

# Conflict Update # 139

*August 2<sup>nd</sup>, 2022*

## Conflict Assessment

### Key Assessments

**Shoot And Scoot: Ukrainian grad rocket teams aim to hit hard and move fast** – Ukrainian tactics in “Shoot and Scoot” will not only continue but increase.

It is apparent that Russian counter measures are not able to track Ukrainian mobile attacks quickly enough to lock in their positions and return fire.

Russian drones are met with Ukrainian anti-missile fire, preventing them from providing reconnaissance for their trackers. Hence Russia’s request to Turkey for the more advanced drones they produce – without success, leading to Putin appealing to Iran for drones during his visit there last week. (The threat to Ukraine in this regard is that Turkey requires a Russian nod in order to launch its Syrian offensive – and Russia will surely demand Turkish drone supplies in return).

Ukrainian mobile artillery fires off salvos aimed at coordinates provided by partisan fighters behind enemy lines. They then immediately and rapidly relocate to new locations and repeat the exercise.

They have now destroyed over 60 Russian supply depots and arms dumps, severely and further limiting Russian re-supply and support for front line troops.

Now that Ukraine has in its arsenal newly-provided 200-mile range artillery weapons and batteries, they will extend the attacks and strike further into Russian-held territory, aiming to push them back toward Crimea.

The danger for Russia being that the further back they are forced to retreat, the closer Ukraine gets to targeting their Black Sea fleet, already forced 60 miles out to sea beyond Snake Island. The Russian Black Sea fleet has increasingly been relied upon to fire missiles into Ukraine, given Russia’s shortage of available land-based munitions and stocks.

Successful Ukrainian attacks are decimating Russian munitions stocks, already extremely low, and forcing them to increase use of anti-aircraft weaponry such as their S300 and S400 platforms. The more they are forced to respond with these systems, the more they use critically short missile stocks, leaving them vulnerable to Ukrainian air strikes and loitering kamikaze drone attack.

Putin is pouring troops and supplies into the Kherson Oblast zone (see following article), but the danger is that Ukraine will destroy the bridge in Armiansk, cutting them off and move close to surrounding a major Russian BTG. This will force Russia to cross land in order to reach their beleaguered troops – exposing them to rocket attack from these “Scoot and Shoot” batteries.

As they say “between a rocket and a hard place.”

**Ukraine attacks Russian forces at their weakest as Moscow continues to use brute force** - A Russian train carrying troops and equipment to reinforce positions in southern Ukraine was blown up by American-supplied precision missiles over the weekend, killing dozens of soldiers and destroying many rail cars, according to Ukrainian officials, who released satellite imagery of the strike site to support their claim. (Included in our weekend coverage).

At the same time, Russia sought to renew its flailing effort to advance in eastern Ukraine, once again blanketing the front with overwhelming artillery fire as it tried to reposition ground forces to press forward.

On multiple fronts, the Ukrainian and Russian militaries were trying to dictate both how and where the battle is fought. Much will turn on which army succeeds in that effort.

For the Ukrainians, that means attacking the Russians where they are weakest on both the eastern and southern fronts, employing some of the same tactics they used in the early months of the war to drive the Russians from around Kyiv and other cities and towns in the north.

For the Russians, that means using the kind of brute force that has laid waste to many of the cities now under their control.

As more long-range Western weapons have arrived in the country, Ukraine has been increasingly able to wage what military analysts call a "deep war", attacking Russian command and control centres, hitting key supply routes, trying to isolate Russian forces in pockets, and enlisting Ukrainian guerrillas behind enemy lines in the south to assist in targeting Russian positions and engage in sabotage.

The Ukrainians have become very effective in finding and killing Russian command and control hubs and destroying large amounts of Russian equipment, a senior US Defence Department official said Friday.

Use of overwhelming force has been at the heart of Russian military doctrine since Soviet days. The advances their forces made this spring in the eastern Luhansk region came only after Russian artillery had basically reduced towns to rubble.

"Their tactic remains much the same as it was during the hostilities in Luhansk region," Mr Serhiy Haidai, head of the Luhansk Regional Military Administration, said Monday.

He said the Russians were making daily attempts to mount an offensive on the city of Bakhmut in the Donetsk region but so far had failed to break through the main Ukrainian defensive lines.

Russia's forces in the east - as well as in certain parts of the south - were also massing troops to try to advance along several lines of attack, the Ukrainian military high command said.

While Western military analysts think it is unlikely that Russia will succeed in any attempt to gain large new swathes of territory, the Ukrainians would need to respond - influencing how quickly they can mount a counteroffensive in southern Ukraine.

The Ukrainian government has expressed growing confidence that as long as the West continues to supply the weapons it needs, Ukraine can win the war. But Kyiv also must persuade a war-weary public and Western allies to be patient.

**Russia preparing to attack southern Ukraine, Kyiv says, as US announces more military aid** - Tens of thousands of Russian troops were preparing to advance on the cities of Kryviy Rih and Mykolayiv in southern Ukraine, presidential adviser Oleksiy Arestovych has said, as Moscow pounded the Dnipropetrovsk region with rocket fire and the United States announced a fresh batch of armaments and munitions for Kyiv.

Arestovych estimated that the Russian attack force numbered about 22,000 soldiers and said that a "sufficiently large" Ukrainian contingent lays in wait.

The head of the Dnipropetrovsk region's military administration, Valentyn Reznichenko, reported that Russian troops fired rocket launchers and artillery at the Synelnykove and Kriviy Rih districts of the Dnipropetrovsk region.

"The enemy hit [Synelnykove] with an anti-aircraft missile. In Pokrovska hromada, there is destruction of housing, damaged cars," he wrote on Telegram.

Powerful explosions again targeted the Black Sea port city of Mykolayiv on August 2 in the morning and one person was wounded, city Mayor Oleksandr Sienkovych said.

## Grain

**A welcome milestone:** The first ship carrying Ukrainian grain to world markets since Russia's invasion blocked exports more than five months ago is on track to safely arrive in Istanbul on Tuesday night, amid Ukrainian fears it could still run into problems.

Turkey says the first ship carrying Ukrainian grain under a UN-brokered deal to lift Moscow's naval blockade in the Black Sea has encountered bad weather and is now expected in Istanbul "after midnight."



The Sierra Leone-registered ship, Razoni, which set sail for the Lebanese port of Tripoli from Odesa early on August 1 carrying 26,000 tons of corn, had been originally expected to arrive in Istanbul on August 2 in the early afternoon.

**Deadly harvest: reaping Ukraine's grainfields** - Reaping crops in Ukraine has become a highly risky task since the Russian invasion.

The operator of the tractor to the right, which hit an unknown explosive device on the outskirts of Kharkiv on July 24, was killed instantly. Such tragedies are likely to be repeated in Ukraine's rural areas as the harvest gets under way and desperately needed food supplies begin to be shipped out of Ukrainian ports.

Some farmland in Ukraine has been rendered too dangerous for agricultural work as a result of mines and unexploded ordnance.

Other grain fields have been captured by advancing Russian troops or are caught in the deadly no-man's-land between opposing forces.

In a July interview with CNN, a Ukrainian farmer called Mykhaylo Lyubchenko described agriculture as a "second front" in the war with Russia.



He vowed that in order to feed both his own country and the rest of the world, he would keep working through the dangerous new reality.

Putin is targeting Ukrainian grain fields and storage facilities, hoping to create a manmade famine. He and his Foreign Affairs Minister Sergei Lavrov are already stating that Ukraine and NATO are responsible for the famine and global food shortage.

This he in turn hopes will generate anti-Ukrainian and anti-West sentiment, forcing opinion on to the Russian flank via fake news inspired rhetoric.

**Lebanon seizes ship said to hold stolen Ukrainian grain** - Lebanese authorities ordered the seizure of the grain-laden Syrian-flagged 2,744-dwt geared general cargo ship Laodicea, which docked in Tripoli, Lebanon, after the Ukrainian Embassy claimed it held grain stolen by Russia from areas occupied by its forces, reports Agence France-Presse.

Public prosecutor Ghassan Oueidat said the ship was seized while it was determined it was carrying barley and wheat flour stolen from Ukraine.

The Ukrainian Embassy in Beirut said the vessel was loaded at Feodosia in the Russian-occupied Crimea, and that the commodities originated from Zaporizhzhia, Mykolaiv and Kherson in southeastern Ukraine.

The embassy accused Russia of stealing more than 500,000 tons during its occupation of the three regions. While Russia denies stealing grain, it has publicly touted the resumption of grain shipments from occupied ports.

Grain shipments from Crimea have surged since Russia's invasion of Ukraine in February, which analysts say indicates Ukrainian grain is being exported. Exports from Crimea are sanctioned by the European Union and the US.

## Impacts

**Latvia contemplates conscription in face of Russian aggression** - Focused on substantial reinforcement of self-defense capabilities while the regional security situation deteriorates due to Russia's re-invasion of Ukraine, Latvia is considering reinstating a policy of compulsory military service, which is officially supported by the governing political parties which already exists in the other two Baltic states, Estonia and Lithuania. Estonia has continued to maintain compulsory conscription even while developing a professional army.

Currently, Russia's army has been weakened by devastating offensive setbacks in Ukraine. So much so, that it would not be possible for Russia to engage in another major offensive against any neighboring country for the next two years. As such, according to Latvian Minister of Defense Artis Pabriks, this means that now is the time for Latvia to boost its self-defense capabilities.

After many years of hesitation, the minister of defense proposed gradually introducing a compulsory National Defense Service over five years starting in 2023. In the first stage, young men would apply for the service voluntarily. After this five-year transition period, the service will be compulsory for men between the ages of 18 and 27.

Plans are underway to conscript into the services Latvian citizens residing overseas, and if adequate funding is allocated, mandatory military service for women as well.. The duration of a National Defense Service term is planned to be at least 11 months. From 2025 to 2026, investments of approximately 60–70 million euros (\$61 million–\$71.2 million) will be required to implement this renewed conscription policy.

## Sanctions

**Russia to begin food rationing** - Russian authorities agreed to begin food rationing as Putin's unprovoked attack on Ukraine continues into its sixth month.

The State Duma, the lower house of the Federal Assembly of Russia, appears to have approved food rations cards for the indigent, The Moscow Times reported.

Plastic cards will give the poor an opportunity to buy food and medicine at a discount, Yaroslav Nilov, head of the committee on labor, social policy and veterans' affairs, told Izvestia.

**Britain, U.S. broaden sanctions on Russian oil company, airlines** - Britain and the United States on August 2 further expanded their sanctions on Russian individuals and companies over Russia's invasion of Ukraine.

The British government said it reimposed sanctions on two former board members of oil company Rosneft, Didier Casimiro and Zeljko Runje, while the U.S. government said it would add 25 Airbus airplanes for alleged violations of export control rules.

Britain said Casimiro and Runje are subject to asset freezes and travel bans for "obtaining a benefit from or supporting the government of Russia by working as a manager of a government of Russia-affiliated entity."

The two had been included in an initial wave of sanctions announced in March under rules that allowed Britain to copy sanctions imposed by allies, but they were delisted in July for unknown reasons.

Casimiro was designated by the U.S. government in February 2020. The U.S. Treasury Department said at the time that he was chairman of the board of directors and president of Rosneft Trading, a subsidiary of Russian state-controlled energy giant Rosneft Oil Company created to assist the company in carrying out its foreign projects.

**G7 accuses Russia of weaponizing energy, pledges to minimize supply disruptions** - The G7 Western nations has accused Russia of trying to "weaponize" its energy exports and pledged to work to ensure Moscow doesn't "exploit" its position as an energy producer "to profit from its aggression at the expense of vulnerable countries."

It said in a statement released today that Russia has breached international law with its invasion of Ukraine and demanded that it "put an end to this war of choice, immediately, and unconditionally cease all hostilities."

"We further condemn Russian attempts to weaponize its energy exports and use energy as a tool of geopolitical coercion. Russia is therefore not a reliable energy supplier," the statement, released on the website of the U.K. government, said.

**Bank of Russia expands restrictions for hard-currency withdrawals until March 2023** - The Bank of Russia has prolonged restrictions that limit hard-currency withdrawals from bank accounts until March next year amid the country's financial isolation from the West sparked by Moscow's invasion of Ukraine.

The country's central bank said in a statement yesterday that the restrictions introduced following unprecedented sanctions imposed on Russia by the West in early March over its war in Ukraine, will remain in place until at least March 9, 2023. Under the restrictions, clients of banks in Russia cannot withdraw more than \$10,000, or the sum's equivalent in euros. Sums beyond that amount can be only withdrawn in rubles at a rate set out by the central bank.

Also, only money that was deposited to bank accounts before March 9, 2022, can be withdrawn.

Banks, meanwhile, can only sell dollars and euros that were obtained before March 9 this year.

Foreign companies and nonresidents of Russia are barred completely from withdrawing dollars and euros.

The measures were introduced to support the ruble in the face of the sanctions.

## Escalation

**Brutal Russian warlord in chilling threat to West as he issues brutal ultimatum** - Russian warlord and head of the Chechen Republic Ramzan Kadyrov has called upon people in the West to topple their governments or face being cut off from Russian gas.

One of Putin's cronies has made a chilling threat to the West and brazenly called upon people across Europe to rise up against their governments. Ramzan Kadyrov is the infamous leader of the Chechnya region and ranted against the West's opposition to Russia's 'special operation' - a cover term for the war - in Ukraine.

Only Russia and its allies claim that the country's actions in the sovereign state of Ukraine are justified, as callous acts of indiscriminate bombardment have seen thousands of people killed and large parts of cities completely destroyed, forcing millions to flee their homes.

The Putin-fanatic, who reports say his troops are allegedly linked to war crimes in Ukraine, said: "This winter Russia might not be able to warm everyone with gas in a timely way."

"Or to be precise it will be possible. But we won't want to do it." Kadyrov suggested that Russia might not want to supply gas to Europe, who have previously relied heavily upon it, in a seeming threat against them.

He added: "The Europeans were told it was Russia's fault in raising petrol and food prices - though even a fool would grasp that the reserve funds of these countries was spent on arming Ukraine.

**Comment** – In the opening weeks of the Russian invasion, Kadyrov volunteered his "special units" to Putin to enter Ukraine as assassination teams and eliminate Zelenskyy and other top Ukrainian government officers and their families.

Then Putin was to install Russian puppets as President and cabinet members.

Unfortunately for the Chechen hit squads, Ukrainian "anti-hit squads" eliminated them entirely, causing Kadyrov to castigate Russian generals as inept and sending his prize troops to their deaths.



**US Navy deploys four warships east of Taiwan as Pelosi heads to Taipei** - As US Speaker Pelosi headed to Taipei on Tuesday amid intensifying warnings from China, four US warships, including an aircraft carrier, were positioned in waters east of the island on "routine" deployments.

The carrier USS Ronald Reagan had transited the South China Sea and was currently in the Philippines Sea, east of Taiwan and the Philippines and south of Japan, a US Navy official confirmed to Reuters on Tuesday.

The Japanese-based Reagan is operating with a guided missile cruiser, USS Antietam, and a destroyer, USS Higgins.

**Taiwan will defend itself** - Taiwan's Defense Ministry said on Tuesday they have a full grasp of military activities near Taiwan and will appropriately dispatch forces in reaction to "enemy threats" as tensions rise with China.

The ministry had "reinforced" its combat alertness level from Tuesday morning to Thursday noon, the island's official Central News Agency reported on Tuesday, citing unidentified sources.

In the southeastern Chinese city of Xiamen, which lies opposite Taiwan and is home to a large military presence, residents reported sightings of armored vehicles on the move and posted pictures online. The photographs have yet to be verified by Reuters.

**Russia accuses US of direct role in Ukraine war** - Russia has accused the US of direct involvement in the war in Ukraine for the first time.

A spokesperson for Moscow's defence ministry alleged the US was approving targets for American-made HIMARS artillery used by Kyiv's forces. Lt Gen Igor Konashenkov said intercepted calls between Ukrainian officials revealed the link. The BBC could not independently verify this.

There was no immediate comment on the allegation from US officials. Russia previously accused Washington of fighting a "proxy war" in Ukraine. "It is the Biden administration that is directly responsible for all rocket attacks approved by Kyiv on residential areas and civilian infrastructure facilities in settlements of Donbass and other regions that caused mass deaths of civilians," Mr Konashenkov said.

# China

**China says it is in communication with U.S. over Pelosi's expected Taiwan visit** - China has been in communication with the United States over U.S. House of Representatives Speaker Nancy Pelosi's expected visit to Taiwan, Chinese foreign ministry spokesperson Hua Chunying said on Tuesday.

Pelosi kicked off a tour of four Asian countries on Monday in Singapore amid intense speculation that she may risk the wrath of Beijing by also visiting self-ruled Taiwan.

**Russia backs China over 'provocative' Pelosi visit to Taiwan** - Russia backed China on Tuesday over an expected visit to Taiwan by U.S. House of Representatives Speaker Nancy Pelosi, warning Washington that such a provocative trip would put the United States on a collision course with Beijing.

**From subway stations to shopping malls, Taiwan prepares its air-raid shelters** - Taiwan is preparing its air-raid shelters as rising tension with China and Russia's invasion of Ukraine raise new fears about the possibility of a Chinese attack on the democratic island.

China considers Taiwan its territory and has increased military activity in the air and seas around it. Taiwan vows to defend itself and has made strengthening its defences a priority, with regular military and civil defence drills.

Russia's invasion of Ukraine has renewed debate in Taiwan about how best to react in the event of an attack amid stepped up Chinese military maneuvers around the island.

Concern about China's intentions towards Taiwan has added to tension with the United States, which, while it does not recognize the island as a separate country, is bound by U.S. law to provide it with the means to defend itself.

China confirmed that it did heighten warnings to the Biden administration about U.S. House Speaker Nancy Pelosi's possible visit to Taiwan, as first reported by the Financial Times, a foreign ministry spokesman said on Monday.

The island has raised its alert level since the Russian invasion of Ukraine even though it has reported no unusual Chinese military activity.

**China's economy could be dragged down by loss of confidence in property sector** - The loss of confidence in China's property sector could feed into a contagion that would further drag down the Chinese economy, analysts warned.

The comments come after beleaguered developer China Evergrande Group failed to deliver a promised \$300 billion restructuring plan over the weekend.

In filings with the Hong Kong stock exchange, Evergrande instead said it had "preliminary principles" in place for the restructuring of its offshore debts. It also said one of its subsidiaries, Evergrande Group (Nanchang), had been ordered to pay an unnamed guarantor 7.3 billion yuan (\$1.08 billion) for failing to honor its debt obligations.

As reported previously, China is facing a mortgage repayment revolt, with homeowners across 22 cities refusing to pay their loans on unfinished housing projects.

"So if this problem is not handled properly, it will have a profound impact on the economy, including the government balance sheet, the banks' balance sheet as well, and households," Shuang Ding, Standard Chartered chief economist for Greater China and North Asia said.

Ding said the problems in China's property sector threaten a crucial foundation of a sturdy economy: market confidence.

Land sales, which make up a dominant portion of provincial government revenue, have fallen 30% in the past year.

The economist said Beijing should ringfence the issues in the property sector and deal with them holistically, rather than with a piecemeal approach, with an aim to avoid mass insolvencies.

**Troubled Chinese economy worsens as manufacturing and real estate stumble** - It was expected that after the COVID lockdown are removed in June the Chinese economy will recover fast to the pre pandemic levels, but recent polls suggest that manufacturing and real estate sector have dipped further, and joblessness continues to be menace.

The Chinese economy fell at the beginning of the second half of the year as the property sector dipped further, factories switch back to slow lane and job cuts still hover as a widespread menace.

Manufacturing activity grew slower than expected, according to a private poll by Caixin, after having surged in June when COVID lockdowns were lifted. In fact according to an official survey the sector contracted in July.

Another poll, on Monday, by China Index Academy, one of the largest independent real estate research in the country, showed that property sales by floor are in 17 cities slumped 33.4 per cent in July. As buyers shun the market full of desperate sellers, the poll shows, the real sector in total has slumped 89 per cent after the lockdown.

Top leadership of the country has signalled preparedness to miss the government growth target of around 5.5 per cent for 2022, when President Xi Jinping is expected to secure a third leadership term, the first president to do so.

Despite the fears of a global recession, uncertainties from the Ukraine War and the prospect of recurring COVID lockdowns, the authorities have so far kept from massive stimulus as the GDP grew just 0.4 per cent in the second quarter.

"Stagnation is what everyone is worried more after the second quarter (GDP) fell into a hole," said Nie Wen, a Shanghai-based economist at Hwabao Trust.

"In the second half, what matters more economically would be to quicken the recovery of consumption."

Although sales improved in June, up 3.1 per cent on-year, after COVID lockdowns were lifted in some cities, including Shanghai, and the jobless rate also eased to 5.5 per cent from 5.9 per cent in May, the consumer sentiment remained fragile, due to widespread uncertainty over jobs.

The Caixin shows the factory jobs dived to the lowest in 27 months. Companies attributed staff attrition to cost-cutting, poor sales, and the non-replacement of voluntary leavers.

"We've shut down at least 10 per cent of the factories in Jiangsu so far, and more than 80 per cent of employees have been laid off," said Xu, general manager of a furniture maker in Jiangsu province, declining to give his full name.

"Although the situation has improved COVID-wise and market-wise, we haven't seen a significant rebound in sales," said Xu, adding that sales are now just half of the usual annual pace of 100 million yuan (\$14.8 million).

Also, some people are selling their homes in Beijing to get cash to sustain their living.

Persistent decline in demand in the property sector will impact the entire economy as well as livelihoods of people, warned Hwabao Trust's Nie.

The sector faced a similar pressure in 2015, but policymakers had allowed a rise in household leverage to prop up the market at the time, said Nie.

Notably, China's economy missed the government's growth target in 2015 after a stock market rout, a troubled banking sector and the dwindling property market.

"But at that time, consumption was still steady, not like this year," he said.

## **China's Belt and Road grapples with mounting debt crisis, impacting Central Asia, Pakistan, and beyond**

A few weeks before the Sri Lankan president fled the country amid growing protests triggered by its debt-laden economy's default and financial crisis, a top Kyrgyz official issued a warning about the Central Asian nation's own dire forecast as the turmoil unfolded.

"We must always remember the need to pay [our] public debt," Akylbek Japarov, the chairman of Kyrgyzstan's cabinet of ministers, said at a parliamentary session in late June.

Like Sri Lanka, Kyrgyzstan also has a swelling state debt and took on billions worth of loans over the last decade from China's Export-Import Bank for a series of infrastructure plans under the Belt and Road Initiative (BRI), Chinese leader Xi Jinping's signature policy, which he once dubbed "the project of the century."

Kyrgyzstan's debt currently sits north of \$5.1 billion, according to the Foreign Ministry, 42 percent of which is owed to Beijing. But Bishkek is struggling to cope with a contracting economy and has so far failed to yield a commercial return on the projects backed by its huge Chinese loans. This has prompted fears the country will be unable to pay off its loans or even meet interest payments. The mounting financial pressure has also raised concerns that the country may have to hand over lucrative assets if it fails to meet its repayment obligations.

"I'm not scaremongering, but if we do not pay this debt, [China's] Export-Import Bank can take over [projects]. This has already been [discussed] in cases in Pakistan, Sri Lanka, and other countries," Japarov said. "We cannot sit back and rely only on [God]. We all need to unite in order to maintain our independence."

That warning comes as sovereign-debt distress spreads in several countries along the BRI, prompting China's first overseas debt crisis as it grapples with a mounting pile of nonperforming loans and increased scrutiny of how Chinese lending has exacerbated economic pressures on vulnerable governments.

"There's no doubt that the Chinese Ministry of Finance and central bank are looking at their dashboards and their red lights are going off right now," Bradley Parks, executive director of the AidData Lab at the College of William and Mary in Virginia, told RFE/RL.

The globe-spanning scale of BRI, which was launched in 2013 by Beijing as the largest infrastructure program undertaken by a single country, has left it with a list of risky debtors around the world -- including Argentina, Pakistan, Russia, Tajikistan, Venezuela, Zambia, and Iran -- that hoped to take advantage of the surge in Chinese overseas lending but now find themselves struggling with a debt crisis the World Bank has warned could trigger a series of defaults not seen since the 1980s.

For China, this marks what analysts describe as a crucial inflection point after nearly 10 years of runaway lending under the guise of the BRI that has been exacerbated recently by rising inflation, soaring energy costs, and tightening global financial conditions due to the war in Ukraine and the aftermath of the COVID-19 pandemic. In such an environment, Beijing could be looking to streamline and scale back its hallmark initiative.

"China is growing more concerned about it not being able to get paid back, so we have seen a pullback in lending that is set to accelerate," Alicia Garcia-Herrero, the chief economist for Asia-Pacific at the investment bank Natixis, told RFE/RL. "China is also under growing economic pressure at home now and is becoming more hesitant to lend to risky countries. [This] has [opened] a new phase of the BRI."

### **Growing Debt Pressure**

The BRI has helped make China the world's largest bilateral lender and seen it give out loans totaling \$932 billion since it was established eight years ago, according to data collected by the Green Finance and Development Center at Fudan University in Shanghai.

But even before the current debt crisis, the headwinds against the BRI were mounting.

Loans issued in recent years are turning bad at an unprecedented rate, with research by Rhodium Group, a New York-based research consultancy, showing that the value of Chinese loans that required negotiation soared to \$52 billion in 2020 and 2021, a threefold increase from the previous two years.

Data compiled by William and Mary's AidData Lab, which maintains one of the most comprehensive datasets on Chinese development finance, also shows the current scale of the debt crisis, with its research indicating 60% of Chinese loans are to countries in financial distress, compared to only 5% in 2010 before the BRI was launched. Other research by AidData shows that 35% of the BRI infrastructure projects currently face major implementation problems.

In the face of such pressures, Beijing has begun to issue so-called "rescue loans" to starve off defaults, with AidData showing that tens of billions of dollars have been issued by Chinese state institutions to countries such as Pakistan, Belarus, Egypt, Mongolia, Turkey, and Sri Lanka, to help service their loans and avoid default.

"We are at a major pivot point right now. The scale of this widespread debt pressure is something that China has never faced before and it is having to reinvent BRI on the fly," Matthew Mingey, senior research analyst at Rhodium Group, told RFE/RL.

A July report from the Green Finance and Development Center showed how the BRI is becoming more risk-averse, with new investment in Russia, once a mainstay of the initiative, falling to zero in the first half of 2022, while engagement in Pakistan dropped by 56% during the same period.

China is increasingly investing in oil and gas, making up about 80 % of Chinese overseas energy investments for the first half of 2022 and 66% of Chinese construction contracts, with Saudi Arabia being the top recipient.

"Previously, the playbook was simple: It was to defer, restructure, and give space and time for borrowers to sort things out," Mingey says. "But China has an aversion to refinancing, and Chinese creditors have not always played well with multilateral institutions, private creditors, or public bilateral ones. So, it's a question of what tools China can use now."

### **Navigating A New Crisis**

One of the unique dimensions to the current debt crisis that analysts say raises the stakes is China's relative inexperience and the lack of precedence in dealing with such issues.

For more than 60 years, sovereign-debt restructurings have been coordinated by the Paris Club, an informal association of 22 mostly Western major creditor countries. Created in 1956, the group has signed hundreds of agreements across the world, often working with the IMF.

China is not a member of the Paris Club and only became a major creditor nation in the last two decades, as the BRI helped catapult its status as a leading lender.

**Companies are fleeing China for friendlier shores** - As globalization was gaining steam in the 1990s, Western publics learned about a new concept: offshoring. Even then, it was often unpopular with the public, even as corporate executives gleefully embraced the prospect of cheaper—and less empowered—labor. And China, with its well-trained workforce and growing middle class keen to buy Western goods, was the ideal combination of manufacturer and market. What a difference a couple of decades make. Now companies are trying to move production to friendly countries where they don't need to worry that they'll be caught in the geopolitical line of fire. Friendshoring has arrived.

Yes, some of the jobs disappeared due to automation, but countless others went to low-wage countries. In 1982, U.S. multinationals had 30 percent of their labor forces abroad; in 2014, the share had doubled to 60 percent. None of these foreign sites was more popular than China, where rapidly improving transportation infrastructure and a workforce with

high levels of basic literacy and numeracy for a developing country made it a one-stop shop for manufacturing—the factory of the world.

Companies will continue to run their operations in the locations that make the most financial sense because they're accountable to their shareholders, not former workers or the wider public, and while a few CEOs may feel a moral obligation to their companies' home countries, such sentiments won't come between them and their quarterly results. Besides, as I have highlighted in articles over the past several years, global cargo transport is so efficient that manufacturing can take place far from consumers. Offshoring is here to stay—but that doesn't mean manufacturing in China is. In a June survey conducted by the European Union Chamber of Commerce in China, 23 percent of Western firms said they were considering moving operations away from the country, while 50 percent reported that business in China had become more politicized in 2021 than it had been in previous years.

## Putin

**The upside of Putin's delusions** - Moscow's Disastrous Invasion of Ukraine Will Reinforce the Norm Against War.

When Putin announced that he had ordered a “special military operation” against Ukraine on February 24, Europe had been substantially free of international war for nearly 80 years. That is likely the longest the once most warlike of continents has gone without such a war at least since the days of the Roman Empire.

In recent decades, the aversion to international war, following Europe's lead, has spread. The result is that, over the last 30 years, there have been only three other interstate wars, conventionally defined as armed conflicts with at least 1,000 battle-related deaths per year. Ethiopia and Eritrea fought one such war in the last years of the twentieth century. The two others were the United States' brief 9/11-induced regime-toppling invasions of Afghanistan in 2001 and Iraq in 2003, which then devolved into extended counterinsurgency—or counteroccupation—conflicts.

Some analysts now fear that the long decline of interstate war may be about to reverse. In an article for *The Economist* published shortly before the Russian invasion, the Israeli writer Yuval Noah Harari declared the decline in international war to be “the greatest political and moral achievement of modern civilization.” But he also worried that a war in Ukraine could bring about “a return to the law of the jungle.” In an essay published in May in *Foreign Affairs*, the political scientist Tanisha Fazal expressed concern that Putin's war could result in “an increase in not only the incidence but also the brutality of war.”

But five months into the current phase of the war in Ukraine, it seems more likely that Putin's venture will reinforce and revitalize the aversion to and disdain for international war. The key objective is not so much about winning as making sure that the country that started the war is far worse off than if it had not done so. That has already been substantially achieved.

Putin's war has also failed at another of his pronounced goals: keeping Ukraine from embracing the West and moving toward joining the European Union and NATO. But his efforts over the last decade have driven Ukrainians to look more to the West. In December 2012, according to a poll conducted by the Kyiv-based Democratic Initiatives Foundation, a scant 15 percent of Ukrainians favored joining NATO. By January 2022, on the eve of war, that figure had risen to 64 percent, according to a survey conducted by the Ukrainian Institute of the Future. It has surely risen far higher since the invasion. In addition, under the impetus of the war, Ukraine has now been allowed to enter the formal process of joining the EU. And it is possible that the war, by enhancing Kyiv's desperation to be admitted, might even cause it to finally deal with its endemic corruption problem, which had previously hampered its embrace by the West.

**Global condemnation** - The world has responded to Putin's invasion of Ukraine with nearly universal revulsion, much as it responded to Saddam Hussein's seizure of Kuwait in 1990: as Fazal notes, “the outrage has been swift and broad.”

Although some policymakers have expressed concern that China might find inspiration for an invasion of Taiwan, there doesn't seem to be a groundswell of prospective imitators.

**Deluded hubris** - In his speech announcing the invasion, Putin stressed that "Russia cannot feel safe, develop, and exist while facing a permanent threat from the territory of today's Ukraine," which he analogized to the one presented by Nazi Germany before World War II. He argued that a showdown was inevitable, claiming even that Ukraine was seeking to acquire nuclear weapons.

Putin noted in his war kickoff speech that "with NATO's eastward expansion, the situation for Russia has been becoming worse and more dangerous by the year." Whether his war was to push NATO away from Russia's borders, to create disunity within the alliance, to provide a stepping stone for further advances, or somehow to enhance Russia's status (except as a pariah), it has been a massive failure.

**Putin fears 'de-Russianization' of Kaliningrad and steps up to block it** - Since 1991, when the Soviet Union disintegrated and Kaliningrad became an exclave separated from the Russian Federation by Poland and Lithuania, Moscow has been worried about two aspects: transportation links between Kaliningrad and Russia proper and changes in the Kaliningrad population's attitudes because of their neighbors' actions—which are leaving the populace less like their nominally Russian ethnic counterparts and potentially less loyal. The first has almost always attracted more attention, most recently when Lithuania imposed, and then lifted, a ban on the movement of EU sanctioned goods between Russia and Kaliningrad and when a NATO exercise suggested that the West might seize Kaliningrad in a time of war. The second angle is at least as worrisome as the first, if less obvious, because it may represent a more serious long-term challenge to the Kremlin's control in Kaliningrad and its ability to maintain the Russian nation's unity more generally against regionalist sentiments.

Soviet forces killed or drove out almost all the ethnic Germans in East Prussia before Joseph Stalin annexed it at the end of World War II, renamed it Kaliningrad and brought in ethnic Russians, Belarusians and Ukrainians to live there. Yet, even in Soviet times, the exclave's residents saw themselves as distinctive and, after the collapse of the Soviet Union, often identified as a unique "people of Königsberg," rather than as ethnic Russians or some other nationality.

Some have even talked about becoming "the fourth Baltic republic" and formed a political party to promote that outcome. Such feelings are further intensified by the Kaliningrad population's far more frequent visits to Lithuania and Poland, both EU and NATO members, than to Russia proper, as well as by earlier efforts on the part of Kaliningrad officials to promote tourism, playing up German, Lithuanian and Polish links in the past and present. As a result, Moscow cracked down hard, first and foremost, on any manifestation of separatism and especially against the unwanted German influence.

Now, Lithuanian influence has become the target. Due to the impact of Putin's war in Ukraine on Kaliningrad and Lithuania's recent moves to restrict the flow of goods to the exclave, the Kremlin's actions have been both harsh and possibly dangerous given the reactions of Kaliningrad residents, who had been loyal to Moscow up to now—even if these moves are still flying under the radar in the West.

Over the last several weeks, Russian officials have launched a broad attack on Lithuanian cultural institutions in Kaliningrad. To begin with, this is an act of revenge against Vilnius' failed attempt to impose a partial blockade on the region and to limit Lithuanian influence on Kaliningrad, which many Lithuanians still refer to as "Lithuania Minor."

In late July 2022, at the insistence of the Russian Ministry of Justice, officials closed the Association of Teachers of the Lithuanian Language in Kaliningrad, the most prominent Lithuanian group in the region, which includes over 20,000 ethnic Lithuanians. The ostensible reasons the ministry cited involved problems with documentation and the group's failure to relocate after being ordered in January 2022 to do so, but the political motivation was obvious. The association has been active since its founding in 1995 and has served as a base for teachers as well as Lithuanian activists and others

interested in “strengthening good-neighborly relations between the peoples of Russia and Lithuania.” Its members are appalled because they care about their nation and about Kaliningrad and believe that the association has served both equally well.

Russian nationalists in Kaliningrad, however, are delighted with this step. Maksim Makarov, who heads the Russian community in Kaliningrad Oblast and earlier garnered attention for his fight against “Germanization,” said the closing of the association was absolutely correct, if belated, because the group has been funded by Vilnius and has tried to organize opposition within Kaliningrad to Russia’s “special military operation” in Ukraine.



In Telegram posts, Makarov also called the association “an LGBT organization” and “the chief structure of the special services of Lithuania on the territory of Kaliningrad Oblast.” None of his charges are true, but they are the sort of statements that, because they appear to reflect official thinking, encourage others to take matters into their own hands, often without being directed to do so from above and thus handing senior officials plausible deniability.

Several cases of this have happened in recent weeks. A Lithuanian children’s ensemble was blocked from traveling to a festival in the Russian Federation supposedly because it had not made arrangements early enough and because such travel under current conditions was risky. Russian education officials relayed these reasons, even though, earlier, these same officials had encouraged the group to perform and travel (Vk.com, December 11, 2019). Acts of vandalism have also been committed against Lithuanian statues and busts in various parts of the oblast simply because they represent “the wrong nationality.”

It is unclear what the oblast authorities and their allies may do next in this campaign to defend the “Russianness” of Kaliningrad. On the one hand, numerous Lithuanian-related sites and organizations in Kaliningrad could easily become targets; but on the other, as Lithuania has dropped its restrictions on cargo coming by rail from Russia proper to Kaliningrad, officials in the oblast and in Moscow may decide to end these attacks. But in the current environment, the latter appears to be the less likely alternative. Instead, more attacks, both official and unofficial, on Lithuanian groups in Kaliningrad are probable in the coming days, a reflection of Kremlin fears that even folkloric groups can undermine the population’s Russian identity and its loyalty to Moscow.

**Russian state TV calls for Kremlin to unleash Satan-2 'unstoppable' hypersonic missiles** - A Putin propagandist has brazenly urged Russia to launch its devastating hypersonic missiles in an act of "serious big war".

TV anchorman Vladimir Solovyov was outraged at the push from Volodymyr Zelensky, backed by Speaker Nancy Pelosi, to brand Russia a state sponsor of terrorism after its actions in Ukraine.

"This is the path to a big war. Serious big war," Solovyov said. "What do we have to lose then? So why don't we use Sarmats, Poseidons?"

Branded "unstoppable" by President Putin, Russia's Sarmat missiles are known as 'Satan-2' and are set to come into use later this year after reports of their mass production.

The explosives can travel a reported 15,880mph and weigh around 208 tonnes, while their Poseidon torpedos are capable of 125mph underwater attack.

## Containment

**NATO AWACS reconnaissance P\planes keep an eye on Russian forces** - NATO reconnaissance planes patrol the airspace near the alliance's eastern borders almost daily, watching for activity by Russian military aircraft. They operate in flights over Romania and Poland, refueling in flight to allow the plane to patrol for 12 hours, the crew, from a mix of NATO nations, described their determination to see and be seen by any potential Russian aggressor.

In an underground bunker in western Germany, a few dozen NATO personnel are monitoring the airspace over Europe.

Six E-3A surveillance planes from NATO's fleet of early warning and control aircraft help create an "air picture" to share with member nations. These "eyes in the sky" do not fly into Ukraine or Russia but can see up to 400 kilometers (250 miles) across borders.

**US giving Ukraine HIMARS ammo after Russia says it destroyed 100 missiles** - US will provide more ammunition for the M142 High Mobility Artillery Rocket Systems (HIMARS) in Ukraine as part of a new \$550 million security assistance package to aid in its ongoing war with Russia, National Security Council (NSC) Coordinator for Strategic Communications John Kirby said Monday.

The announcement came days after Russia said that it had destroyed more than 100 U.S.-made missiles for HIMARS in a strike on a Ukrainian ammo depot that it said killed 120 Ukrainian troops, technical specialists and others. Newsweek was not able to independently verify Russia's report at the time and did not receive any responses when it contacted the defense ministries of Russian and Ukraine for confirmation and comment.

**Javelin lightweight command launch units** - The US has made a determination approving a possible Foreign Military Sale to the UK of Javelin Lightweight Command Launch Units (LWCLUs) for an estimated cost of \$300 million. The Defense Security Cooperation Agency delivered the required certification notifying Congress of this possible sale today.

The UK has requested to buy 513 units. Also included are Javelin LWCLU Basic Skills Trainers (BSTs); Javelin Outdoor Trainers (JOTs); Javelin Vehicle Launcher Electronics (JVL-Es); Javelin LWCLU Train the Trainer Package; Lifecycle Support; System Integration and Check out (SICO); Javelin Operator Manual; Technical Assistance (TAGM); and other related elements of logistical and program support. The total estimated program cost is \$300 million.



This proposed sale will support the foreign policy goals and national security objectives of the US by improving the security of a NATO ally that is a force for political stability and economic progress in Europe.

The LWCLU is an enhanced version of the CLU that according to the system's lead contractor "weighs 30 percent less than its predecessor and offers twice the sight range at night and three times the site range during the day." The Lightweight CLU will thus allow Javelin users to extend the missile's effective range to 4.5 km.

**At UN, review of nuclear controls in tense world underway** - The U.N. secretary-general warned yesterday at the start of a nuclear non-proliferation conference that the risks of more nuclear weapons is growing as guardrails to prevent escalation are weakening.

"Today, humanity is just one misunderstanding, one miscalculation away from nuclear annihilation," Antonio Guterres told the opening of the Nuclear Non-proliferation Treaty (NPT) review conference.

He warned that there are crises with nuclear undertones from the Middle East to the Korean Peninsula, as well as Russia's invasion of Ukraine. He said there are nearly 13,000 nuclear weapons stockpiled around the world.

Russia's threat to use nuclear weapons in its war against Ukraine was condemned at the meeting by leaders, as well as several regional groups, including those from the Pacific region and Nordic countries.

US Secretary of State Blinken said that in January the five nuclear powers - Britain, China, France, Russia and the US all affirmed that a nuclear war cannot be won and must never be fought.

"The very next month, Russia launched a full-scale invasion of Ukraine," Blinken said. "And it has engaged in reckless, dangerous nuclear saber rattling, with its president [Putin] warning that those supporting Ukraine's self-defense "risk consequences such as you have never seen in your entire history."

Blinken pointed to Russia's seizure of Europe's largest nuclear power plant, Zaporizhzhia, saying they are now using it as a military base because they know the Ukrainians cannot fire back at their positions because they could hit a nuclear reactor.

"There is no place in our world for nuclear deterrence based on coercion, intimidation or blackmail," Blinken said. "We have to stand together in rejecting this."

More than 133 governments and nuclear organizations will speak at the debate.

**Sweden's new submarine could shift balance of power in the Baltic Sea** - Normally, Sweden building its first new class of submarines in 30 years wouldn't be of as much interest, but Saab laying the keel of its first Blekinge-class (A26) boat on June 30 as Sweden waits to join NATO signals a shift in the balance of power in the Baltic Sea.

For a country with a submarine fleet numbering a grand total of five, Sweden is surprisingly innovative when it comes to underwater warfare and has a reputation for producing highly advanced submarine designs on a regular basis.

The world of 2022 is now very different, but the current geopolitical situation and breakup of the international consensus that has been in place since 1992, and even 1945, has produced an eerie echo of the Cold War. Russia's invasion of Ukraine has raised the specter of armed conflict with the West, and the prospect of Finland and Sweden joining NATO raises the stakes in the Baltic beyond those of the 1980s.

The Baltic Sea has been the focus of major power struggles going back centuries, but it also poses its own challenges. It not only ices over in the winter, it's also a sea that is one big littoral combat zone, with shallow waters, complex coastlines, and a sea bottom that makes it not only very difficult to use sonar but is completely unsuited for nuclear submarines.

In this context, Sweden's new Blekinge-class submarine (artist rendering below) is a true game changer. Compared to diesel boats, the diesel-electric and Stirling AIP Blekinge is very quiet, has a relatively long range, and boasts many advanced capabilities. Equally important, Saab is offering the submarine in three different sizes for the export market, from small boats for short-range navies to large boats for navies that need to operate in blue water theaters like the Pacific Ocean.

The Royal Swedish Navy is opting for two of the medium-sized boats, which have much greater capabilities than the current fleet and will be able to operate farther from home – even in the Atlantic Ocean – but are still suited to the narrows of the Baltic.

In its present configuration, the medium sized Blekinge-class will be about 217 ft (66 m) long and displace 2,000 tonnes. These will not only be used for countering Soviet warships with torpedoes and missiles, but also intelligence, surveillance and reconnaissance by controlling drone submarines that will use active sonar while the Blekinge stays hidden. In addition, the boat will be a multi-mission portal for deploying special forces.

Given Russia's economic weakness, losses in Ukraine, and the lack of success in its invasion, it's extremely unlikely that a Cold-War-style offensive in the Baltic region is on the cards, but Sweden and Finland dumping neutrality for NATO membership has put the cat amongst the pigeons and there is always the possibility of some sort of retaliation on the part of Moscow.

In addition, Russia is nervous about the Kola Peninsula, which is central to Russia's defenses. This Russian Arctic region controls the country's navy, and especially submarines, access to the Arctic Ocean, and is key to the country's missile warning system against nuclear attacks. Protecting this will require Russia to devote more resources at the very least to guard its assets against NATO action.

The more advanced Blekinge submarine being more capable of acting in the Baltic than British or American boats will complicate Russian anti-submarine warfare and give Moscow major headaches as it tries to balance its strategic interests.

## Geopolitics

**As Pelosi arrives in Taiwan, the big question is if China's 'fire' rhetoric is just hot air** - Pelosi's visit is happening at a sensitive time for Xi. The party leadership is meeting this week at a resort in advance of the party congress due to be held this fall. Xi has made "reunification" with the island state a keystone of his rule.

When Pelosi left for Asia on Sunday, her official itinerary included stops in Singapore, Malaysia, South Korea and Japan — with no mention of Taiwan, despite weeks of buildup and debate about whether a visit is a smart move or not. That in itself isn't unusual; many visits by US lawmakers and policymakers to Taiwan occur without prior notice, in part to avoid a situation where China can use the ramp-up to try and prevent the visit.

With the final news that Pelosi would actually visit, Nouwens of the International Institute for Strategic Studies added that the huge amount of publicity means "Beijing will need to respond one way or another. Xi will have to show strength to his domestic audience. I don't think this will escalate into a conflict, but I expect heightened military signaling by the PLA — just enough to show the level of discontent in Beijing about this visit, but not so much that it risks escalating across the conflict threshold."

**China announces military drills encircling Taiwan as US Speaker Pelosi lands In Taipei** - China's People Liberation Army announced military drills encircling Taiwan, moments after a US Air Force-operated Boeing C-40C landed in the region with House of Representatives' Speaker Nancy Pelosi onboard. As per China's People Liberation Army's Eastern Command, the military drill will start tonight and will include long-range artillery firing in the Taiwan Straits as well as missile tests.

Earlier in an official statement, China's Ministry of Foreign Affairs called US House of Representatives Speaker Nancy Pelosi's visit to Taiwan a disregard of China's 'strong opposition and serious representations'. The Ministry called it a strong violation of the 'one-China principle and the provisions of the three China-U.S. joint communiqués'.



China strongly urged the United States "to stop playing the 'Taiwan card' and using Taiwan to contain China. It should stop meddling on Taiwan and interfering in China's internal affairs. It should stop supporting and conniving at 'Taiwan independence' separatist forces in any form. It should stop its acts of saying one thing but doing the opposite on the Taiwan question."

China said, *"It should stop distorting, obscuring and hollowing out the one-China principle. It must take credible actions to observe strictly the one-China principle and the provisions of the three China-U.S. joint communiqués, deliver on the 'five noes' commitment made by the U.S. leadership (i.e. not seek a 'new Cold War'; not seek to change China's system; the revitalization of its alliances is not against China; not support 'Taiwan independence'; not look for conflict with China), and not go further down the wrong and dangerous path."*

**China and Argentina** – relations between the two countries have been warming over the past few years, with Argentina having a “comprehensive strategic partnership” with China, a diplomatic status the latter confers on just a few countries.

The relationship between the two has continued to develop since the government of former President Cristina Fernández de Kirchner, under whom more than 20 treaties and investment projects were agreed.

Argentina attended the first Belt and Road Forum in Beijing in May 2017, signaling the country's interests in further aligning with the initiative.

In 2015 Argentina agreed to host a Chinese space tracking station in the southwestern province of Neuquen. These facilities have caused consternation in the US due to their potential for strategic uses, despite the station's civilian designation.

Since its inception, the Chinese base in a remote sector of Patagonia has been controversial, with several legislators and local officials protesting publicly that Argentina has granted sovereign rights over part of its territory to China, and that the facility, entirely controlled and staffed by a unit of China's military, could be used for military as well as civilian purposes.

When questioned about possible dual use of the base in late April 2016, China Launch and Satellite Tracking Control said the fact that the parabolic antennae could not be swiftly rotated meant they could not be used militarily. However, there are numerous military and signals intelligence uses for slow-maneuvering antennae, and the two antennae observed at the Patagonia site are in fact widely steerable. A diagram previously posted at the construction site showed the 35-meter parabolic antenna in a fully horizontal orientation, rather than the vertical position seen in the latest satellite imagery of the facility – the position most suitable for “deep space” purposes.

The relationship is not all smooth sailing, however. Disputes over Chinese fishing activities near Argentina's coast have occasionally created diplomatic tensions.

According to an informed source earlier this year, China has agreed to provide Argentina with the necessary weaponry to strike against the Falkland Islands, scene of a war between the UK and Argentina in 1982.

China's strategy is to support an Argentinian assault against the islands in order to distract the UK and its western allies in the event of any Taiwan conflict. It is reported that China has offered to provide support for “free.”

The Falklands Islands are in a strategic position, straddling as they do, vital global shipping lanes.



Aside from this, areas around Falkland Islands are said to have one of the world's largest reserves of oil, mainly in the north basin. There are reserves in the South and East of Falkland islands as well. The British Geological Survey estimates the oil at about 60 billion barrels.

The Falkland Islands also known Islas Malvinas comprise about 340 islands. The majority of the population is British descent. The islands have been under British control since the year 1833. In 1982, a brief war called the Falklands war started when Argentina's military junta invaded the Falkland Islands, South Georgia and South Sandwich Islands. The war which started on April 2, ended on June 14 after Argentina surrendered to Britain. Though the Falkland Islands is under British rule, Argentina still claims the islands, including them in the Argentine constitution.

Any future conflict between the UK and Argentina will see the latter require help, and China seems poised to provide just that.

**A new World Order ensues Ukraine War – Op Ed** - During the last few months of Russia's war against Ukraine, the perception of most of the countries of the world about the war in Ukraine has been formed not according to the western framework; and now they see the continuation of the conflict as a geopolitical game in which the west, instead of solving the Ukraine crisis, is trying to weaken Russia and does not intend to back down from aiming to discredit it.

The west was aware that the expansion of NATO in Russia's security environment is a red line for Moscow. On the other hand, having the vital energy artery of Europe, Russia thought it can maintain this security red line and adjust its relations with Europe and America based on its own geopolitical goals and achievement. However, not only did Russia not remove the threat, but Moscow's actions up to this point have backfired and created a front against it that has even placed the eastern and northern countries of Europe against it.

Currently, Ukraine is the victim of a proxy war between Russia and America, and the important issue for Washington and Moscow is neither the independence of Ukraine nor the complete destruction of this country, but the desire and will of both sides of the war to defend an order based on the rules of the logic of military force. Therefore, the war in Ukraine, as a historical turning point for which there is no imminent end, has a painful end for the Ukrainians and even global security. These conditions have created a situation that has complicated the probability of reaching a political agreement.

The global hatred of proxy wars, which is the result of the complications of the open competition between Russia and the United States in Ukraine, has led to a deep international dislike of the United States and Europe, as well as Russia, whose military interventions to protect their interests in Africa, Vietnam, Afghanistan, Iraq, Syria, Libya and Yemen over the last half century have left nothing but death and destruction.

Beijing, Moscow, Delhi, and Tehran consider Russia's economic blockade and its destructive economic and security consequences as a national and global threat, and even in the United Nations General Assembly, in which Russia's aggression against Ukraine was condemned by an overwhelming majority of 141 votes, abstained in order to stay away from the West's confrontation with Russia as much as possible.

As the leader of the African continent, South Africa also blamed the United States for its past military follies in Afghanistan, Iraq, and Libya during the discussion about the deteriorating humanitarian situation in the Ukraine war at the United Nations. South Africa also listed the United States and its Western allies as violators of the UN Charter, who seek to gain their geopolitical interests against Russia by supporting the UN resolution condemning Moscow.

The actions of these countries against the United States first of all reflect the challenges that Washington is facing to show a united front in support of Ukraine and condemn Russia as an aggressor. Except for America's close friends and military allies in Europe and East Asia, most countries in the world are not interested in joining the US campaign to isolate Russia. It is natural that in the process of the war in Ukraine, proceeding between the two major military powers, we will

face a world in the future in which either a new era of multi-polarity or absolute unilateralism will prevail; a new era in which, without a doubt, either the United States or Russia is no longer considered a military superpower.

In fact, at the end of the war in Ukraine, we are certainly not going to return to the same world we were in before the war. In the future, a new world order based on the final outcome of the war will be formed and will define and outline the final form of the peace treaty between Russia and America in the future order.

Therefore, non-aligned countries of the world should have realistic prospects in mind and think about how peace will be achieved, or how to prevent the third world war, and therefore will not be inclined to adopt a completely anti-Russian or anti-American position. The United Nations, which has always been under relentless attack by veto power, will lose its international and mediating advantages even more by exercising the power of the victorious side of the war-unless it is revived.

It can be said with certainty that there is a decisive issue in the future of the Ukrainian war: that the war can only have one winner under the name of America or Russia. If Russia wins the war, with the military power it will gain in cooperation with its partners such as China, India, and Iran, it will dominate a large part of the rich natural sources and human resources of the world and can easily create a “uni-multipolar world.”

Undoubtedly, India, the main rival of China in the region, will become the most important supporter of the United States by creating a delicate balance in maintaining constructive relations with the West, and a traditional neutral global actor will act against China.

This condition can restore the lost trust of the United States to it, and even countries like Israel, Saudi Arabia, and the United Arab Emirates, who had lost their trust in Washington and turned to China and Russia, will have no choice. To protect what they have developed in the framework of strategic diversity, they will return to cooperation with the United States, because there will no longer be a path to continue cooperation with Moscow and Beijing.

Even countries that have gradually, especially since the Trump era, come to the conclusion that the era of the United States is over must return to the world of American unilateralism with a rapid transformation. Even India and China cannot use dissatisfaction with America as a balancing factor in foreign policy if America wins over Russia in this war and appear hesitant in regulating relations with the United States.

Trying to be optimistic, it can be said that perhaps from the day after the end of the war in Ukraine due to the victory of the US or Russia, observer or supporting countries will not participate in the global competition between the Kremlin and the White House for at least a few decades; saving themselves from falling into the abyss of conflict between the great powers, because the common mutual threats of the Cold War between the West and Russia, which plagued many countries of the world, will end forever. (Timothy Hopper of eurasiareview).

**Sweden foreign ministry summons Russian Ambassador Viktor Tatarintsev** - The Swedish Foreign Ministry summoned the Russian Ambassador to Sweden, Viktor Tatarintsev on Monday, 1 August, Embassy sources told TASS. The embassy sources did not reveal the details of the conversation between the embassy officials of Russia and the Foreign Minister of Sweden. The parliamentary parties had raised the demand to summon the Russian ambassador in connection with diplomats' statement on the death of a Swedish national who participated from the Ukrainian side in the ongoing war between Russia and Ukraine.