted political volatility will continue over the coming weeks. In El Salvador, President Nayib Bukele will almost certainly be re-elected

on 4 February following a term defined by his controversial crackdown on crime. His re-election, which is seen by many as unconstitutional, will likely lead to a further erosion of democratic norms in the region. In Mexico, new polls show the presidential candidate for the ruling MORENA party, Claudia Sheinbaum, has a 16-point lead over the closest rival. The country will be holding a Presidential election on 2 June. Meanwhile, in Mexico City, The Supreme Court's decision to revoke the suspension of bullfighting has sparked protests. This anger has begun to coalesce with other unrelated issues such as the city's water shortages. As such civil unrest across the capital is likely to continue into the next reporting period.

In Haiti, the country remains plagued with gang violence amid a confluence of other political, economic and humanitarian crises. A UN envoy has stated that the situation has reached a "critical point", warning of new violent actors who have been gaining prominence. However, despite a court ruling against it, the Kenyan President, William Ruto, has assured that the Kenyan-led international police force will deploy to Haiti to combat the violence. The US embassy in Mexico has banned its staff from travelling within 10km of the Mexican town of Ciudad Hidalgo on the Guatemalan border in the southern state of Chiapas due to an increase in crime related to cartels. This ban is likely to persist for a considerable time due to the power that cartels now have. In Colombia, the ceasefire between the government and the National Liberation Army (ELN) which began in August 2023 has been extended until 5 February. The original ceasefire was due to expire at midnight on 29 January and an even longer extension is expected in the coming week as President Petro attempts to achieve "total peace".

The US state of California has been inundated with heavy rains and snowfall which have caused flash flooding. This has been a consequence of the first of back-to-back "atmospheric rivers" that have arrived in the state. Atmospheric rivers are long bands of heavy moisture which form over the ocean and then head inland. They frequently bring heavy rain, flooding, and snow in higher elevations. The state is braced for an even more powerful atmospheric river which is expected to arrive on 4 February and bring further torrid weather. Both Colombia and Chile have issued multiple red alerts as multiple wildfires continue to burn. High temperatures are forecasted across much of northern and central Chile, likely leading to deteriorating conditions. In Colombia, a disaster declaration has been issued, prompting the government to call for international aid. Dry conditions caused by the El Niño weather phenomenon are almost certainly driving the spread of wildfires. In Argentina, the same high temperatures are causing the country to endure a prolonged heatwave with temperatures over 40 degrees Celsius, with high temperatures likely to persist into the next reporting period. Finally, in Brazil's Rio de Janeiro, health authorities have reported the first two deaths in 2024 resulting from dengue fever. Authorities have warned of elevated levels of dengue fever in the country with at least 120,000 cases recorded in the first few weeks of January 24.







## Europe, Middle East & Africa (EMEA)

### Israel and the Occupied Palestinian Territories (OPTs):

#### IDF continue to push south as humanitarian crisis looms.

During the last reporting period, the Israel Defence Forces (IDF) in northern Gaza have transitioned to the final stage of operations and will now only target pockets of resistance in northern Gaza after conducting clearance operations. In central Gaza, the IDF continue to conduct clearance operations where Hamas fighters have joined forces with the al Aqsa Martyrs' Brigades, the self-proclaimed military wing of Fatah. In southern Gaza, Palestinian militias continue to mount a deliberate defence of Khan Younis which has slowed the rate of advance of IDF forces who are now focusing on clearing the west of the city. With IDF forces now operating in most of the Gaza Strip, there are growing concerns that internally displaced persons (IDPs) will be concentrated in the few remaining areas where the IDF does not have an operational footprint. Israel has assured Egypt that it will not operate in Rafah until it has allowed civilians enough time to evacuate, amidst growing Egyptian concerns that IDF operations will trigger a flow of Palestinian refugees into the Sinai Peninsula. IDF ground operations have now reached the border areas of the al-Mawasi humanitarian zone, with reports suggesting IDF forces have entered the area. The IDF has ordered residents of southern Gaza to flee to the al-Mawasi humanitarian zone, however, multiple reports from aid agencies warn that the area is unfit for human habitation, is overconcentrated and lacks the facilities and resources to house so many refugees. The Gaza Health Ministry now estimates that over 27,000 Palestinians have been killed with over 60,000 injured. On 29 January, Hamas conducted a rocket attack on Tel Aviv, marking the first time the city has been attacked by indirect fire in over a month. The IDF have continued their raids into the West Bank with the majority of operations taking place near Jenin. It is now estimated that almost 400 Palestinians have been killed in the West Bank since 7 October, with sustained reports of Israeli settler violence. Settler violence has now forced the US to sanction four Israeli settlers for their actions against Palestinians. Israel has reiterated its demands that Hezbollah fighters withdraw north across the Litani River, with an Israeli official estimating that such a deal has only a 30 percent chance of being successful. Hezbollah continues to conduct cross-border attacks on the IDF, which have been met with IDF airstrikes on Hezbollah targets throughout southern Lebanon.

**Assessment:** It is highly likely that Palestinian militants have been able to reinfiltate northern Gaza after IDF clearance operations, enabling them to reestablish rocket launch sites capable of targeting Tel Aviv and neighbouring Israeli settlements, indicating that Hamas' and other militant groups' rocket capability has not been completely degraded. It is assessed that as much as 80 percent of Hamas' tunnel network remains intact. The IDF's inability to fully locate and degrade Hamas' tunnel network has enabled Hamas to reinfiltate cleared areas and to conduct rocket attacks, mount ambushes on IDF units and target their rear areas. However, it is highly likely that Palestinian militant groups' rocket capability has been degraded enough to prevent them from launching an attack large enough to penetrate Israel's Iron Dome air defence system, which according to the IDF, intercepted all of the rockets recently fired at Tel Aviv. As IDF operations in the south successfully clear Khan Younis, it is almost certain that they will transition towards clearance operations in Rafah. As IDF operations in the south advance, it is almost certain that the al-Mawasi humanitarian zone will be overwhelmed by Palestinian refugees or that thousands of civilians that have been displaced to Rafah will be killed. The al-Mawasi area is already facing an acute humanitarian disaster, which has undoubtedly been compounded by the recent allegations of Hamas infiltrating the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the subsequent suspension of aid from several Western nations that make up the majority of UNRWA's donations. It is likely that elements of Hamas have infiltrated the al-Mawasi humanitarian zone and there is a high likelihood that IDF forces will be

drawn into the area in the near future. In such a scenario, it is highly likely that protests will erupt in the West Bank and throughout the world, given the areas sensitivity and designation as a safe zone. As IDF operations continue to displace Palestinians, there will likely be growing pressure on Hamas to enter a ceasefire agreement and to release Israeli hostages. However, the Netanyahu government is looking increasingly unlikely to accept any ceasefire that involves the release of thousands of Palestinians and the removal of IDF forces from Gaza, two likely terms which will be demanded by Hamas.

US sanctions on only four Israeli settlers will likely do little to immediately deter settler violence. However, it has set a precedent which may influence the Israeli government to introduce new measures to reduce settler violence. Most significantly, the new executive order now means the US government has the power to sanction any foreign nationals who attack, intimidate, or seize the property of Palestinians. Whilst Israel and Hezbollah conduct reciprocal attacks, it is likely that both the US and Iran have warned their respective allies to limit such attacks to cross border strikes and to not escalate, especially given the current risk of escalation posed by the Houthis in Yemen and the Iranian-backed militias in Iraq and Syria in the aftermath of a strike which killed US personnel in Jordan. However, Israel will likely exploit the current situation and withdrawal of Islamic Revolutionary Guards Corps (IRGC) units from Syria to strike weapons depots and logistic nodes assessed to be used to smuggle arms to Hezbollah from Iran across the "Shia Crescent". In addition, there is a realistic possibility that Hezbollah conducts attacks on Israel in retaliation for both Israeli and US strikes on allied Shia militias in Iraq and Syria, potentially elevating the chances of escalation.

#### Occupied Palestinian Territories (OPTs):

##### **Suspension of funding for UNRWA in response to allegations of Hamas penetration.**

Since 28 Jan, the United States has suspended funding for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) after allegations by Israel were made that some of its workers were involved in the 7 October attack. The US is currently withholding an estimated USD 300,000 that was going to be sent to the UNRWA. Allegedly 12 of the employees are suspected of being involved. An Israeli report claimed that six of the workers infiltrated Israel during the attack and that four of them were allegedly involved in kidnapping Israeli's, and another was accused of providing logistical support. One of the workers was an Arabic teacher who was a militant commander who took part in the attack on Kibbutz Be'eri on 7 October. More than 10 countries including Britain, Germany, and Italy have joined the US in suspending their funding of the relief agency. The UNRWA provides education, health, relief, and emergency assistance to Palestinian refugees. Since the 7 October attacks, around 45 percent of the Palestinian population are in UNRWA shelters and nearly the entire Gazan population is relying on UNRWA for basic necessities including food and water. Israel's report also accused the UNRWA of hiding weapons for Hamas in schools and hospitals.

**Assessment:** The impact of the suspension of UNRWA funding is likely to be incredibly detrimental for ordinary Palestinians. In 2022 alone, the US donated over USD 340 million, with Germany donating over USD 200 million. Should the funding not be resumed, thousands of Gazans will almost certainly have restricted access to food, water, and medical care. Aid agency Action Aid has claimed that the suspension will be a death sentence for millions of Gazans should it not be reversed quickly and the potentially fatal impact it will have on Gazans will highly likely incite major protests worldwide. Hamas was able to infiltrate the relief agency due to the fact that, allegedly, around 10 percent of its staff have direct ties with the militant organisation and around half of the employees have family members associated with them. It is unlikely that the funding will be resumed in the coming days, with the US announcing that the UNRWA will need to make dramatic changes for funding to be resumed.

## Jordan:

### US authorises retaliatory strikes after Iranian-backed militia attack kills three personnel.

On 28 January three US service personnel were killed and 47 injured after a one-way attack uncrewed aerial vehicle (UAV) struck the living quarters at the US base Tower 22 in Rukban, northeast Jordan which is less than one kilometre from the Syrian border. The attack was claimed by the Islamic Resistance in Iraq, an umbrella group of Iranian-backed factions, and was part of a coordinated attack on three US bases. The other US bases attacked were al-Shadaddi and al-Tanf which are both located within Syria. In response to the attack, the United States Central Command (CENTCOM) has instigated an investigation into how the UAV was able to penetrate US air defence. In addition, Washington has approved a plan to attack Iranian-linked targets throughout Iraq and Syria. The attack plan is being described as “multi-tiered” and will reportedly take place over several days, however, no further details regarding the intended targets were revealed.

**Assessment:** In approximately 170 attacks on US personnel throughout the Middle East, the attack on Tower 22 marks the first time US personnel have been killed. Previous attacks have largely been thwarted or have only resulted in injuries. The deaths of US personnel almost certainly marked the crossing of a redline, which now demands a kinetic response from the Biden administration, who are likely under increased pressure and scrutiny with a presidential election looming. Preliminary CENTCOM investigations suggest that attack UAV struck the base around the same time a US surveillance UAV returned from an intelligence, surveillance and reconnaissance (ISR) mission. There is a realistic possibility that US air defence operators either mistook the attack UAV as a US UAV or that US air defence systems were turned off in order to prevent intercepting their own asset. Given the success of this attack, there is a realistic possibility that factions hostile to the US will emulate this tactic and try and attack US bases when US UAVs are returning from missions. The UAV used has been identified as an Iranian Shahed UAV, which the US assess points at Kata'ib Hezbollah, the largest and most funded of the Iranian-backed factions in Iraq and one of the groups that makes up the Islamic Resistance in Iraq. On 30 January, Kata'ib Hezbollah issued a statement indicating that they will be suspending all attacks on US forces and signalled their intent to avoid a regional conflict. This move likely reflects Iranian and Iraqi pressure on the militias, with both governments wanting to avoid a regional escalation. This sentiment has been reflected by other Shia groups within Iraq such as the Shia Coordination Framework which has privately opposed recent attacks. Iran and Iraq have also likely instructed the militias to not strike assets located within Jordan as another attack on Jordanian sovereign territory could pose a separate route to escalation. However, the Biden administration has almost certainly been forced into a situation whereby it has to retaliate or be in danger of looking weak, a prospect the Republicans will undoubtedly exploit. The US has almost certainly ruled out the option of attacking Iran directly as this would trigger a regional escalation and Iranian counter moves such as the closing of the Strait of Hormuz which would be deleterious to the global economy. Consequently, the US will likely limit its attacks to Iranian-backed militias within Iraq and Syria. These militias often have personnel from Iran's Islamic Revolutionary Guards Corps (IRGC) embedded within them to oversee and coordinate attacks. Iran has likely begun withdrawing elements of the IRGC from its positions in Iraq and Syria to limit the opportunities of escalation. The US has likely delayed its response until Iranian military elements have withdrawn and will strike locations associated with Iranian-backed militias throughout Iraq and Syria throughout the next reporting period. However, the US presence in Iraq and Syria is coming under increased scrutiny, with the Iraqi government currently attempting to negotiate a US exit. The original mandate for US forces was to defeat the Islamic State (IS), which has largely been achieved and now local government forces and militias are in a position to contain a potential resurgence of IS. Should US retaliation be too severe, calls for the US to exit both Iraq and Syria will only grow and an accelerated withdrawal of US forces will likely be sold as a major embarrassment by opponents of the Biden administration, likely putting key decision makers within Washington in a very difficult position.



## Sudan and South Sudan:

### Over 50 killed following multiple raids into the disputed Sudanese region of Abyei.

Over 27 and 28 January, multiple cross-border raids were launched by armed groups from South Sudan's Warrap State into the Sudanese Abyei region which is disputed by Sudan and South Sudan. The fighting that followed resulted in at least 52 people killed by the weekend's end. The clashes mark the deadliest incident of cross-border raids since 2021 and come two months after similar attacks left 32 people dead in November 2023. In the days following the attacks, several residents have attempted to seek shelter at bases of the United Nations Interim Security Force for Abyei (UNISAF), as hundreds are reported displaced.

**Assessment:** The recent raids mark an escalation in the long-standing disputes over the Abyei region which have been unresolved since South Sudan's independence in 2011. The region's rich oil reserves have almost certainly incentivised multiple clashes between rival factions of the Dinka ethnic group. The Twic Dinka militias who instigated the recent attacks have long vied for control of Abyei from their home in neighbouring Warrap State in South Sudan. The Ngock faction of Dinkas, who currently control Abyei, have largely been unable to pose any significant resistance to Twic raids. The ever-growing scale of these attacks is worsened by the political instabilities that plague the region. Failures in peace negotiations in late 2023 have meant the Sudanese Civil War continues to distract authorities in the north from addressing the cross-border threat. For South Sudan, attempts to unify the country following the civil war's conclusion in 2018 have been fraught with failings and ethnic militias are often able to carry out raids with little opposition from government forces. As a result, it is highly likely that raids into Abyei will continue to occur in the coming months, resulting in further mass casualty incidents. For South Sudan, the inability to curtail such attacks will likely threaten the longevity of the current civil war peace agreements in place and threaten stability in the lead-up to proposed elections in late 2024.

## West Africa:

### Mali, Niger, and Burkina Faso announce they are leaving ECOWAS.

On 28 January Mali, Niger, and Burkina Faso announced that they were leaving the Economic Community of West African States (ECOWAS) regional bloc. ECOWAS is a regional political and economic union of several West African states. It aims to achieve "collective self-sufficiency" for its members and to boost both political and economic integration and cooperation amongst its member states. As such, it allows goods and citizens to move freely between the 15 member states, promotes regional security cooperation and has long sought to launch a common currency. The nations claimed in their announcement that a reason they were leaving was that the bloc had failed to support them in their fight against terrorism, with known organisations such as al Qaeda (AQ) and the Islamic State (IS) operating in the countries. In the first half of 2023, the West African region saw over 4,500 fatalities as a result of terror attacks, and many of these took place in these three states. In the aftermath of their respective coups, ECOWAS sought to get the three junta-led nations to return to democratic rule and even threatened to use force to restore constitutional rule following the most recent coup in Niger in July 2023. On 29 January 2024, Mali and Burkina Faso sent a formal notice of their withdrawals to ECOWAS to abide by the bloc's laws that a nation's withdrawal will be conducted one year after a formal notice is given and that during that year the nation must still conduct its commitments. Niger sent a formal notification on 30 January 2024.

**Assessment:** The three nations signed a pact in September 2023, following the Niger coup, agreeing to come to one another's aid in case of a rebellion or any external aggression, signalling that the decision to leave ECOWAS could have been planned for months. ECOWAS has been losing public support in recent years. Many residents of the region have seen little benefit from

the region's rich natural resources and resentment towards both national and regional political leadership has grown. In addition, the three nations' respective military governments have blamed ECOWAS for their economic hardships after the bloc imposed sanctions on the countries, which has further sullied its reputation. However, ECOWAS was created to promote economic integration, peace, and political cooperation among its member states and many economists assert that GDP growth under ECOWAS has grown in recent years. The decision to leave ECOWAS will likely improve the chances of the respective juntas maintaining control but likely also threaten the material conditions in the three countries. Hostility towards the junta regimes, instability and worsening economic conditions will almost certainly be capitalised on by violent extremist organisations (VEOs) aligned with groups like IS and AQ to justify their actions and facilitate recruitment. Moreover, the withdrawal from ECOWAS has been preceded by the withdrawal of Western forces in the region and the suspension of UN missions. In the long term, VEOs will likely increase the scale and intensity of their attacks to undermine the junta governments and to spread their influence, potentially into ECOWAS nations that have so far managed to contain the threat.

Their withdrawal from ECOWAS also provides Russia with an opportunity to increase its presence in Africa, with the Russian mercenary group, Wagner, being present in both Mali and Burkina Faso, coupled with reports from Russia suggesting an Africa Corps is soon to be established. There is currently no evidence that Wagner are currently deployed in Niger. However, now that Niger has left ECOWAS it is likely they may request Wagner's assistance to help the junta keep control of the country, similar to Burkina Faso and Mali, with improving security being their primary justification for the coups. There have also been meetings between Russia and Niger as recently as December 2023 when the Russian Deputy Defence Minister met with the President of Niger in Niamey to discuss strengthening cooperation between the two countries. Any potential deal between the two will likely include Wagner being deployed to Niger to assist in national security in exchange for increased Russian access to natural resources. If Wagner deploys to Niger, it will likely deter ECOWAS from sending a military force to restore constitutional rule, to avoid any confrontation with Russia.

**EMEA Forecast.** As no candidate secured more than 50 percent of the vote in Finland's presidential election, the top two contenders will head to a run-off vote scheduled for 11 February. These will be former Prime Minister Alexander Stubb of the National Coalition Party, which is liberal-conservative, and former Foreign Minister Pekka Haavisto from the Green League, a left-wing Green party. Given the imminent nature of the run-off, an intensification of political campaigning in the next reporting period should be expected. In France, the National Assembly has begun the process to pass a bill enshrining the right to an abortion in the constitution. The measure was promised by Macron following the rolling back of abortion rights in the US. Whilst the measure is expected to pass the lower house, there will be more opposition in the Senate. There is a likelihood that the country may see some small protests and demonstrations by anti-abortion or religious activists in the coming weeks. More widely across Europe, strikes and protests are almost certain to continue. Farmers in several countries will likely continue their protests against various changes to agricultural subsidies, with a focus on national capitals and key transportation interchanges and road junctions. Brussels, the seat of the European Union, will also likely continue to see protests and these may intensify in the run-up to the European elections in June. In Germany, which has seen a wave of industrial action, further strikes are likely as unions and companies continue to negotiate over issues such as wages and working hours. Continued strikes, especially those in transportation are likely to lead to severe disruption.

In Spain, lawmakers rejected a bill that would have granted amnesty to Catalan separatists which was promised by the incumbent socialist Prime Minister, Pedro Sanchez as part of his coalition-building efforts. The bill was voted against by the major Catalan party, JxCat, who asserted that it did not go far enough. The controversial bill had provoked huge demonstrations in Madrid and the Catalan party's decision to vote against it will almost certainly lead to a period of political instability in Madrid, with both the Catalan rebel's position and the nature of the Spanish

government left unresolved. To further complicate the issue, former Catalan president, Carles Puigdemont is being investigated for his alleged negotiations with Russians to get support for Catalonia's independence in exchange for some services and concessions to Russia. In Kosovo, the authorities' plan to enforce the use of the Euro and eliminate the usage of Serbia's dinar in the northern region, predominantly inhabited by the ethnic Serb minority. This move, affecting four banks and 15 financial institutions, is likely to escalate tensions between Kosovo and Serbia. Normalisation talks sponsored by the EU have already faced challenges, and it is likely Belgrade will condemn such a move. A renewed crackdown on corruption and graft in Saudi Arabia should be expected in the wake of the news that Amr bin Saleh Abdulrahman al-Madani, CEO of the Royal Commission for Al-Ula, has been arrested on corruption and money laundering charges of around USD 55 million. This is the most high-profile corruption case since the government locked up princes and Saudi businessmen in the Ritz Carlton in 2017 as part of anti-corruption efforts. This saw the authorities recover around USD 106 billion and secured the authority of Crown Prince Mohammed bin Salman. Al Ula is seen as a major part of the country's modernisation programme Vision 2030, and so this arrest is likely to herald a wider investigation into corruption in Vision 2030.

In Armenia, the ascension of the country to the International Criminal Court means the country is formally obligated to arrest Putin if he ever visits. Armenia is traditionally close to Russia, part of the Collective Security Treaty Organization (CTSO) and home to a permanent Russian military base. However, it is slowly pivoting westwards due to Ukraine, and Russia's failure to prevent the collapse of the self-declared Armenian-backed Nagorno Karabakh. Moscow has stated this is an "unfriendly step" and a further decline in relations is highly likely. This accession also means that Armenia can lodge cases against Baku regarding the Nagorno-Karabakh conflict if it chooses, potentially gaining Yerevan some leverage in the ongoing normalisation progress between the two neighbours. Within this normalisation process, Yerevan has suggested a non-aggression agreement with Azerbaijan as an interim measure while ongoing negotiations for a comprehensive peace treaty proceed. International mediation efforts are underway as both nations work towards resolving issues related to Nagorno-Karabakh and aim to improve diplomatic relations. Neighbouring Azerbaijan will hold snap presidential elections on 7 February. It is almost certain that the incumbent President Ilham Aliyev, who has been in office since succeeding his father in 2003, will win. The election comes as peace talks continue, and a resounding win for Aliyev would also give him room to manoeuvre in peace negotiations with Armenia. In tandem with this, the vote is likely being held to capitalize on a recent spike in popularity for him since the victory in Nagorno Karabakh, and thus ensure a continuation of the Aliyev family's decades-long rule of the country.

Gunmen attacked a Sunday morning mass in Istanbul, Turkey, killing one person and injuring several others. The Islamic State (IS) claimed responsibility for the attack and two suspects, identified as Tajik and Russian nationals, have been arrested. The Turkish interior minister announced that at least 47 people were detained in 30 raids conducted subsequently, and Turkey will almost certainly intensify its efforts to crack down on IS which is likely to provoke further IS attacks in the country. In the Red Sea where Houthi activities continue to pose issues for global shipping, the EU has announced it will send a naval coalition in three weeks. seven EU countries are expected to contribute ships or planes. Belgium has committed to sending a frigate, and Germany is expected to do the same. The mission aims to protect international shipping lanes and economies from further disruption. This reporting period has seen militants linked to the Islamic State-aligned Allied Democratic Forces (ADF) attack a church in the Democratic Republic of Congo's (DRC) North Kivu province. The attack saw several dead, whilst several more were taken hostage. The group has increased its attacks in recent months and is likely exploiting the unstable border regions between the DRC and Uganda.

In the European North Sea area, Storm Ingunn has caused major disruption. Power has been disrupted in parts of Norway and helicopter transport to offshore rigs has been suspended. Hurricane-force winds are expected to hit Norway across the next reporting period, in what is

being described as the country's worst storm in 30 years. As such, major disruption to travel, and utilities such as power and communications should be expected. The death toll from a gas explosion and subsequent fire in Nairobi, Kenya, stands at three, with over 270 people severely injured, with the number of casualties likely to rise in the coming days. Multiple buildings, warehouses, and factories have been destroyed in the incident and accusations suggest that city authorities accepted bribes, leading to the violation of zoning codes and the placement of gas infrastructure facilities near residential homes, with such revelations increasing the chances of protests in the Kenyan capital. Finally, there are early indications that Zambia's cholera epidemic may have spread to neighbouring DRC. The Mayor of DRC's Kasumbalesa, near the Zambia border, has reported the deaths of at least five people, with scores more being treated for the disease. In Zambia, the World Health Organization (WHO) has stated that as of 26 January, there have been almost 15,000 recorded cases in the country, although the real number is likely to be higher.





## Asia Pacific (APAC)

### Pakistan:

#### **Khan handed further jail sentences and deadly attack in Balochistan.**

This reporting period has seen former Prime Minister Imran Khan handed two new jail sentences. One for corruption, and the other for leaking state secrets. The combined length of the sentences is 24 years, and they come on top of the sentences he has already been handed. His wife, Bushra Bibi, was also handed a 14-year sentence in the corruption case, whilst his former foreign minister Shah Mehmood Qureshi was also sentenced to 10 years in the state secrets case. Alongside this, an overnight attack on 30 January in the country's restive Balochistan province resulted in at least ten people being killed. This was perpetrated by the Balochistan Liberation Army (BLA) and took place in the city of Mach, around 65 kilometres south of the provincial capital Quetta. It saw the BLA target military and security installations with guns and rockets. The BLA has also denounced the country's forthcoming general election which will be held on 8 February.

**Assessment:** The timing of both of these sentences is significant as they come in the week before the country goes to the polls for general elections which have been delayed for nearly four months, and Imran Khan has been banned from running. In tandem with this, his Pakistan Tehreek-e-Insaf (PTI) party has faced political harassment and intimidation, seen its senior leadership arrested, and been banned from holding political rallies. Yet both he and the party remain highly popular. This ruling, however, will be designed by the current government, and the country's powerful military establishment to try and illustrate that voting for the PTI or Khan in this upcoming election will be a futile effort. Khan still faces more than 150 court cases, ranging from corruption to terrorism and in the coming weeks he is likely to be sentenced to further years in prison. The campaign against Khan and the PTI means that the upcoming elections will highly likely not be free or fair, and given the high levels of popularity that both continue to maintain, turnout may be far lower than expected as voters already know their preferred choice won't win. In Baluchistan, given that the BLA have denounced the forthcoming polls, combined with the already heightened tensions in the region following the airstrikes last reporting period from both Iran and Pakistan, it is highly likely that BLA activity will continue. They will likely seek to disrupt and target local election campaigns, party meetings, and election offices. The BLA will also likely continue their campaign of targeting facilities of the Pakistani state such as military and police personnel and buildings. The combination of Khan's continued political and legal issues and BLA activity means that Pakistan will almost certainly witness a protracted and volatile end to its campaign period, with volatility likely to persist in the aftermath of the election on 8 February.

### Myanmar:

#### **Myanmar's Military Junta continues to lose territory as officials meet with ASEAN in Laos.**

In the early hours of 29 January, Myanmar's military junta lost control of Minbya Township in the western state of Rakhine. Amid the fighting, the Junta's 380th Khmer Battalion was captured by the Arakan Army, an ethnic paramilitary group seeking greater autonomy for Rakhine State. The Arakan Army, alongside the Myanmar National Democratic Alliance Army (MNDAA), and the Ta'ang National Liberation Army, make up the Three Brotherhood Alliance (TBA). The rebel alliance has made significant gains in recent months in a series of offensives under Operation 1027. On 5 January the TBA captured Laukkiang, a strategically important city situated close to the Chinese border. The loss of Laukkiang was a major influence in the junta's adoption of a Chinese-mediated ceasefire on 12 January. Amid the news of Minbya's capture, Myanmar's foreign minister, Marlar Than Htike, travelled to Laos' Luang Prabang to meet counterparts across the Association of Southeast Asian Nations (ASEAN) member states.



**Assessment:** The recent territorial advances made by the TBA in Rakhine State are likely to further weaken the grip of the military junta in Myanmar. While the capture of Minbya is insignificant in isolation, its loss during a period marked by ceasefire negotiations significantly undermines the junta's efforts to reconsolidate its forces. This ongoing conflict, amid purported peace talks, presents a formidable challenge to the junta's survival. A potential collapse of the Military Council would likely unleash a dangerous power vacuum, triggering extensive clashes among Myanmar's diverse ethnic militias, even potentially amongst those who are currently allied. The invitation extended to Myanmar to attend an ASEAN summit, marking the first such invitation in over two years, reflects the growing concerns over the impacts the junta's collapse would have on regional stability. ASEAN's previous diplomatic efforts to resolve the conflict have largely failed, as member states struggle to reach consensus on proposals aimed at facilitating peace. Yet the consequences of the recent meetings in Luang Prabang are likely to remain merely symbolic in the short-term, with member states like Thailand only pledging to provide more humanitarian aid to the 2.6 million people displaced by the ongoing conflict. However, Laos' controversial decision to extend the invitation to Myanmar is indicative of its close ties with China. Chinese efforts to bring about a temporary cessation of hostilities are likely an attempt to preserve the junta as a barrier to Western and ASEAN influence. Chinese influence in Myanmar has grown under the junta which has been largely maligned by the West, enabling Beijing greater access to Myanmar's natural resources and access to a deep-water port on the Bay of Bengal in the now destabilised Rakhine State. The removal or weakening of the junta is likely to put Chinese strategic and economic interests under threat, likely forcing Beijing to increase its efforts to establish peace.

## Hong Kong:

### Courts rule that Evergrande should be liquidated.

On 29 January, justices in the High Court of Hong Kong ruled that China's Evergrande group should be liquidated and wound up. This order comes two years after the company officially defaulted. Since then, the company has repeatedly failed to devise a restructuring plan which would satisfy its creditors. In the wake of the winding-up order, shares in Evergrande fell more than 20 percent to HKD 0.16, while outstanding bonds issued by the developer fell to trade at deeply distressed levels. As a result of this fall, trading in the shares of Evergrande and its subsidiaries, which are Hong Kong-listed, were suspended. The initial petition to wind Evergrande up had been filed in 2022 by Evergrande creditor Top Shine Global after Evergrande failed to honour HKD 863 million it owed. Meanwhile, a plan to restructure around USD 23 billion of debt failed in September 2023 after Chinese authorities announced that the billionaire founder, Hui Ka Yan, was under investigation for "suspected illegal crimes".

**Assessment:** Not only is Evergrande China's largest property developer but it is also the world's most indebted property company with over USD 300 billion in liabilities. The vast majority of its liabilities are tied up in developments and assets located in mainland China. Hong Kong operates under a legal system that is separate from China, despite convergence in recent years. As such, this ruling will test the ability of Hong Kong courts to uphold their judgements in courts on the Chinese mainland, where claims and rulings by foreign courts are routinely ignored or watered down. Meanwhile, the fact that the ruling has been made is almost certain to trigger lawsuits as other creditors seek to recoup their losses from the company's collapse. It is also likely to have implications across the wider Chinese property sector. Since Beijing tightened regulations for developers in 2020, those responsible for about 40 percent of all Chinese development activity have defaulted. Like Evergrande, some of them also face protracted restructuring negotiations with offshore creditors and the potential of winding-up orders. Previous attempts by offshore creditors to enforce rulings in mainland China had been slow, complicated and murky. Such issues will only be heightened due to the scale of Evergrande, and as such, this process will take months or years, and will likely also face government resistance with creditors ultimately receiving very little. Government resistance is likely to be heightened given China's economic downturn, the

importance of the property sector and the size of Evergrande. Currently, the property sector is at a decade-low, the stock market is at lows not seen for five years and economic growth is some of the lowest in three decades. At the same time, total corporate, government and household debt is equivalent to more than 300 percent of annual economic output, and this winding up order is likely to only lead to further negative economic sentiment. How Beijing seeks to intervene in this winding-up order will be seen by foreign investors as a litmus test of the strength of the rule of law in China. Tied up with this will be the treatment by Beijing of Evergrande's former directors, executives and owners. Some of whom have already been arrested amid inquiries into their purported crimes at Evergrande in a manner not seen in more economically and politically open jurisdictions. If Beijing is seen to fail in these tests, then it will likely further lead investors to lose confidence in China, which will further compound Beijing's economic issues.

**APAC Forecast.** Pakistan will head to the polls on 8 February in its long-delayed general election. Due to the continued crackdown on Imran Khan and his PTI party, it is highly likely that Nawaz Sharif, three-time prime minister and leader of the Pakistan Muslim League-N party, will emerge as the country's next prime minister. Meanwhile, the country is likely to see an uptick in incidents of terrorism and unrest driven by the election. In Malaysia, the news that former Prime Minister Najib Razak has had his jail sentence halved by the parole board is likely to spark criticism of the government. Razak was jailed for corruption, graft and money laundering relating to the 1MDB scandal and this news will lead many to question Prime Minister Anwar Ibrahim's commitment to fighting corruption. Indonesians will witness the final televised presidential debate on 4 February. This will see the lead presidential campaigners engage with each other and try to convince voters of their worth. Prabowo Subianto, leader of the second-largest party in the ruling coalition, remains the presumed frontrunner in the election. However, he lacks the greater-than-50-percent support that would stop the race from going to a runoff and his previous performance in televised debates has hindered him.

In China, the news that manufacturing has contracted for the fourth consecutive month is a further sign of underlying weaknesses in China's economic activity. This data will likely act as a further source of pressure on Beijing to unveil further expansionary fiscal measures. The Chief Executive of Hong Kong, John Lee, has revealed plans to create a localised version of Beijing's National Security Law 'as soon as possible'. This was last attempted in 2003 and faced a public backlash and large protests. Due to China's success in recent years in curtailing the space for dissent in the autonomous administrative region, however, any protests or dissent are almost certain to be smaller than they otherwise would have been. Meanwhile, due to the increase in Beijing's control over the city, this law is likely to be passed, which will be seen as a further erosion of any vestiges of the city's independence from the mainland.

The Taiwanese military has concluded two days' worth of drills and exercises designed to prepare for a potential surprise attack from China. These annual exercises, occurring shortly after the re-election of a Democratic Progressive Party (DPP) president, may trigger retaliation from Beijing, potentially involving Chinese aircraft and naval vessels intruding into Taiwan's airspace and waters. Throughout this reporting period, North Korea has continued apace with weapon launches. Of note, it tested the submarine-launched cruise missile known as the Pulhwasal-3-31, at least twice. Whilst tests of cruise missiles are not banned by UN security resolutions, they remain a threat that will likely raise tensions. South Korea has stated that early indications appear as though Pyongyang has commenced construction of possible nuclear submarines in Nampho on the country's west coast. If this transpires to be true, it is highly likely that this project has been facilitated with Russian assistance. Pyongyang has also iterated that war preparations against the South should be stepped up. In the South China Sea, Vietnam and the Philippines have agreed to enhance cooperation between their coastguards to mitigate incidents. This move is expected to draw criticism from Beijing, potentially leading to public condemnation and potentially more aggressive manoeuvres in the disputed waters.

In Indonesia, authorities have reported two new eruptions at Mount Semeru in Indonesia's East Java on 1 February. An ash column reached 900 meters above peak level, raising concerns over a major eruption and forcing authorities to warn residents about hot clouds. Meanwhile, authorities in Australia, are cautioning about the risk of intense rainfall and damaging winds in the Gulf Country region starting from 1 February. The warnings are attributed to the impact of Ex-Tropical Cyclone Kurrily and there are concerns of "dangerous and life-threatening" flash flooding in the affected areas. Finally, citizens in Fiji have been warned to avoid flooded roads and crossings after heavy rain has put most of the country under the threat of landslides, with a heavy rain warning likely to persist for several days to come.

