

Conflict Update # 327

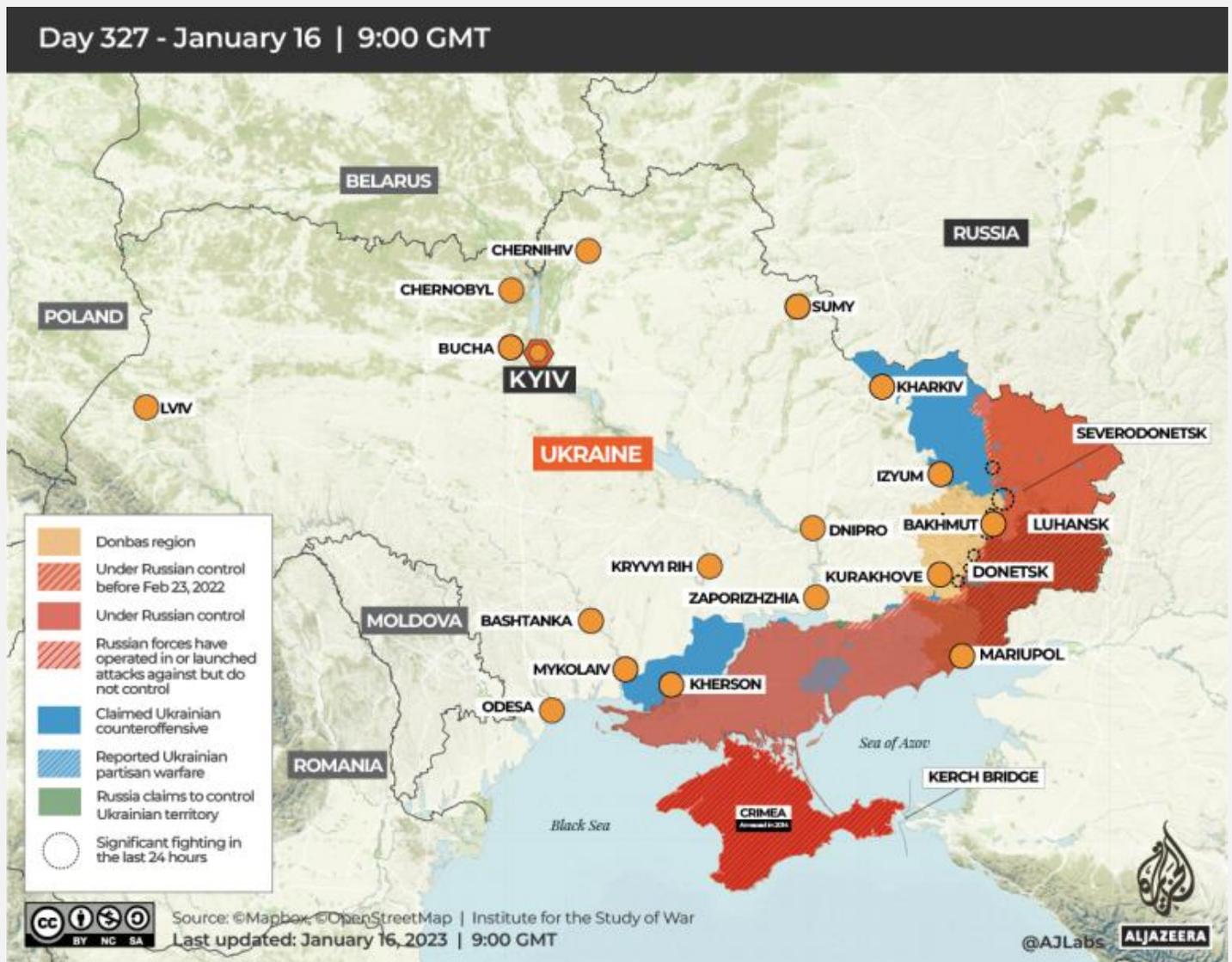
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Conflict Assessment

Russian losses – 116,080 (790) soldiers killed, 3,118 (+12) enemy tanks, 6,204 (+21) armored combat vehicles, 2,099 (+5) artillery systems, 438 (+1) MLRS systems, 220 (+1) air defense systems, 286 (+0) warplanes, 276 (+0) helicopters, 1,872 (+0) UAVs of the operational-tactical level, 749 (+0) cruise missiles, 17 (+0) warships/cutters, 4,870 (+24) trucks and tankers, 4 Iskander Missile Launchers (+0), 239 fuel bowsers (+0) and 190 (+3) units of equipment.

Key Takeaways



Civilian death toll from attack in Dnipro rises - At least 40 people now killed in Dnipro bombing: Governor

At least 40 people are confirmed dead so far in the Russia bombing of an apartment building in Dnipro as the search for more survivors is ongoing, says Valentyn Reznichenko, governor of the Dnipropetrovsk region.

"The search for people underneath the rubble continues," Reznichenko said on the Telegram messaging app.

Ukraine's air force said the apartment block was struck by a Russian Kh-22 missile, which is known to be inaccurate and which Ukraine lacks the air defences to shoot down. The Soviet-era missile was developed during the Cold War to destroy warships.

Sweden says Dnipro attack a 'war crime' - Sweden, which currently holds the EU presidency, condemns Saturday's attack on Dnipro that left more than 30 dead, saying those responsible for "war crimes" must be held to account.

An apartment building was hit in the attack which Ukraine blames on Russia, but the Kremlin suggests Kyiv's air defences knocked a Russian missile off course.

Kremlin denies responsibility for Dnipro attack - The Kremlin denies responsibility for a missile strike on an apartment block in the city of Dnipro that killed at least 35 people.

"The Russian armed forces do not strike residential buildings or social infrastructure. They strike military targets," Peskov told reporters before the Kremlin spokesman referred to the "conclusion of some representatives of the Ukrainian side" that the strike could have been caused by air defence systems.

Kyiv says the apartment building was hit on Saturday by a Russian ship-to-ship missile that Ukraine does not have the capabilities to shoot down.

The strike on Dnipro has been the deadliest against civilians from Moscow's recent barrage of attacks.



Ukraine identifies Russian unit responsible for kh-22 missile hit on Dnipro - Ukraine officials yesterday stated which Russian military outfit they believe was responsible for the bombing of a high-rise apartment building in Dnipro that has led to more than two dozen deaths.

Ukraine's office of the Prosecutor General said it was Russia's 52nd Guards Bomber Aviation Regiment.

"According to preliminary information, the Kh-22 missile was used. This type of missile leads to the greatest human casualties, because the missile is extremely inaccurate, has a huge deviation.

Therefore, the use of such weapons for targets in densely populated areas is clearly a war crime," the Ukraine office said in a Telegram post. "This type of rocket was used in Sergiivka and Kremenchuk. It can be launched by a single Russian unit - the 52nd Guards Bomber Aviation Regiment."

The Kh-22 missiles were largely responsible for massive destruction and deaths Saturday in Dnipro, located in the contentious Eastern Ukraine, where Russia has already occupied many territories and battles to save that territory.

The City of Dnipro issued a three-day mourning period to honor those killed in the rocket attacks on Saturday.

The Prosecutor General's office called the attacks a crime against humanity since it was nowhere near a military facility.

"This tragedy is not just a war crime, it is a crime against humanity. A large-scale killing of civilians in Ukraine," the office stated. "Every important piece of evidence will be documented. The investigation and prosecutors will establish and bring to justice both those who directly launched the missiles and their commanders who gave this criminal order. The entire Russian military leadership."

On Saturday night, Ukraine stated it does not have sufficient equipment to down missiles like the Kh-22, or X-22, like the ones used in Dnipro.

"In the Armed Forces of Ukraine there are no fire devices capable of shooting down this type of missile. Since the beginning of Russian military aggression on Ukraine, more than 210 missiles of this type have been launched. None of them are knocked down by air defense equipment," said Lieutenant General Nikolai Oleshuk, Commander of the Air Force of the Armed Forces of Ukraine.

Ukraine does have defense systems that can decipher these are Kh-22 missiles, but no capability to shoot them down.

"Only anti-aircraft missile complexes that can in the future be provided to Ukraine by Western partners (systems such as Patriot PAC-3 or SAMP-T), are capable of intercepting data air targets," Oleshuk said.

The United States has promised Patriot Missile Defense systems to Ukraine, per a meeting with Zelensky and U.S. President Joe Biden late in 2022. Other western European nations have also pledged similar air defense systems.

Belarus, Russia drills focus on compatibility - Al Jazeera, reporting from Moscow, says the military drills between Belarus and Russia are being referred to as "technical drills" focused on the compatibility of their two air forces.

"We all know that last month President Vladimir Putin went to Minsk, where he met his counterpart [Alexander] Lukashenko, where they agreed that Russia will provide the Belarusian air force with training to be able to use what they described as aircraft that could carry unconventional weapons," Hashem said.

He added that the drills are to focus on patrolling during operations and have been "described as defensive drills, not offensive ones."

However, as Russia begins its latest phase in the war with its offensive to capture the eastern town of Soledar and changes in its military leadership, "there are many concerns with the role Belarus is playing with respect to the war, whether this is going to have [an] impact," Hashem said.

Russian battalion only has 10 tanks and 30 soldiers left - One of the battalions making up an "elite" Russian tank regiment in Ukraine has just 10 tanks left, operated by 30 soldiers, according to sources.

Russia's 26th Tank Regiment, which is fighting around Kupiansk in Kharkiv Oblast, had 10 T-80BV main battle tanks still in "serviceable condition" UGS of Ukraine posted on Facebook on Sunday.

The rest are "destroyed or disabled," according to UGS with those in operation manned by c30 Russian personnel.

A Russian tank battalion typically consists of approximately 40 main battle tanks, according to current affairs magazine The Diplomat. Each of the Russian tank regiments has around 93 tanks in three battalions, according to Insider.

In the early days of the war, it was reported there were morale problems in this tank unit, with UGS posting on Facebook that soldiers in the regiment asked to end their contracts to fight in Ukraine (pictured right).

The 26th Tank Regiment is part of the 47th Guards Tank Division, which is a crucial point, according to Defense and security analyst Professor Michael Clarke, given the "elite" status conferred by the title of "Guards." It is typically awarded by the Kremlin for distinguished service, while the fact that the regiment is equipped with T-80 tanks rather than standard T-72s shows the unit's importance, Clarke stressed.



Russian soldiers blow themselves up by 'careless handling' of ammunition - Russian troops called to fight in Ukraine were killed in an explosion caused by the "careless handling" of ammunition, according to Russian state media.

The Ukraine invasion continues to stagnate nearly a year after Putin announced his plans for the "special military operation." Although Putin initially aimed for a quick victory against his smaller Eastern European neighbor, his troops have struggled to achieve any substantial victories as losses continue piling up.

Military experts say the invasion exposed several flaws among Putin's troops, including an inability to maintain well-trained, motivated ones. These weaknesses, coupled with Kyiv's stronger-than-expected defense effort that has been bolstered by Western military aid, has allowed Ukraine to retake thousands of square miles of formerly occupied territory, blunting Putin's military gains.

Comment – Appears to be linked to the dearth of trained soldiers. During my training decades ago, safe handling of ammunition was an instrumental element of our curriculum.

Ukrainians anger Putin by learning to shoot down Russian missiles and drones - The missile and drone war is changing. The Ukrainians are being very creative and innovative in their fight against the Russians.

Recently, in Mykolaiv, they produced a weapon of their own, which is dedicated exclusively to shooting down drones, which the Russians have taken from the Iranians and are using to attack their energy infrastructure.

The National Guard in cooperation with civilian technicians have produced a type of large-caliber machine gun, which is said to have become the "nightmare" of Russian drones.

"When the Ukrainian people come together, great ideas and projects are born," said Dmytro Horbachyk of the National Guard of Ukraine.

Kremlin: British tanks 'will burn just like the rest' - The tanks Britain plans to send to Ukraine "will burn," the Kremlin says.

On Saturday, Britain said it would dispatch 14 of its Challenger 2 main battle tanks and advanced artillery support in the coming weeks.

“They are using this country as a tool to achieve their anti-Russian goals,” Kremlin spokesman Dmitry Peskov said. **(Comment – You better believe it Dmitry).**

“These tanks are burning and will burn just like the rest,” Peskov said while insisting that new weapons from countries like Britain and Poland will not change the situation on the ground.

Russia produces nuclear warheads for ‘practically indestructible’ super torpedoes - Russia has produced nuclear warheads for the Belgorod nuclear state-owned agency reports. the Poseidon super torpedoes to be deployed on the submarine, the TASS news



“The first Poseidon ammunition loads have been manufactured, and the Belgorod submarine will receive them in the near future,” TASS quoted an unidentified defence source as saying.

Putin first announced the super torpedoes in 2018, saying they were a new type of strategic nuclear weapon with their own nuclear power source.

In a 2018 speech, Putin said the torpedoes’ range would be unlimited and they could operate at extreme depths.

“They are very low noise, have high maneuverability and are practically indestructible for the enemy,” Putin said. “There is no weapon that can counter them in the world today.”

Battle for Soledar isn’t over: Ukrainian minister - Ukraine insists its forces are still battling to hold the town of Soledar in the Donetsk region, saying street fighting is raging and Russian forces are advancing from various directions.

“Put simply, THE BATTLE CONTINUES,” Deputy Defence Minister Hanna Maliar said on the Telegram messaging app. “Everything else is unverified information.”

Putin

Putin denies rift between Wagner Group and defence ministry - The Kremlin denies any conflict between the Ministry of Defence and the Wagner mercenary group, calling such reports an invention of the media.

The tension between Wagner and the defence establishment was exposed on Friday when the ministry claimed to have captured the town of Soledar but did not mention Wagner’s role in the fighting.

The head of the mercenary group, Yevgeny Prigozhin, complained of attempts to minimize his forces’ role and belittle their achievements.

The ministry later issued an update praising the “courageous and selfless actions” of Wagner fighters.

Kremlin spokesman Dmitry Peskov told reporters that Russia recognised both state and Wagner fighters as heroes and “both of them will be forever in our memory.”

“Everyone is fighting for their country, so this is how it should be viewed,” he said.

Ukrainian forces begin expanded U.S. military training in Germany - The U.S. military began expanded combat training of Ukrainian forces in Germany Sunday — with some 500 soldiers set to participate in the "combined arms" program over the next weeks before returning to Ukraine, per AP.

What they're saying: The U.S. military program's aim is for the incoming military equipment to reach Ukraine "sometime before the spring rains show up" so the newly trained troops can use it, Milley said, per AP.

Milley told the Washington Post Sunday it'd "take a bit of time" to get the Ukrainian troops combat-ready with the tanks, artillery, combat vehicles and other weaponry — "five, six, seven, eight weeks, who knows."

However, he said the soldiers' familiarity with the T-72 tank and other armored weapons would ease the situation. "We'll see what happens here," Milley added. "But in terms of the criticality of it, the need is now."

Comment – We know there has been ongoing training of Ukrainian operators and troops for some time already and announcements of training generally follow training completed, so as not to alert Russian Intelligence. I believe it safe to assume the US and other NATO countries have trained Ukrainians in the use of these vehicles and platforms, and are now making noises about supplies.

Impacts

Former Russian commander warns of 'civil war' that will 'kill' Russia - Former Russian commander Igor Ivanovich Strelkov, also known as Igor Girkin, recently warned of "civil war" in Russia that could result in "millions of casualties" as the country continues to fight in the ongoing war in Ukraine.

"There are all kinds of civil wars. There are civil wars that will kill our country in three days in winter. And it will be over in three days, but it will kill the country," Girkin said in a clip with subtitles that was posted to Twitter on Sunday by Anton Gerashchenko, adviser to the Minister of Internal Affairs of Ukraine.

In the clip, Girkin added that Moscow could "collapse into a civil war with millions of casualties, with a complete collapse and defragmentation."

Russia continues to fight in Ukraine despite struggles in obtaining military equipment, shortage in manpower, poor morale among troops, and what some predicted an internal division within military leaders.

Warnings about a civil war breaking out in Moscow have been previously made by some of Putin's critics.

"What will be depends greatly on the way this war will conclude," Feygin said, adding that Ukraine could "crash" Putin's government without even taking back Crimea if Kyiv's troops are able to fully liberate the Kherson, Zaporizhia, Luhansk, and Donetsk oblasts.

"The easiest would be if elites inside Russia will make up their mind and choose a replacement for Putin, a replacement who could negotiate with the West, could provide some initial framework for concluding the logistics of that war, and then also work towards future elections," Feygin said.

This past November, some leaked emails from a whistleblower at Russia's Federal Security Service (FSB) that were shared with Newsweek revealed how a possible civil war could break out among Putin's closest allies.

Russia may hike taxes as military spending, oil price weigh on budget - Russia is becoming too dependent on oil revenues to support its budget as it ramps up military spending, economists said, warning that the government may have to raise taxes if prices of crude fail to meet expectations this year.

The price of Urals oil - Russia's main export - has plunged more than 20% since early December, when Western nations led by the G7 imposed a \$60 price cap on Russian oil exports to restrict Moscow's ability to finance what it calls its "special military operation" in Ukraine.

Given that the 2023 federal budget is based on a projected Urals price of just over \$70 a barrel, and prices are currently trading closer to \$50, this could prove problematic.

As the price cap, Western sanctions and EU embargo make it harder for Russia to export oil, Moscow has relied on China and India - the world's largest and third-largest importers, respectively - to fill the gap.

"The growing dependence of the budget on oil raises concerns," Alfa Bank said in a note that warned a decline in revenue from gas and oil product exports "looms on the horizon."

Analysts say that as the government increased spending by more than a quarter in 2022, in part to finance its military in Ukraine, the oil price required to balance the budget jumped from \$67 to \$101 a barrel.

When state-owned energy giant Gazprom's 1.85 trillion roubles (\$27.5 billion) of dividends and one-off taxes last year are factored in, the actual price of oil needed to balance the books could be as high as \$115 a barrel.

Russia's budget hole last year totaled 3.3 trillion roubles (\$49 billion), or 2.3% of gross domestic product, and may exceed 2% again in 2023 as the price cap curbs Russia's export revenues, Finance Minister Siluanov said in December.

"When there is a big gap between the actual price (of oil) and the balancing price, it cannot be sustainably covered by borrowing," said Natalia Orlova, chief economist at Alfa Bank.

"Some measures are needed to adjust fiscal policy, either by cutting spending or looking for additional revenues."

With Putin expected to seek a historic fifth term in an election due in 2024 and regional votes taking place later this year, spending cuts are out of the question, she added.

Last year's budget, heavily skewed towards defence spending, has raised the risk of a higher tax burden in the medium term, Renaissance Capital economists said.

Deputy Finance Minister Alexei Sazanov hinted at the possibility of another tax hike in December, suggesting that the government would continue to look at areas of tax potential in 2023.

British foreign minister says he has been sanctioned by Russia - British Foreign Minister James Cleverly says the Russian government has placed sanctions on him.

"I've been sanctioned by the Russian government. Good. If this is the price for supporting Ukrainian freedom, then I'm happy to be sanctioned #SlavaUkraini [Glory to Ukraine]," Cleverly wrote on Twitter.

Germany will be able to fill up gas storage tanks over coming year - Germany can reasonably hope to fill up its gas storage tanks at favourable prices for next winter, Economy Minister Robert Habeck says, but he cautions that the energy crisis is not over yet.

"For the year 2023, and the winter of 2023-24, I think we have a more than justified hope that we will have full storage facilities at the beginning of winter as well and that we will then have energy security and stability ... also at favourable prices," he said at an energy summit organised by Handelsblatt newspaper.

Habeck added that Germany has built liquefied gas terminals as short-term gas import facilities that can handle 14 billion cubic metres (495 billion cubic feet) per year.

But 30 billion cubic metres (1.06 trillion cubic feet) are still needed to make up for Russian gas imports disrupted by Moscow's invasion of Ukraine.

'Russia's Rambo,' once a Putin favorite, says he'd now fight for Ukraine and feels 'nothing but hatred' for his home country - Russian actor Artur Smolyaninov was the star of one of Putin's favorite films – about a Soviet unit making a last-ditch stand against Afghan insurgents. Now he is classified as a "foreign agent" and faces criminal investigation.

Smolyaninov was the hero of “Devyataya Rota” (The 9th Company), a Russian feature film that came out in 2005. He played the part of the last soldier standing during a battle in Afghanistan, which Soviet forces occupied for a decade. He was often described as Russia’s Rambo, a nod to the US action movies starring Sylvester Stallone.

Containment

Ukrainian ambassador says 'ice' is breaking on allied arms shipments - Ukraine's ambassador to Canada says she thinks there has been a breakthrough in the supply of weapons being shipped to her embattled country, as Canada prepares to send a major air defence system and other allies provide more arms.

"I would call it the ice breaking, because a lot of kind of the weapons that the government of our partners and allies are supplying us now, we have been asking [for] since February 24," Yulia Kovaliv said in an interview on Rosemary Barton Live airing Sunday.

NATO chief hints at more heavy weapons deliveries to Ukraine - Jens Stoltenberg says he expects more weapons deliveries to war-torn Ukraine after UK pledges Challenger 2 tanks.

NATO Secretary General Jens Stoltenberg has hailed recent pledges of heavy weapons deliveries from Western allies to Ukraine, saying he expected more “in the near future.”

The head of the transatlantic military alliance made the comments on Sunday, a day after a wave of Russian attacks across Ukraine again targeted critical infrastructure and left at least 40 people dead after a residential building was hit in the east-central city of Dnipro.

“The recent pledges for heavy warfare equipment are important — and I expect more in the near future,” Stoltenberg told Germany’s Handelsblatt daily ahead of a meeting on Friday of defence officials from the bloc meant to coordinate arms transfers to Kyiv. What NATO refers to as the Ukraine Defense Contact Group is set to hold its third meeting at the US Ramstein Air Base in the German state of Rhineland-Palatinate on Friday.

He spoke shortly after United Kingdom Prime Minister Rishi Sunak pledged to provide Challenger 2 tanks to Ukraine, making it the first Western country to supply heavy tanks to Kyiv.

Poland and Finland have also signalled their willingness to provide Ukraine with the German-made Leopard 2 tanks, increasing pressure on German Chancellor Olaf Scholz and his coalition government.

Donetsk football club to provide \$25m for soldiers - Ukrainian football club Shakhtar Donetsk will allocate \$25 million to help soldiers and their families, club President Rinat Akhmetov says a day after receiving a record transfer fee for the player Mykhailo Mudryk from Premier League club Chelsea.

After the transfer of Mudryk to Chelsea on Sunday, Shakhtar said the club “will receive 70 million euros [\$76m] for the player, and another 30 million euros [\$32.5m] is envisaged as a bonus payment”. “I am allocating \$25m today to help our soldiers, defenders and their families,” Akhmetov said in a statement on the club’s website.

He added that the money would go to help Ukrainian soldiers who defended the port of Mariupol while it was besieged by Russian forces and the families of soldiers who have been killed.

Chelsea was formerly owned by the Russian oligarch Roman Abramovich. He put the club up for sale after Russia launched its invasion of Ukraine. Akhmetov said Shakhtar would play a friendly against Chelsea at their Donbas Arena.

Poland calls on Germany to send Ukraine all the weapons it needs - Polish Prime Minister Mateusz Morawiecki said Germany should send Ukraine all the weapons it needs, including tanks, to defend itself against Russia.

Delivering the keynote speech at a ceremony marking former German Finance Minister Wolfgang Schäuble's half-century in parliament, Morawiecki criticized German Chancellor Olaf Scholz's reluctance to send heavier weaponry.

"I call for decisive actions by the German government," he said to applause from the mostly conservative German legislators at the ceremony.

"The battle for freedom and our future is raging as we speak. ... Tanks must not be left in storehouses but placed in their hands," the prime minister said.

Ukraine expected to receive \$3.25bn from EU this week - Ukraine expects to receive the first 3-billion-euro (\$3.25bn) instalment of an 18-billion-euro (\$19.5bn) support package from the European Union this week, its prime minister says.

Prime Minister Denys Shmyhal wrote on Twitter: "Ukraine and the EU have just signed a Memorandum of Understanding on the provision of 18 billion euros in macro-financial assistance.

"We expect to receive a tranche of 3 billion euros this week. Many thanks to Ursula von der Leyen and Valdis Dombrovskis. This will help maintain macroeconomic stability going forward."

Japan to expand island military base near Taiwan after China's missile drills - Japan is expanding a military base on a tiny island east of Taiwan months after the Chinese military's ballistic missiles landed near its shores last year, rattling locals amid worsening regional military tensions.

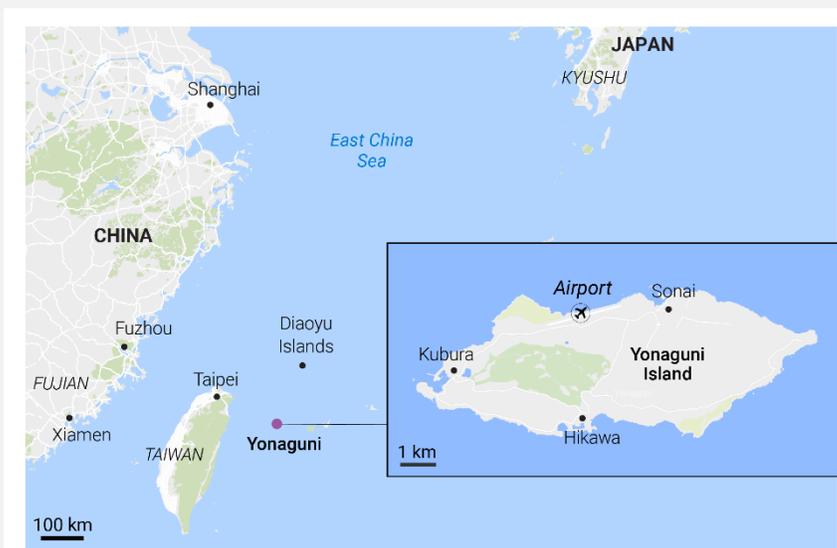
Yonaguni, a remote outpost of Japan's southern Okinawa prefecture, is located 110km from Taiwan and is near the Diaoyu Islands, a group of islands claimed by Beijing but administered by Tokyo as the Senkakus.

In August, Yonaguni's 1,700 residents were shocked when six Chinese missiles fell just off its shores, in waters Tokyo considers to be within Japan's exclusive economic zone.

The weapons were part of air and sea exercises conducted by Chinese military units in response to a visit to Taiwan by then-speaker of the US House, Pelosi.

Work is now under way on Yonaguni to expand a base for the Japan Self-Defence Forces and deploy a surface-to-air missile unit to the island. Given the presence of Japanese forces and the island's proximity to Taiwan – making it strategically important – analysts have suggested that it would inevitably be attacked in the event of a regional conflict.

The prefecture is home to the bulk of US forces stationed in Japan and has large naval and air facilities that would be among the first to respond to a crisis across the Taiwan Strait.



Sanctions

India looks to trade in rupees with Russia - India is hopeful that trade in rupees with Russia will pick up after the two countries spoke about facilitating transactions in local currencies, an Indian trade ministry official said.

India has been exploring a rupee trade settlement mechanism with Russia soon after Moscow invaded Ukraine in February, but the countries have not formalized the rules yet.

India is looking to step up its exports of electronics to Russia, Satya Srinivas, a secretary at the trade ministry, told reporters in New Delhi. The two countries are engaging “at all levels” to resolve issues related to trade barriers and a payments mechanism, he said.

Comment – India will need to declare which side it is on – Murder or Peace – and will be subject to US scrutiny regarding whether it is breaking any sanctions with its electronics. India is the US' 10th largest supplier of goods imports and 12th largest export market.

Geopolitics

Humiliating video of Chinese troops being beaten with sticks on Himalayan border - A video has emerged of a previously unreported violent clash between Chinese and Indian troops at their disputed Himalayan border.

The soldiers fought with rocks, sticks and metal pipes before breaking through a barrier on the disputed border between the two countries.

The incident — which has been described by experts as a victory for the Indian side — is the most recent escalation in five decades of conflict.

In the video, which began circling on Indian social media in December, soldiers from both countries can be seen on mountainous terrain and separated by barbed wire. Indian troops appear to be beating Chinese soldiers with makeshift weapons, including wooden sticks and metal pipes. Several of the soldiers throw bricks and stones.

Many Chinese troops, gathered on the other side of the wire, also appear to be holding wooden planks or batons.

The barbed wire collapses mid-video, and the Indian soldiers cross through — prompting the Chinese troops to flee over a stone wall, amid cheers from the Indian side.

The video is believed to have been filmed in the mountainous Indian state of Arunachal Pradesh at the Line of Actual Control — the de facto border between the two countries — on September 28, 2021.

It is not clear who filmed or released it, though the Indian defence minister confirmed a brawl had taken place and minor injuries incurred.

A 1996 agreement between New Delhi and Beijing forbids the use of firearms during border skirmishes.

Fighting with primitive weapons can avoid an even more deadly and dangerous escalation between the world's two most populous nations both of which possess nuclear weapons.



Despite agreements, China continues to construct roads, bridges, airfields and other strategic elements, some in disputed territories which creates dissention between the two countries.

Polarization eats the developed world - Economic fear is creating record levels of polarization around the globe, particularly in developed nations with slow-growth economies, like Spain and Japan, according to Edelman's latest annual Trust Barometer survey.

Why it matters: Polarization leads to instability, creating uncertainty for business. That puts more pressure on companies and corporate leaders to establish the trust among consumers that governments have failed to win.

The big picture: For the third year in a row, business is the only institution globally that is seen as both ethical and competent. Media and government are seen as particularly unethical and incompetent in addressing societal problems, while NGOs are perceived as ethical, but less competent.

Details: Around the world, economic optimism has cratered thanks to rising inflation in the wake of the pandemic.

In 24 of the 28 countries surveyed, plummeted to all-time lows, per the study. believe that they and their families will be

None of the 14 more than 35% of its confident that their family

Be smart: Developing nations economies, such as Brazil and Mexico, are largest trust gaps between business economies such as Indonesia, Saudi smallest.



confidence in the economy has Only respondents in China better off in five years.

developed nations surveyed had respondents saying they were will be better off in five years.

with slow-growth Argentina, South Africa, experiencing some of the and government, while fast-expanding Arabia, and Singapore are experiencing the

Between the lines: In places that have long been considered stable democracies, like the US and Argentina, economic and political distrust is driving more polarization.

Six countries globally — US, Colombia, South Africa, Argentina, Spain and Sweden — are considered severely polarized, according to the data.

Brazil, Mexico, France, the U.K., Japan, Italy, Germany and the Netherlands are in danger of severe polarization.

Levels of polarization and economic distrust are lower in authoritarian regimes like UAE and Saudi Arabia, in part due to more economic optimism in those countries.

Be smart: Polarization, by Edelman's definition, occurs as a result of several factors, including economic pessimism, distrust in media and government, systemic inequality and a lack of shared identity.

Across nearly every country surveyed, trust in business is stronger than trust in government. And in democracies, trust in government is particularly low.

In authoritarian regimes like UAE, Saudi Arabia and China, the gap between business and government is relatively small.

The intrigue: Across countries with high GDPs, like the US, China, India, France, and the U.K., trust in foreign businesses is declining.

What to watch: In polarized nations, businesses face more risk for speaking out on societal issues, according to data.

Businesses can protect themselves from becoming mired in politics by issuing trustworthy information that is backed by data or science and by taking stands that consistently align with corporate values.

Yes, but: Stakeholders still expect CEOs to take a stand on issues like employee inequity, climate change and discrimination.

Article by Sara Fischer and Eleanor Hawkins in Axios

Why won't the US break up the China-Russia friendship? The answer is Europe – The new year has begun with America looking to have it all. Putin's offer of an Orthodox Christmas ceasefire was rebuffed by Ukraine, and the US scorned Putin for "trying to find some oxygen" with the proposal.

More recently, some heavyweight German lawmakers turned up in Taiwan, defying Beijing, while Japan has just agreed for British troops to be stationed in its territory, inviting expressions of displeasure from the Chinese Foreign Ministry.

All this begets a simple question: isn't it presumptuous of Washington to assume that it can play hard ball with Beijing and Moscow simultaneously and get its own way, while taking for granted the support of the European Union and Japan along the way?

Half a century ago, US president on America's China policy, Washington-Moscow-triangle. In the name of its "angry administration made the stalwart which had fought a United States in Korea proxy war with it in the foundation of the the former Soviet



Richard Nixon took a U-turn breaking up the Beijing geopolitical of bringing China out isolation," his a de facto ally out of communist state bloody war with the and was engaging in a Vietnam – thus laying eventual collapse of Union.

Today, Washington faces a similar situation, with Russia and China having swapped their hierarchical positions. Beijing is now seen as the higher-up and Moscow as the one fighting a proxy war for it in Ukraine, according to some commentators applying history to analyses of current affairs.

Beijing is playing an awkward No. 1, though, still dizzy from the speed with which it has shot to the top position, while Moscow remains steeped in self-regarding nostalgia for what it used to be not that long ago.

Still, a simple calculation on the back of an envelope would tell Washington of the merit of a reversed version of the Nixon moment: convinced that China possesses both the intent and the power to challenge America, Washington must win over Russia to succeed in its contest against China.

To say all this now is irrelevant, however, given that Putin's "special military operation" against Ukraine has raged for almost a year and Russia has been locked up as America's "immediate threat."

As a matter of fact, conciliatory positioning towards Russia has never been easy in Washington, largely thanks to "the blob." This is an evocative term used by critics to denote the foreign policy establishment in Washington, a group of elites who partner on a hawkish foreign policy and champion the Judeo-Christian faith in American supremacy on the

world stage, opposing the realism and non-interventionism which tend to emphasize the importance of prudence and the perils of military adventurism.

The blob harbours an innate suspicion of and even outright hostility towards Russia, which hardly needs arousing. It was reinvigorated instantly after February 24 last year – hence President Biden rediscovering in himself a Cold Warrior, his branding of Putin as a “pariah” and his appeal that the Russian leader “cannot remain in power”.

All is not lost, however, as Washington seems to be facing up to the fait accompli and trying to make the most of it, notably in Europe.

That Europe is a pivotal asset America as an empire cannot do without has been crystal clear since World War II, in particular since the start of the Cold War. The European drive for integration, now epitomized by the European Union, started to worry America around the time of then German chancellor Willy Brandt’s Ostpolitik in late 1960s.

Washington has managed to restrain this tendency through the mechanism of Nato and the alien existence of the Soviet Union and, for that matter, Russia. If Russia were to be made an ally comparable to China 50 years ago, Europe would certainly not accept being another Japan. That is, it would be irrepressibly vocal in the demand for total autonomy, with the Russia piece falling into the “common European home” jigsaw.

In a December issue of National Interest, a contributing essayist drew attention to “the virtual glee” with which France and Germany reacted to Russia’s annexation of Crimea from Ukraine in 2014. “Make no mistake,” he pointed out, “Berlin and Paris saw this as an opportunity, not an affront to the international system.”

“It was an unmistakable chance to shake free of the United States and demonstrate to Russia that the Euro-Atlantic need not be shackled to the Americo-Atlantic,” he wrote, adding: “The Russo-Ukrainian War has presented no cause for optimism that France and Germany have shed their delusional quest for strategic autonomy.”

One would recall that Nixon in 1972 was convinced that the Europeans were prepared to “cut their own throats economically to take us on politically,” an observation which, incidentally, is echoed by the pertinent points made in my previous column.

Washington may, therefore, be preparing for the contingency that containment, let alone defeat, of China proves untenable, resulting in a bipolar world which the two superpowers co-dominate, as Australian former prime minister Paul Keating suggested three months ago.

Either way, a truly independent Europe seems to be out of the question in Washington’s cold calculation, even though that means pushing Moscow into Beijing’s arms. Thus America allows itself much leeway, for now.

Article by Terry Su is president of Lulu Derivation Data Ltd in South China Morning Post