

Conflict Update # 347

February 5th, 2023

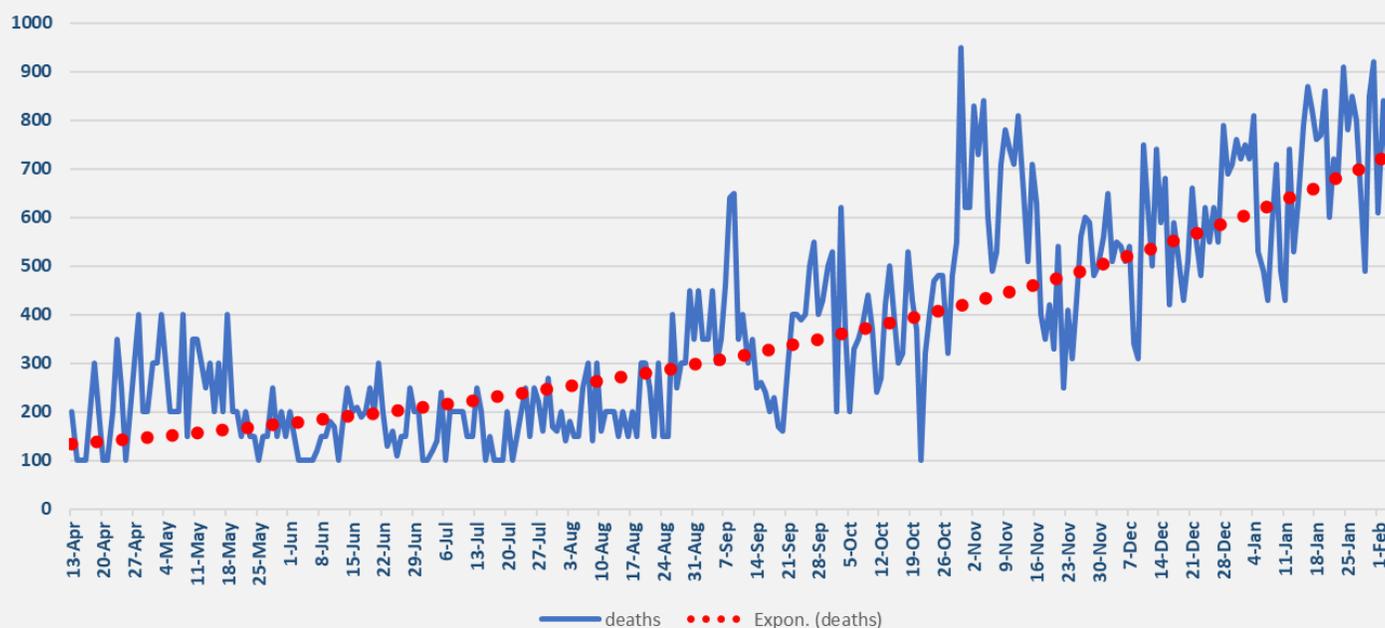
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Conflict Assessment

Russian losses¹ – 131,290 (700) soldiers killed, 3,220 (+2) enemy tanks, 6,405 (+11) armored combat vehicles, 2,226 (+6) artillery systems, 460 (+2) MLRS systems, 227 (+2) air defense systems, 294 (+0) warplanes, 284 (+0) helicopters, 1,958 (+2) UAVs of the operational-tactical level, 796 (+0) cruise missiles, 18 (+0) warships/cutters, 5,091 (+10) trucks and tankers, 4 Iskander Missile Launchers (+0), 239 fuel bowsers (+0) and 203 (+0) units of equipment.

Key Takeaways

Russian troop deaths by day



Ukraine says it will not strike Russian territory with new missiles - Ukraine will not use longer-range weapons pledged by the United States to hit Russian territory and will only target Russian units in occupied Ukrainian territory, Defence Minister Oleksii Reznikov has said.

“We always tell our partners officially we will not use weapons supplied by foreign partners to fire on Russian territory. We only fire on Russian units on temporarily occupied Ukrainian territory,” Reznikov said at a news conference.

His comment came after the US confirmed that a new rocket that would double Ukraine’s strike range was included in a more than \$2bn US military aid package to help Kyiv fight back Russian forces.

While the US rebuffed Kyiv’s request for a 300-km (185-mile) range missile, it agreed for the Ground Launched Small Diameter Bomb (GLSDB), which has a range of 150km (94 miles). The GLSDB’s range could allow Ukraine to hit targets previously out of its reach and help it continue pressing its counterattacks by disrupting Russia further behind its lines.

Question – Is this for Russian ears only?

Kyiv expects major Russian offensive in Feb – Ukraine expects a possible major Russian offensive this month, but Kyiv has the reserves to hold back Moscow’s forces even though not all the West’s latest military supplies will have arrived in time, Ukraine’s Defence Minister Oleksii Reznikov has said.

Reznikov told reporters that Russia could launch the new attack in February for symbolic reasons around the first anniversary of its invasion, but that Moscow’s resources were not ready from a military point of view.

Reznikov said the offensive would likely be launched in the east – where Russia is trying to capture the heavily industrialized Donbas – or the south where it wants to widen its land corridor to the occupied peninsula of Crimea.

He estimated that Russia had 12,000 troops in Belarusian military bases, a number that would not be enough to launch a significant attack from Belarus into Ukraine’s north, reopening a new front. **Comment** – Any attack will create a diversion, hopefully drawing critical Ukrainian defensive resources away from the Donbas area, in Russian thinking.

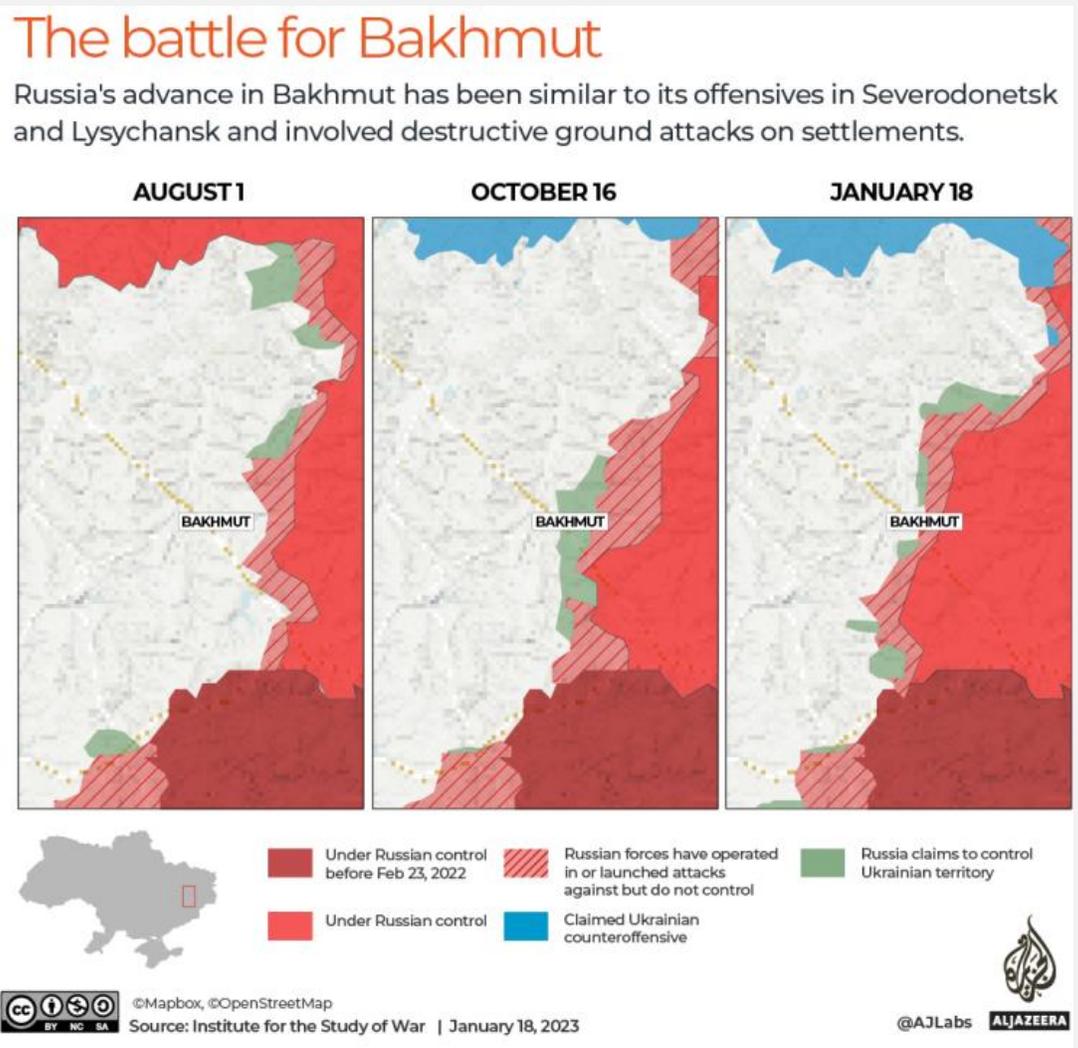
Fierce fighting ongoing in Bakhmut: Wagner chief - Fierce fighting is ongoing in the northern parts of the Ukrainian city of Bakhmut, the head of Russia’s private Wagner Group Yevgeniy Prigozhin said, adding that his soldiers were “fighting for every street, every house, every stairwell” against Ukrainian forces who were not retreating.

Russian forces have been attempting to encircle and capture Bakhmut, a city in the eastern Donbas region, for weeks, and appear to be making slow, grinding and costly progress.

Ukrainian President Zelenskyy has said repeatedly in recent days that the situation around the city is tough.

“Nobody will give away Bakhmut. We will fight for as long as we can. We consider Bakhmut our fortress,” he said on Friday.

Battles became fiercer this week, but Ukraine’s forces appear to be holding out against the Russians, who recently claimed to have seized the nearby salt-mining town of Soledar – a victory Kyiv denies.



Bakhmut’s pre-war population was about 70,000. Today, an estimated 2,000 civilians remain in the city; many are surviving in squalid conditions as the conflict rages.

Battles raging in and around the Donbas.



Black arrows → represent current Russian assaults in pursuit of puncturing Ukrainian lines, with blue curves  showing successful defensive barrier lines. Simultaneously, Ukrainian forces are striking Russian supply and troop assembly points  with HIMARS and other platforms, and heading  for Kremmina and Svatove – both critical supply junctions for replenishing Russian forces all along the → lines of assault.

Severing inbound Russian supply lines and junctions, particularly in Svatove in the northern Donbas, will immediately and critically interrupt Russian replenishment, fuel and food supplies and troop transportation, hence the Kremlin stationing well-trained paratroop regiments in this region whilst injecting untrained and ill-equipped mobilized men further south.

Their plan is to draw Ukrainian defensive forces to Zaporizhzhia and eastern Kherson in order to weaken them in Svatove. But this is not working for them as Ukrainian forces appear to be holding their own, albeit at significant cost.

February is not the ideal time for Russian advances but the Kremlin believes it to be “now or never.”

Ukraine will have in place newer tank regiments and longer-range missile platforms together with advanced air defence systems by the time Russia expends itself in trying to obey Putin’s March-centric instruction. Increasing reports are coming in detailing Russian and Kremlin fears of a bloodbath in trying to achieve the Russian leaders directive.

Bakhmut is ‘increasingly isolated’: British intelligence - The British ministry of defence says Russian forces have made, over the last week, “small advances in its attempts to encircle” Bakhmut which is now “increasingly isolated.”

In its daily bulletin, the ministry also said that two main roads into the city “are likely now both threatened by direct fire” due to Russian soldiers advancing.

“Earlier in the week, Wagner paramilitary forces highly likely seized a subordinate route which links Bakhmut to the town of Siversk,” it said.

“While multiple alternative cross-country supply routes remain available to Ukrainian forces, Bakhmut is increasingly isolated,” it added.

Comment – Ukraine will stand by Bakhmut for as long as needed given Russian tactics along this entire front. The Kremlin is throwing everything they have at this and other areas in order to prepare for a subsequent offensive thrust into the northeast Donbas area. They need weakened Ukrainian avenues through which they can advance their troops in pursuit of reaching Izium and other key Ukrainian centers.

The longer Ukraine stops, delays or slows them in Bakhmut and surrounding areas, the weaker the Russian offensive is likely to be.

Russia knows new and modern weaponry is bound for Ukraine in the weeks and months ahead and has decided to expedite its offensive plans, trying desperately to make some headway before tanks and other armored vehicles begin arriving for deployment. These were originally scheduled for later in the first half of 2023, but they have elected to advance the date so as to try and blunt any effect of incoming armor on the Ukrainian side.

Putin has given explicit instructions to his commanders that all of the Donbas region be occupied by March this year. This is as much political and survival mode as it is tactical.

In very battlefield front Ukraine has stood its ground whilst Russia is losing hundreds of soldiers per day.

Rare Russian arctic anti-air system destroyed for first time by Ukraine - Rare Russian air defense systems have been shot down by Ukrainian forces.

A rare Russian Arctic TOR-M2DT air defense system was destroyed for the first time in the platform's service history by Ukrainian artillery, the Ukrainian Defense Ministry said on Thursday.

Ukrainian artillerymen hit the TOR-M2DT with shells after the location of the system was scouted by a drone, the ministry said, posting a video mocking how the anti-air platform had been extolled in Russian media.

"The Arctic TOR-M2DT air defense system became the star of Russian television when it was sent to Ukraine," said the Ukrainian Defense Ministry. "It burned brightly, the fire extinguisher did not help."

A second TOR-M2DT was destroyed on Friday, claimed Ukraine Weapons Tracker, an open-source intelligence project of Calibre Obscura arms research. It claimed that these incidents were the first confirmed kills of the systems.

The project said that both Tor-M2DT's were destroyed in Kherson using M982 Excalibur-guided projectiles. Excalibur rounds are GPS-guided 155 mm projectiles that were provided to Ukraine in US defense packages.

The Tor-M2DT is the arctic version of the Tor-M2 surface-to-air missile system, designed to intercept attacks from cruise missiles, gliding bombs, aircraft, helicopters and drones, according to Russian state media outlet TASS. It has a range of 12km and altitude range of 10km.

TOR technology was global leading back in the 1980's through 2010 and ahead of western missile systems.

Comments, Developments and Reports

Battlefield strength swiftest way to Ukraine peace: UK top diplomat - Helping to arm Ukraine so it can defend itself against Russia is the swiftest path to achieving peace, the United Kingdom's Foreign Secretary James Cleverly has written in an article for a Maltese newspaper ahead of a visit on Tuesday to the island.

"Like all authoritarian rulers, Putin responds only to strength in his opponents," Cleverly wrote in the Times of Malta.

He added that he was delighted that Germany and the United States had joined Britain in agreeing to send tanks to Ukraine. "Giving the Ukrainians the tools they need to finish the job is the swiftest – indeed the only – path to peace," he wrote.

The war in Ukraine is expected to dominate the talks between the UK and Malta, a European Union member.

The island has sought to help Ukraine by enforcing EU sanctions and providing humanitarian assistance including medicines and power generators. A small number of Ukrainian soldiers are also being treated in Maltese hospitals.

Ukraine shipped 1.3m tons of grain less in January due to Russian obstruction: Ministry - Ukraine has shipped 5.5 million tons of grain in January this year, which is 1.3 million tons less compared to December, the country's ministry of agriculture has said in a statement.

The downward trend is due to Russian inspectors' obstruction of outbound vessels, the ministry said.

"Thus, in the first month of the new year, deliveries of absolutely all agricultural crops decreased," read the statement.

The export of corn decreased by 700,000 metric tons, and wheat by 250,000 metric tons.

The neighboring, warring countries are among the world's biggest exporters of food, but Russia's invasion nearly a year ago led to a de-facto blockade of the Black Sea, resulting in Ukraine's exports dropping to a sixth of their pre-war level.

The standoff, which led to a global food crisis, was eased in July after Russian and Ukrainian officials signed a deal to resume grain exports.

Putin & Russia

Another mysterious death linked to Russia since Ukraine's invasion - Alexei Maslov, former Commander-in-Chief of the Russian Ground Forces, he died "unexpectedly" in a military hospital.

Price caps on Russian oil likely hit Moscow's revenues by 30 percent in a year - Price caps on Russian oil likely hit Moscow's revenues from oil and gas exports by nearly 30 percent in January, or about \$8 billion, from a year ago period, International Energy Agency's chief Fatih Birol has said.

G7 nations, the European Commission and Australia this week approved a \$100 per barrel price cap on diesel and a \$45 per barrel cap on discounted products such as fuel oil starting from February 5.

This followed a similar measure they implemented in December barring Western-supplied maritime insurance, finance and brokering for seaborne Russian crude unless it was sold below a \$60 price cap.

Polish PM accuses Russia of building concentration camps in Ukraine - Polish PM Morawiecki Friday accused Putin, International Holocaust Remembrance Day, of building "camps" for the Russian invasion of Ukraine.

Morawiecki posted on Facebook, "On the anniversary of the liberation of the Nazi German death camp Auschwitz-Birkenau, let us remember that to the east Putin is building new camps."

Morawiecki, who has advocated for Ukraine since the start of the invasion, did not elaborate on his claim any further. However, Ukrainian President Volodymyr Zelensky has made similar past accusations against Russia.

In October, Zelensky described Olenivka as a “concentration camp” where Ukrainians prisoners are kept.

While not using the term "concentration camp," the United Nations have investigated and documented more than 400 detentions of Ukrainian nationals and enforced disappearances orchestrated by Russian forces.

The extent of Russian torture in Kherson is finally being revealed - A campaign of ‘Russification’ of the Ukrainian city of Kherson included the kidnapping and torture of officials and defenders of human rights, UN investigators have found

Kidnappings and torture by Russian forces in Kherson concentrated on public officials and human rights activists, according to a United Nations body investigating abuses in the southern Ukrainian city.

The UN Human Rights Office (OCHR) told i that most of the cases of abduction and arbitrary detention it is investigating in the newly liberated city and its surrounding area involved public workers and civil society activists, amid separate evidence suggesting dozens of murders during Russian occupation.

The OCHR said it had so far documented nearly 90 new cases of abuse in Kherson but believes the true number is “much higher”. Denys Monastyrskyi, Ukraine’s minister of internal affairs, said on Wednesday that Ukrainian investigators have found 63 bodies displaying signs of torture suspected to have been inflicted by Russian forces.

Russia steps up threats against Republic of Moldova - Russian FM Lavrov has suggested that Moldova is the West’s new "anti-Russian project."

In an interview for Russian state television, he declared that the West had now "set its sights on the Republic of Moldova to have the role of the next Ukraine."

In the interview, which was banned from broadcast in Moldova because of accusations of propaganda, Lavrov also stated that pro-European Moldovan President Maia Sandu (pictured below) had been appointed with methods that were "far from being freely democratic" and that she was pursuing a deeply anti-Russian approach. He added that she was "a president who wants to join NATO, has Romanian citizenship, is ready to unite with Romania and, in general, is ready for almost anything."

"This is one of the countries that the West wants to turn into another anti-Russia," he said.

The foreign minister continued by criticizing the Moldovan government in Chisinau for refusing to resume the 5+2 negotiations on resolving the Transnistria conflict. Russia and the separatist regime in Transnistria, a pro-Russian breakaway region that split from Moldova in the early 1990s after a bloody war, insist that talks should continue, especially considering the setbacks of the Russian army in Ukraine.

Lavrov said that "hand in hand with the pro-NATO, pro-EU drive," the fact that Moldova refused to resume the negotiations spoke "volumes." He added that Moldova was even planning to expel Russian "peacekeepers" from Transnistria.



At the end of January the Moldovan president said country's capacity to defend itself and whether it interview with the US magazine Politico. She conclusion as a nation that we need to change democratic process."

There are some 2,000 Russian soldiers strip of land in eastern Moldova. Many of ammunition depot in the village of Soviet-era weapons. It is the largest such committed to withdrawing troops and promise.



that there was a "serious discussion" about her should be part of a "larger alliance" in an added: "And if we come, at some point, to the neutrality, this should happen through a

stationed in Transnistria, which is a narrow them are there to guard a former Soviet Cobasna that contains up to 20,000 tons of depot in Europe. In 1999, Russia weapons, but it has not fulfilled this

Comment – In previous Updates we have written extensively about the Moldovan threat, and later of similar geopolitical Russian threats regarding Gagauzia further south. Capturing this area see's Russia completely control the northern Black Sea coastline, effectively bringing food supplies from the Ukrainian food basket entirely under its hegemony, a very powerful and adversarial impact on global supply.

Russia floats nuclear deterrence if Ukraine attacks Crimea – A key ally to Putin suggested Moscow could turn to nuclear deterrence if Ukraine tries to retake control of Crimea.

Former Russian President Dmitry Medvedev, pictured right, who currently serves as the deputy chairman of the Security Council of Russia, said in an interview with a Russian journalist published to Telegram on Saturday that any Ukrainian attacks on Crimea would be met with "retaliation strikes," with no negotiations to end the conflict, which will hit its first-year anniversary later this month.



His remarks come as Russia struggles to achieve substantial military victories in Ukraine, despite the large size of its military. When Putin launched the invasion on February 24, 2022, he aimed for a quick win, but Ukraine's stronger-than-expected defense effort, bolstered by Western military aid, blunted the Kremlin's military gains, allowing Kyiv to retake thousands of square miles in formerly occupied territory last fall.

Comment – Telling, in that Russia again resorts to nuclear talk as happens whenever they fear defeat. Otherwise why raise the issue at all? Should they believe they can defeat any Ukrainian offensive against the Crimean peninsula, they would not need to resort to such statements.

But it appears obvious from these utterances that do not see themselves as being capable of defending Crimea.

China

US general's leaked memo warns war with China is coming soon - The United States of America could be at war with China and President Xi Jinping in as little as two years according to senior U.S. Air Force General Michael Minihan.

China has reasons to keep cool after U.S. downs suspected spy balloon - China may respond to the U.S. shooting down its suspected spy balloon after warning of "serious repercussions", but analysts say any move will likely be finely calibrated to keep from worsening ties that both sides have been seeking to repair.

China condemned the attack as an "over-reaction", saying it reserved the right to use the necessary means to deal with "similar situations", without elaborating.

While bilateral tension has risen in the past few days over the balloon incident, Beijing and Washington have been seeking to improve ties.

The discovery of the balloon in the upper atmosphere above North America prompted the US to postpone a visit to Beijing this week by Secretary of State Blinken. That trip had resulted from a November summit between Presidents Biden and Xi.

Both sides are widely seen as keen to stabilise relations after a turbulent few years, with the Biden administration leery of tensions descending into conflict and Xi eyeing a recovery for the world's second-largest economy after a severe COVID-19 slump.

What the war in Ukraine tells us about deterring China - In the morning of February 24, Russian military forces launched a comprehensive invasion of Ukraine, and Western governments immediately announced a new round of sanctions against Russia. Beijing's public statements have been as ambiguous as ever, expressing respect for the sovereignty and territorial integrity of all countries, yet at the same time expressing understanding of Russia's security concerns, and refraining from calling the military action an "invasion."

Driven by the need to jointly confront the United States, China has chosen to form a strategic alliance with Russia. Just before the opening of the Beijing Winter Olympics, Xi and Putin met, and the two sides signed 15 significant cooperation agreements covering a wide range of geopolitical and trade areas.

On the very day of Russia's invasion, China announced that it would allow wheat imports from Russia. This kind of cooperation at such a time is undoubtedly an expression of commitment to and support of Putin, which increases his confidence in his aggression against Ukraine and Russia's ability to resist Western economic sanctions.

While Putin is the main culprit of the unfolding Ukraine crisis, Xi's role of "holding a candle to the devil" cannot be ignored. As the military conflict intensifies and economic sanctions against Russia take hold, while Xi will not directly support Russia's invasion, it is still his premeditated plan to maintain China's partnership with Russia and secretly provide economic assistance to it. China has been Russia's largest trading partner for 12 consecutive years and Russia is China's largest energy exporter. When Western countries announced sanctions against Russia, Beijing said that such measures "are never a fundamental and effective way to solve the problem." This would undoubtedly bring great hope to a Russia embattled by economic woes.

The Russian invasion has put Putin in the harsh spotlight of international public opinion, relieving the Xi regime of the diplomatic problem of being regarded as the greatest threat to the democratic world in recent years. At the moment, Xi may be enjoying the euphoria of being arguably the biggest winner of the Ukraine crisis. He must also be closely scrutinizing the reaction of all parties, which will serve as reference material for calculating his Taiwan plans.

The United States and NATO have so far shown no desire to engage in direct military intervention, which could be a positive sign for Xi. Although in the 1994 Budapest Memorandum the US and UK made certain security guarantees for Ukraine's independence, sovereignty, and territorial integrity in exchange for Ukraine's abandonment of nuclear weapons, now Biden has said the U.S. military will not go to war with Russia over Ukraine.

If there is a military conflict in the Taiwan Strait, will the US adopt the same strategy? Although Taiwan and Ukraine differ in terms of geopolitical strategy, geographic environment, and their role in international supply chains, US military restraint in this Russia-Ukraine incident has undoubtedly become an important consideration for Xi, perhaps leading him to underestimate the resolve of the United States and the West to defend Taiwan militarily.

But Xi will surely also pay close attention to the fact that although the US and NATO are not directly carrying out military strikes against Russia, the economic sanctions are biting and widespread. Perhaps Xi is not very concerned about that. First, as mentioned above, at the Winter Olympics Russia and China already discussed how to limit the effect of Western economic sanctions. China will provide an economic transfusion to Russia's economy, so that the effect of sanctions against Russia will not be immediate. Second, if Beijing militarily attacks Taiwan, while it must consider the economic sanctions that major Western countries will inevitably take, China, with a stronger and broader industrial base than Russia, may be more able to rely on its domestic market to prevent its economy from collapsing. In this regard, the Xi regime has done certain preparations in recent years.

What must be more alarming to Xi is the economic sanctions imposed by Western countries on Putin and his close associates, including freezing the overseas assets of he and his family. Due to the intricate connection between China and the international financial and trade system and the fact that countless officials and their families have transferred assets to the United States and other countries over the years, there is no doubt that similar sanctions would be hugely damaging to the Xi regime. This will affect China's major political families. Since reform and opening up, these political elites have been able to accumulate huge fortunes, big portions of which are constantly being transferred overseas. Moreover, the second and third generations of communist China's founders are more internationally oriented, and this overseas wealth functions as the foundation of their international ties.

If faced with severe economic and personal sanctions, can a consensus be formed within the Chinese Communist Party (CCP) regime to engage in behavior similar to Putin's? The CCP's power structure differs from the narrow one of the Putin oligarchy. Even if he is indisputably the "core" leader, Xi may have to consider the demands of other political figures, and other top CCP leaders may in fact have the ability to restrain Xi's risk-taking impulse.

It is also important for Xi to pay heed to the reaction of the Russian people to the invasion. Anti-war demonstrations have broken out in numerous Russian cities. Hundreds of Russian scientists and journalists who cover international politics have signed an open letter condemning Russia's military action. If Xi takes military action against Taiwan, will the attitude of Chinese people from all walks of life toward the war be what he desires? Or will the people, who will have to endure greater economic hardship in case of war, be willing to take risks and threaten the stability of the regime?

In this regard, Xi may be more confident even than Putin was, because the CCP regime has a huge advantage over Russia in terms of monopoly of information, suppression of speech, and deceiving the public. Moreover, Xi has mobilized his people's nationalism by advocating the "great rejuvenation of the nation." During the China-US trade war, and management of the COVID-19 epidemic, Xi cultivated nationalist enthusiasm to shift the focus away from the CCP's mistakes. Now many netizens of China have expressed support for Russia's invasion, believing that the intervention of the US was an important factor leading to the conflict. If Xi launches military conflict in the Taiwan Straits, this well-controlled public opinion could be a blessing to the legitimacy of such action. This is certainly what Xi wants.

However, if the anti-war attitude of the Russian people could catch fire and endure, and thus threaten Putin's rule, it would definitely undermine Xi's confidence. There is no guarantee that Chinese who demand freedom, who oppose any war launched by Xi, or who are suffering from economic sanctions, along with members of the ruling clique who will be hit personally by individual sanctions imposed by the West, will not form forces beyond Xi's control.

Given this, in the face of Putin and Xi's joint efforts to date, and Xi's possible calculations on Taiwan in reference of the Ukraine crisis, we suggest responses for the US and its allies to take.

China has become Russia's economic lifeline. Given China's extensive trade relations with the US and EU (**Comment** - Accounting for some 69% of Chinese output, and the subject of previous Updates in this regard), for now Western sanctions against Russia will mean that China will parasitically benefit from the hardship of the Russian people, thereby simultaneously alleviating Putin's pain and lessening the impact of these sanctions. Therefore, the US must also closely monitor trade between Russia and China, preformulate collective economic sanction plans on China, and impose them when necessary.

China's economy is still largely dependent on international trade (**Comment** - More than largely – it is effectively an extension of American and European economies). Given the potential inadequacy of purely domestic economic activity to promote continued growth in time, if international financial ties are suddenly lost, China's economy may falter or even fall. Xi is in urgent need of maintaining both political and economic stability together to build up his mandate to stay in power for an unprecedented third term at the 20th Party Congress this fall. He could not afford to ignore major economic sanctions imposed by the West.

Political power is as personal as it is institutional within the CCP in general and its ruling class in particular. Therefore, it is critical to leverage on what matters to individual leaders and the institutions that support them. The most obvious target is the vast wealth of China's ruling elite. Much of it is entwined with China's most significant multinational companies or hidden in foreign banks, making this elite more vulnerable to financial sanctions.

Intelligence agencies of Western countries know a great deal about the hidden assets of members of the Chinese ruling class, and publishing such information would itself be a serious blow to the CCP regime. The US has never taken these systematic actions, but now is the time to openly prepare for such actions, which by itself will be an effective deterrent to Xi's ambitions for Taiwan.

Comment – A previous billionaire Chinese partner of mine, resident in Beijing and the US, and reportedly married to a member of the ruling CCP, is an American citizen, together with his two children. In order to maintain this he has to pay US taxes and reside in the country for 6 months and one day every year. In discussions I gleaned that he was able to achieve this wealth and position with permission from the Chinese government.

What I later determined was that, as an American citizen with access to American markets, he would receive undeveloped land along the Chinese seaboard at no cost from the Chinese government.

He would then reverse-engineer a latent US company and float development of this tract of land with the promise of large returns for American investors. Raising (American) billions on the offer, the deal was for him and his family to retain 25% in American and western banks for himself, with the remaining 75% going to develop this barren land.

Primarily how he became a US\$ billionaire.

Once the tract was developed, he would be provided another and then further tracts, all the while growing ever-richer. He was not the only Chinese/American individual to so add value to China's seaboard development program – in effect funded by American dollars. There are many others similarly benefitting from this arrangement in coordination with the Chinese government.

China thus was able to attract (clandestine) US funds for developing its economy and infrastructure, to a degree, and aside from internal governmental investment. It was an indirect source of foreign funding for its infrastructural growth.

But there was also a hidden CCP demand – should there ever arise a financial situation where China suffered from any downturn and was in need of ready capital, these Chinese/America billionaires would repatriate funds back to the Chinese government – via the PBOC – People’s Bank of China.

Similar to the Russian hiding of wealth, funds so accumulated in western banks and funds, are reported to also include elements of Chinese leadership personal wealth.

No Chinese individual, now an American billionaire, with a base in China, can transfer to the US or any other western country without the express permission of the CCP. No-one.

Strategic clarity

Another element of deterrence is also necessary: strategic clarity. Although the US and NATO have yet to take direct military action against Russia, and may not in the future, the US must explain to its people and the world that the Taiwan issue is different, and that it has not only a moral but legal responsibility to defend Taiwan.

Past policy of strategic ambiguity may have played its due role, but as China’s ambition and capacity to unify Taiwan by force is becoming more and more obvious, and especially given that Putin’s invasion of Ukraine has become a reality, the United States must abandon the existing strategy. Vagueness will no longer be enough to stop Xi.

Finally, Russia is currently standing at the forefront of those confronting the democratic world. In addition to sanctions, the international community should fully support the anti-war and pro-democracy forces of the Russian people and strive to achieve political reform there so as to remove the root causes of dictatorship and military violence. This would not only be a more fundamental way to end the Ukrainian crisis and erase Putin’s fascist rule. It would also present the most profound warning to Xi, because what he fears most is the possibility that the liberal-minded and peace-loving people might combine with breakaway members of his ruling clique to form an effective force against Xi and CCP totalitarianism. Russia’s growing isolation, especially Putin’s political downfall, over its aggression against Ukraine would tell Xi that the same fate might await him if he dared invade Taiwan.

Article extracted from guest author Jianli Yang in “The Diplomat.”

Geomilitary

UK, Greece to sign defense cooperation declaration - The defense ministers of the UK and Greece, Ben Wallace and Nikos Panagiotopoulos, will sign a declaration of defense cooperation between the two countries on a British Royal Navy cruiser on Tuesday morning.

The signing ceremony will take place at the Portsmouth Naval Base, effectively concluding an outstanding issue that will allow the two countries’ armed forces to collaborate more closely.

The declaration will set out practical issues such as the holding of joint exercises. In recent years, in the wake of Brexit, the UK has shown a willingness to return to the region and to Greece.

Tellingly, in recent years the General Staff of the Armed Forces had already received many requests for the participation of the British Armed Forces in national exercises and for the international cooperation of the Hellenic Army, Navy and Air Force. This reflects the view in London about the role that Athens can potentially play in the region.

Comment – With Turkish war posturing and mongering leading up to their looming election, the UK is sending a message to Erdogan that Greece is not only a member of NATO, but also a strategic global partner of the UK and West.

Containment

Ukrainian servicemen leave for training of European-made system - Members of the Ukrainian air force have left for training on the SAMP/T-MAMBA air defence system, the Kyiv Independent reports citing air force commander Mykola Oleshchuk. The coaching is expected to end in spring, it added.

The news comes after France and Italy finalized technical joint delivery of the air defense system aimed at boosting airpower against Russian drones, missiles and plane attacks.

The system can track dozens of targets and intercept 10 at once. It is the only European-made system that can intercept ballistic missiles.

This anti-ballistic air defense system will become rapidly and increasingly important once Russia starts its military offensive and when it takes possession of and deploys new Iranian ballistic missiles.



Western Allies Pledge Precision Rockets, Missile Systems to Kyiv - Western allies pledged precision rockets and missile systems to Ukraine on Friday, after President Volodymyr Zelensky called for sophisticated weapons to help retain control of the embattled eastern city of Bakhmut.

The European Union agreed to introduce price caps on Russian petroleum products to try to further limit Russian President Vladimir Putin's war chest by targeting his key exports.

The announcements came shortly after Zelensky told a summit with EU leaders in Kyiv: "No one will surrender Bakhmut. We will fight as long as we can.

"If weapon (deliveries) are accelerated — namely long-range weapons — we will not only not withdraw from Bakhmut, we will begin to de-occupy Donbas," he said of the eastern region of Ukraine.

The United States on Friday announced a new \$2.2-billion package of arms and munitions, which the Pentagon said included a new rocket-propelled precision bomb that could nearly double Kyiv's strike range against Russian forces.

The ground-launched small-diameter bombs (GLSDB), which can fly up to 150 kilometers (93 miles), could threaten key Russian supply lines, arms depots and air bases far behind the front lines.

They potentially give Kyiv's forces the ability to strike anywhere in the Russian-occupied Donbas, Zaporizhzhia and Kherson regions, as well as the northern part of occupied Crimea.

However, "the delivery of the GLSDB likely won't be for several months due to contracting, production, and delivery timelines," said Pentagon spokesman Lt. Col. Garron Garn, declining to say how many would be delivered.

France and Italy will deliver mobile surface-to-air missile systems, the French defense ministry said, in response to an urgent request from Kyiv to help protect "civilian populations and infrastructure from Russian air attacks".

Reznikov: West's reluctance to provide Ukraine with jets will cost 'more lives'

Defence Minister Oleksii Reznikov has said that the reluctance of Kyiv's Western allies to send jets to war-torn Ukraine would cost it "more lives."

"I am sure that we will win this war, I am sure we will liberate all the occupied territories," Reznikov told reporters in Kyiv, AFP reports. But without the delivery of Western jets, "it will cost us more lives".

"We have to stop it right now," he added.

Comment - Albeit that the US has ostensibly refused to provide F16 or any other US-made jet fighters to Ukraine, the same was said about longer-range weaponry and, months ago, any Ukrainian ability to strike Russian targets with US-made artillery.

In order to strike and strike definitively against a much larger, although less technologically-equipped force in Russia, Ukraine should be supplied with what it needs in order to effectively halt the Kremlin in its tracks.

This was a commitment made to Ukraine by the West when they agreed to surrender their nuclear arsenal and the strategic bombers with which to use that arsenal. Now it appears that no-one is abiding by the terms of their agreement – except Ukraine.

Sanctions

US promises sanctions against Georgian companies if flights with Russia restored - According to the US State Department, if flights between Georgia and Russia are resumed, companies that cooperate with Russian companies in Georgia will be subject to sanctions, as reported by Voice of America.

"Many Western countries, including the United States, prohibit Russian aircraft from entering their airspace. We would be concerned about the resumption of flights between Russia and Georgia, given that companies at Georgian airports could be subject to sanctions if they serve aircraft subject to additional import and export controls," the State Department writes. "The entire Western community has distanced itself from this brutal regime, and now is not the time to expand engagement with Russia."

US attorney general says seized assets of Russian billionaire will be sent to Ukraine for first time - US AG Garland has announced confiscated assets of Konstantin Malofeyev, Russian oligarch and founder of Tsargrad TV channel, will be used to support Ukraine, CNN quotes him as saying.

"Today, I am announcing that I have authorized the first ever transfer of forfeited Russian assets for use in Ukraine," he said. "These forfeited assets follow the announcement I made last April of the indictment of designated Russian oligarch Konstantin Malofeyev, on charges of sanctions evasions."

F-16 fighter jet

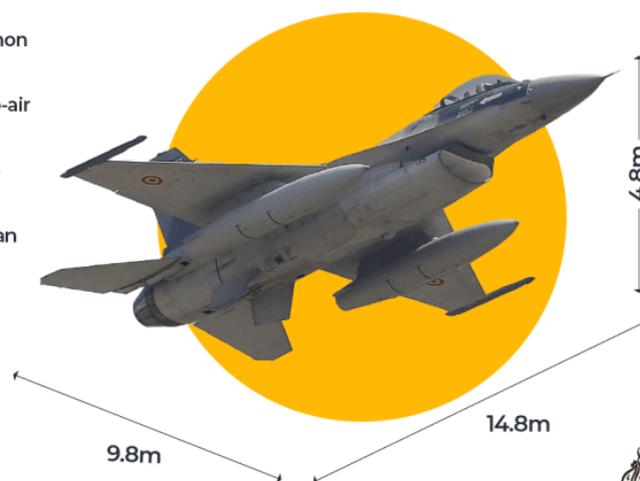
Ukraine is pushing for Western fourth-generation supersonic fighter jets, including the American F-16, to help it fight Russia. The US says it is discussing the request carefully.

Max speed 2,400km/h (1,500 miles/hour)	Max range 3,220km (2,002 miles)	Altitude 15km (50,000 feet)	Crew F-16C - one F-16D - one or two
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Armament
M-61A1 20mm cannon
with 500 rounds

Conventional air-to-air
and air-to-surface
munitions and
electronic counter-
measure pods

External stations can
carry up to six
air-to-air missiles



Source: United States Air Force | Date: January 30, 2023



Garland's Ukrainian counterpart Andriy Kostin also confirmed it. According to him, the \$5.4 million of Malofeyev's seized assets will be allocated to offset the damages caused to Ukraine in the war.

"The handover of confiscated Russian assets to Ukraine for its revival has been approved for the first time in history. I know that it's only the beginning. I believe that in time there will be no place in the civilized world for Russian oligarchs and their fortunes made on blood," Kostin wrote.

Geopolitics

China's Mideast buildup stirs security worries for US - Chinese state-owned companies are making billions of dollars in investments near the Strait of Hormuz, one of the world's prime conduits for oil shipments — a move that could lay the groundwork for a future military presence.

Chinese state-owned firms are building up their presence near the Strait of Hormuz in the Middle East, a new report says, raising the risks of a future clash with U.S. interests in one of the world's busiest oil transitways.

The growing footprint of Chinese commercial activity in the area, including billions of dollars in investments in oil pipelines and storage terminals alongside the Persian Gulf, is fueling worries from U.S. national security hawks who fear it could provide Beijing with dangerous influence over a major choke point for petroleum shipments.

About a third of the globe's seaborne crude oil passes through the strait, which narrows to only about 20 miles between Iran and the Arabian peninsula. That includes as much as 45 percent of China's own oil imports, the report from the Center for Strategic & International Studies notes.

China has previously used spending on pipelines, ports and other commercial facilities to pave the way for military bases near strategic locations such as the mouth of the Red Sea, the CSIS authors write. Now, China's investment in regional ports and infrastructure in Oman and the United Arab Emirates could provide an entry point for Chinese naval ships in the strait. Such ships already travel nearby waters to patrol against pirate vessels.

"China has laid the groundwork for something it might do in the future," said Matthew Funaiole, senior fellow at the CSIS China Power Project. "It's all about giving itself options."

China's Strait of Hormuz buildup

Chinese companies have made or committed to billions of dollars in investments at these sites near the strategic waterway, which carries a third of the world's seaborne crude oil shipments.



Source: Center for Strategic & International Studies
Ben Lefebvre / POLITICO

He added: “China has cast a wide net in the region, which gives it plenty of leverage. And a military facility on the western side of the Arabian peninsula does make sense from a military planning standpoint.”

The Biden administration has kept an eye on Beijing’s presence in the area, said a senior administration official who requested anonymity because of lack of authorization to speak to the media.

“The administration is focused on infrastructure buildout by China and has developed strategies with our G7 allies to ensure a global high-quality and diversified supply chain,” the official said.

The CSIS report documents China’s billions of dollars of investment over the past decade in port facilities in the UAE and Oman, two countries that straddle the strait across the water from Iran. The expansion of Beijing’s footprint at the Khalifa Port in the UAE, plus its ownership stake at a fuels storage terminal at the country’s Port of Fujairah about 100 miles to the east and investment at Duqm Port in Oman, raise the issue of Chinese power growing in the region, the report says.

The report notes that the China Harbour Engineering Co. won a bid in October 2022 to build a 700,000-square-meter container yard and 36 supporting buildings at Khalifa Port. The company is a subsidiary of China Communications Construction Co., one of the firms that the Trump administration sanctioned for supporting China’s construction of artificial islands in the South China Sea.

Years earlier, Shanghai-based shipping giant COSCO signed a \$738 million agreement to build a container terminal at the same port. The deal includes provisions giving China exclusive design, construction and management rights over the terminal for 35 years.

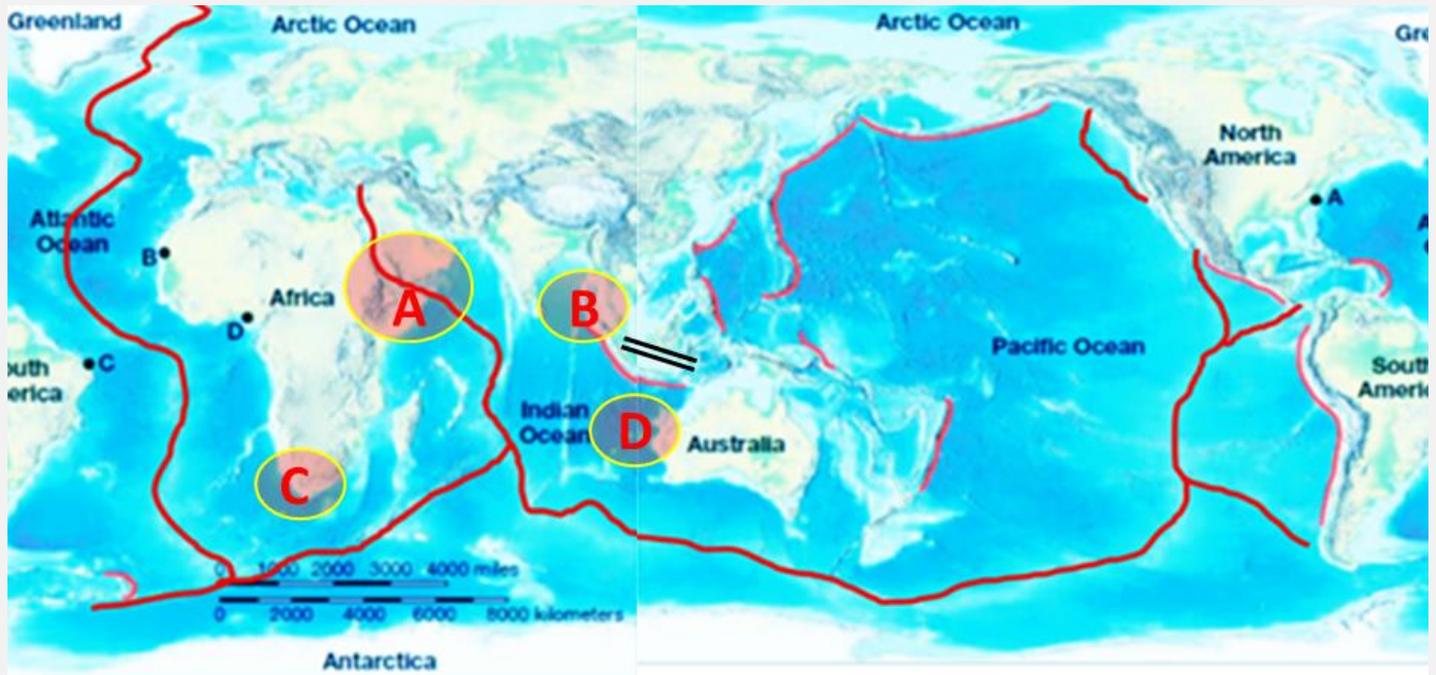
Good reasons exist for concern that the Chinese government may use its commercial relationships in the Hormuz Strait as a foundation for the development of a military foothold in the region.

Comment – Uganda has recently opted out of a Chinese-funded transportation initiative from the port of Mombasa through the Kenyan capital of Nairobi and on to Uganda and Rwanda. This was ostensibly because of the dire financial risk associated with Chinese loans of infrastructure as is evidenced in Sri Lanka of late.

Comment – It is not only in this area – marked **A** in the map below -that is of vital global geopolitical strategic interest. In the area marked **B** are the Andaman and Nicobar Islands which straddle the northern approach to Malacca Strait in Malaysia, marked with  in the map below.

The Malacca Strait is a narrow stretch of water, 500 mi long and from 40 to 155 mi wide, between the Malay Peninsula (Peninsular Malaysia) to the northeast and the Indonesian island of Sumatra to the southwest, connecting the Andaman Sea (Indian Ocean) and the South China Sea (Pacific Ocean). As the main shipping channel between the Indian and Pacific oceans, it is one of the most important shipping lanes in the world.

The strait is the main shipping channel between the Indian and Pacific Oceans, linking major Asian economies such as India, Thailand, Indonesia, Malaysia, Philippines, Singapore, Vietnam, China, Japan, Taiwan, and South Korea and forms an integral part of the Maritime Silk Road that runs from the Chinese coast towards the southern tip of India to Mombasa, from there through the Red Sea via the Suez Canal to the Mediterranean, there to the Upper Adriatic region to the northern Italian hub of Trieste with its rail connections to Central Europe and the North Sea.



It is the shortest sea route between the Middle East and East Asia, helping to reduce the time and cost of transportation among Asia, the Middle East and Europe.

Over 94,000 vessels pass through the strait each year making it the busiest sea passage in the world, carrying about 40% of globally-traded goods, including oil, Chinese manufactured products, coal, palm oil and Indonesian coffee.

About a quarter of all oil carried by sea passes through the Strait, mainly from Persian Gulf suppliers to Asian markets.

80% of China's oil imports come through the strait, a vulnerability that can be exposed during times of conflicts by China's adversaries. It is the gateway from the Indian Ocean to the Pacific Ocean with trade worth trillions of dollars.

The navy that controls the keys of Malacca has commanding control over many nation's economic and trade lifelines. This geopolitical weight and power are of enormous effect and can tame the region.

Just north of the Strait's northern exit are the Islands mentioned above, and attracting very intense attention from the West and India in particular. Control of these islands is control of the northern entrance to the Strait.

Small wonder then that China is intent on creating and maintaining a vested interest in this extremely important sea passageway.

This is also why South Africa – marked **C** in the map, is of global strategic importance. The silk and spice routes sailed around the Cape of Good Hope centuries ago as a viable alternative to the dangerous Middle Eastern Silk Road.

Not by accident did the Portuguese and Dutch round the Cape in search of successfully linking Europe with the Far East. And not by accident did they land there as a sound bastion of naval support and protection in this routing.

This importance was later lessened by the Suez Canal, but still vital to global naval and trade strategy, hence there being an "S" in the **BRICS** Alliance (**B**razil, **R**ussia, **I**ndia, **C**hina, **S**outh Africa).

Further south and marked with a **D** are the huge off-shore natural gas fields belonging to Australia.

As can be seen from the map above, this geopolitical zone is of huge import to global power players, not just from a sourcing passageway of trade by also in national survival.