NORWEGIAN
INTELLIGENCE SERVICE

FOCUS 2019

The Norwegian Intelligence Service's assessment of current security challenges

The Norwegian Intelligence Service's annual report Focus is one of four Norwegian threat and risk assessments published each year. The other three are published by the Norwegian Police Security Service (PST), the Norwegian National Security Service (NSM) and the Directorate for Civil Protection and Emergency Planning (DSB) respectively.

THE NORWEGIAN INTELLIGENCE SERVICE (NIS) is Norway's foreign intelligence service. Although subordinate to the Norwegian Chief of Defence, NIS does not concern itself exclusively with military matters. NIS's main mission is to warn of external threats to Norway and high-priority Norwegian interests, to support the Norwegian Armed Forces and the defence alliances Norway is part of, and to assist in political decision-making processes by providing information of significance to Norwegian foreign, security and defence policy. This year's assessment, Focus 2019, contains NIS's analysis of the current situation and expected developments in geographic and thematic areas considered particularly relevant to Norwegian security and national interests.

THE NORWEGIAN POLICE SECURITY SERVICE (PST) is responsible for preventing and investigating crimes that threaten national security. PST's annual threat assessment covers matters, mainly Norwegian, that could affect Norway's security and harm national interests in the year ahead. Matters include threats from foreign intelligence services, relevant intelligence targets and the services' pattern of operation in Norway. The assessment also covers threats emanating from non-state actors, particularly the threat of politically motivated violence by extremist groups and individuals. The analysis has a one-year timeframe and is published in the first quarter of the year.

THE NORWEGIAN NATIONAL SECURITY AUTHORITY (NSM) is responsible for preventative national security. NSM advises and supervises the safeguarding of information, objects and infrastructure of national significance. NSM also has a national responsibility to detect, alert and coordinate responses to serious ICT attacks. In its report Risiko 2019, NSM assesses the risk of Norwegian society being subjected to espionage, sabotage, acts of terror and other serious incidents. The assessment is published in the first quarter of the year.

THE DIRECTORATE FOR CIVIL PROTECTION AND EMERGENCY PLANNING (DSB) is responsible for maintaining an overview of risks and vulnerabilities in Norwegian society. DSB has published scenario analyses since 2011. These cover the risk of major incidents in Norway, incidents Norwegian society should be prepared to handle. They include natural events, major accidents and deliberate acts, and the timeframe is longer than for the annual assessments published by the other three agencies.

Cover photo:

A Russian Iskander-M ballistic missile is launched from the Kapustin Yar test range on 2 March 2018.

Design: the Norwegian Intelligence Service
Images: Scanpix, Getty Images

DIGITAL VERSION:
FORSVARET.NO/FOKUS

10

THE INTELLIGENCE AND INFLUENCE THREAT

Russian and Chinese intelligence and security services have the means to conduct complex and comprehensive offensive network-based operations, and are constantly honing their skills.

40

THE MIDDLE EAST AND AFRICA

The great powers' involvement in the Middle East and Africa is changing. The rivalry between them is mounting, which affects regional states' scope for action.

CONTENTS

20

RUSSIA

Russia's presence in the Arctic has become significantly stronger in recent years, and the Russian authorities will maintain pressure on Norway in an effort to limit NATO activity in the region.

56

INTERNATIONAL TERRORISM

Although developments suggest that the number of terrorist attacks in Europe will remain low in 2019, a number of factors point to a more expansive and complex threat from international terrorism in the coming years.

68

ASIA

China is establishing itself as a traditional great power, and its capital reserves make it easier for the country both to resist and to exert political pressure.

84

WEAPONS OF MASS DESTRUCTION AND EXPORT CONTROL

As the use of novel technology yields new offensive and defensive weapons categories, the distinctions between roles are becoming increasingly blurred.

INTRODUCTION

This is the ninth time the Norwegian Intelligence Service (NIS) publishes an unclassified assessment. When the first one came out in 2011, we noted that the foreign policy environment had become more complex and volatile. This is an enduring trend that results in an increasingly complex threat environment. Foreign state and non-state actors are employing a wide range of means that can be used against targets in a number of sectors.

With Focus, NIS seeks to highlight key aspects of its analyses and to provide a well-founded basis for public debate. However, not relying on classified information in this document is a challenge for the service, and means that there will always be areas we follow that are not covered here. Nevertheless, Focus offers a broad assessment of countries, regions and topics that NIS believes will have a significant security-related impact on Norway in the year ahead. Furthermore, it highlights trends that could have security-related significance in a five- to ten-year perspective.

Lieutenant General Morten Haga Lunde
Director Norwegian Intelligence Service

Editing concluded on 21 January 2019.

SUMMARY

As 2018 comes to an end, the most significant and persistent security challenge to Norway and Norwegian interests is the intelligence threat posed by foreign states. The threat is highest from China and Russia. In 2018, the Norwegian authorities and commercial companies in a number of sectors were targeted by network-based operations. Some of these operations were manifestly more coordinated and efficient than in the past; this is a continuing trend.

Russian influence operations continue, and are aimed at undermining political processes and increasing polarisation in Europe and NATO. Although not affected by being exposed, Russia's behaviour is evolving and changing. In addition to the publication of fake news, a growing number of news websites are being published that are specifically edited to give an unfavourable portrayal of Western societies and values; Norway is no exception.

Russia's ongoing use of a range of means is not confined to cyberspace. In the Arctic, Russia uses military activity to actively signal its discontent.

Jamming is a particular cause for concern. In connection with the allied exercise Trident Juncture in autumn 2018, there were repeated instances of loss of GPS signal, which affected Norwegian and allied air traffic. Not only does this present a new challenge to Norwegian and allied exercise activity, it also poses a threat to civilian air traffic in peacetime. This is a continuing trend, and as Russia carries out its armament programme leading up to 2027 it will be improving its ability to conduct cross-sectoral power projection in times of peace, conflict and war.

Due to its focus on military development and its conflict with the West, Russia has increasingly turned to China for support in infrastructure development. Military cooperation between Russia and China is also increasing; in the longer term, we have to be prepared for a stronger Chinese presence near Norwegian borders.

This is in keeping with President Xi's aim of developing the Chinese armed forces in line with China's great power ambitions. Accordingly, Beijing will increasingly use the armed forces as a foreign policy instrument. At home, one key development is China's use of high technology for social control and surveillance purposes. China is likely the world's most advanced user of such solutions.

Regionally, developments in Afghanistan and North Korea will make their mark on 2019. 2018 saw increased military activity in Afghanistan as the dialogue between the United States and the Taliban was stepped up. President Ghani has been weakened significantly, the security situation has deteriorated and the power struggle in the lead-up to the presidential election in 2019 has begun. The stakes are high, as is the fall-out should the talks with the Taliban collapse.

Thus far, North Korea has succeeded in weathering the sanctions against it. Nevertheless, there is a risk of increased tension, given that the parties have failed to agree on what nuclear disarmament will entail in practice.

Developments in Afghanistan and North Korea illustrate the growing great power rivalry that dominates international politics. This is especially prominent in the Middle East and Africa, where the great powers are looking for resources, markets and alliances. Their involvement alters the parameters and scope for action of state and non-state actors alike. The result is increased fragmentation, weaker states and greater scope for action for jihadist groups. The strategic consequences are at their most uncertain in Syria, where the endgame of the current war is likely to become protracted.

In the Middle East, the major Sunni Muslim states are moving in an authoritarian direction. As the rivalry in Libya, Syria and Yemen spreads westward, 2019 is likely to see the conflict dynamic among Sunni states become more pronounced in the Horn of Africa and the countries along the Nile. In Iran, the outcome of the elite's internal power struggle will determine that country's political direction, with the level of conflict set to rise in the lead-up to the parliamentary elections in 2020.

«In sum, the threat environment is complex and constantly evolving.»

Whereas developments in the Middle East and Africa mirror the great power rivalry, developments in international terrorism are an exception; here, shared interests have helped weaken ISIL. The number of terrorist attacks conducted by Islamist extremists in Europe has been halved since 2017, a trend that is expected to continue in 2019. However, ISIL's decline is making the threat environment more complex and difficult to follow. Regardless of how the terrorist organisations develop in the Middle East and Africa, the dynamic within the European networks is expected to have a stronger impact on how the threat develops in Europe.

In sum, the threat environment is complex and constantly evolving. Threats are becoming increasingly cross-sectorial, and technological developments have expanded both state and non-state actors' scope for action. This is a continuing trend. A growing number of states and other actors will gain access to sophisticated weapons systems and production capabilities, which will reinforce the tendency towards a cross-sectorial threat environment. In addition, it will increase attempts at acquiring sensitive technology, including from Norway, which significantly complicates the enforcement of arms control agreements. Russia's breach of the INF Treaty, which bans the development and deployment of short- and medium-range missiles in Europe, is one clear example of how arms control and cooperation agreements are being given lower priority. As the great power rivalry intensifies, the likelihood of rearmament leading to new forms of arms races both regionally and globally will increase in the years ahead. The regulation of international politics will weaken further.

2 March 2018: preparations for launch of an Iskander-M ballistic missile from the Russian test range Kapustin Yar.

Norwegian companies with unique expertise and technology are potential targets of espionage. Foreign intelligence services are trying to establish contact with individuals who hold influential positions or have access to valuable information.

The Intelligence and Influence Threat

For Norway and Norwegian actors, the most persistent and extensive security-related challenge is the intelligence threat. Russian and Chinese actors are responsible for most of this activity. Operations are becoming more coordinated, and are directed not only at political and military targets, but also research institutions and companies with access to advanced technology.

SUMMARY

For Norway and Norwegian actors, the most persistent and extensive security-related challenge is the intelligence threat. Russian and Chinese actors are responsible for most of this activity. Operations are becoming more coordinated, and are directed not only at political and military targets, but also research institutions and companies with access to advanced technology. Russian and Chinese intelligence and security services have the resources needed to conduct complex and offensive network-based operations, and are constantly honing their capabilities. Meanwhile, sophisticated malware has become more readily available to state and non-state actors alike.

State actors have gained valuable experience from a number of information and influence activities in recent years, and have proved willing to shoulder the political cost of conducting such operations. The most serious documented incidents have been linked to elections. Russian influence operations seek to undermine political processes and fuel polarisation across Europe and NATO.

State actors have gained valuable experience from a number of information and influence activities in recent years, and have proved willing to shoulder the political cost of conducting such operations.

5 December 2018: commuters are on their smartphones whilst waiting for the metro at a Beijing station. China is among the world's largest mobile phone markets.

Norway is being targeted by intelligence operations aimed at gaining insight into Norwegian High North and defence policy and domestic affairs. Influence activity by foreign states targets both decision-makers and public opinion.

[THE INTELLIGENCE AND INFLUENCE THREAT]

Persistent Russian and Chinese intelligence threat to Norway.

Russia and China pose the greatest intelligence threats to Norway. Their activity is directed at political, military and economic targets, and both nations have considerable intelligence capabilities available to them.

States are increasingly using intelligence as a foreign policy instrument; this will be a continuing trend in 2019. The Russian and Chinese intelligence and security services present a major intelligence challenge. Both states have taken steps to make their intelligence operations more targeted, coordinated and efficient. Norway's proximity to the Arctic and the High North makes it an attractive intelligence target.

In 2019, Norway is likely to be exposed to intelligence operations of various kinds, aimed at gaining insight into Norwegian High North and defence policy, military infrastructure and readiness plans. There is also an interest in domestic Norwegian affairs, including government agencies and political decision-making processes, and in particular Norwegian positions in international negotiations.

«Russian rhetoric against Norway has hardened. Norway is perceived as less Russian-friendly than before, and as a driving force of increased allied activity in the High North; this has heightened intelligence activity.

Norwegian knowledge-based institutions, research institutions and industrial companies will all be potential targets of espionage in 2019. Foreign actors are taking a particular interest in companies that possess unique expertise and technology, including within the arms industry, space research, the maritime sector and the healthcare sector. Many companies that have been subjected to intelligence-related activity have one thing in common: they develop technologies that can be used for both civilian and military purposes. The Chinese intelligence act of 2017 requires all Chinese companies and individuals to assist the country's intelligence services.

In the cyber domain, state actors have a number of intelligence methods available to them, supported by customisable and readily available software.

Foreign states are also conducting human intelligence collection against Norwegian targets, with the aim of gaining access to technological companies, research centres and political institutions. Foreign intelligence services are trying to establish contact with Norwegians who hold influential positions or have access to classified information. Increasingly, such individuals are being approached through social media.

Influence activity to increasingly target political processes and public debate.

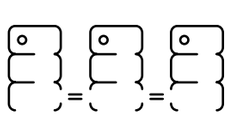
Whilst Russian actors pose a considerable influence threat to Norwegian interests, Chinese actors are becoming increasingly active in employing various measures to target Western societies. Information technology has become more suitable for such operations, enabling coordinated influence campaigns across multiple channels.

Russian state and state-owned actors pose the greatest influence threat to Norwegian and allied interests. Russia has been linked to a number of information and influence operations in Western countries over the past few years. Through these operations, the actors have gained valuable experience. What is more, the Kremlin is willing to shoulder the political costs of running information and influence operations against Western political processes.

At home, the Kremlin's media control is used to ensure the political system's stability. Building support for the country's political ambitions and reinforcing existing polarisations and divisions within NATO and Europe are among Russia's foreign policy aims.

Russian rhetoric against Norway has hardened. Norway is perceived as less Russian-friendly than →

Development trends in network-based operations:



Infrastructure belonging to Norwegian companies is compromised in order to conduct network-based operations against a third party.

State actors are testing and developing their ability to conduct major cyber sabotage.

Encryption viruses that are used to hold information hostage have increased in scope and become more sophisticated.

before, and as a driving force of increased allied activity in the High North; this has heightened intelligence activity. Through their activities in the region, the Russian armed forces have begun signalling Russian discontent more clearly. The Chinese authorities, for their part, show increasing willingness to use means of influence more actively against Western countries.

«What is more, the Kremlin is willing to shoulder the political costs of running information and influence operations against Western political processes.»

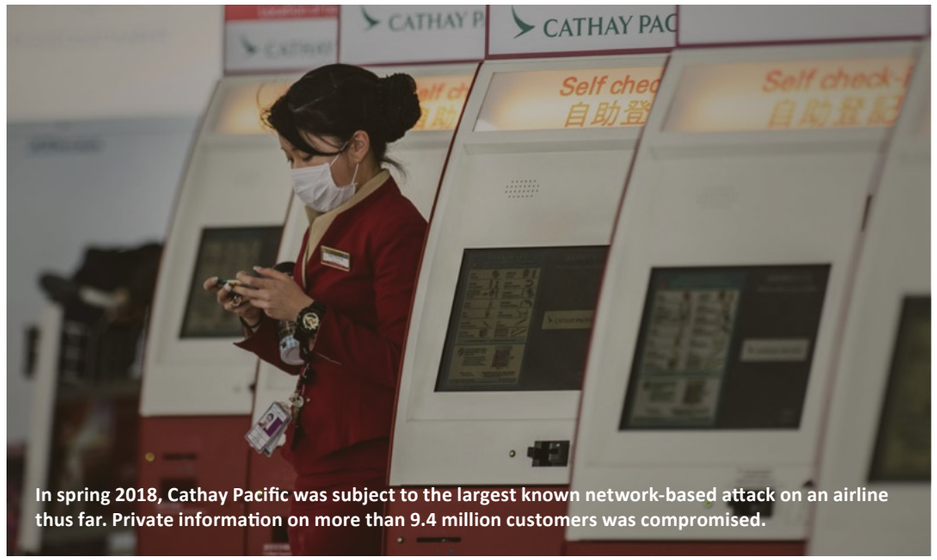
Influence activities target both decision-makers and the public, with elections and other political processes increasingly subject to influence operations. States are using a wide range of means to increase their own influence, from regular diplomacy to strategic communication and funding of political parties and causes. The establishment of friendship societies, cultivation of personal relationships with politicians and researchers, control of exiled citizens and the publication of covert propaganda in regular newspapers are all examples of known methods. Actors include intelligence and security services, private companies, research institutions and charities.

Developments in information technology offer states increased opportunity to promote political views across multiple channels. It can be very difficult to distinguish between ordinary communication and coordinated influence activity. A novel development is the emergence of media platforms that systematically publish news items specifically selected to reflect negatively on Western societies. These are difficult to mitigate with countermeasures.

Exploitation of infrastructure, sabotage and encryption viruses central to developments in network-based operations.

When it comes to network-based operations, there are three development trends in particular that stand out: the exploitation of third-party infrastructure, network-based sabotage operations and the use of encryption viruses for financial extortion.

A number of countries are seeing their domestic digital infrastructure compromised and exploited for use in operations. These operations are often directed at non-domestic targets. Because it relies on



In spring 2018, Cathay Pacific was subject to the largest known network-based attack on an airline thus far. Private information on more than 9.4 million customers was compromised.

established infrastructure, the activity appears legitimate and it is difficult to identify an actor's origins. Norwegian companies' infrastructure is often used as a springboard for operations against targets in Europe, the Middle East and Africa.

«The threshold for conducting destructive digital sabotage is high, as such actions may be perceived as an act of war; however, the step from capability to deployment has become shorter.»

In recent years, there have been instances where digital sabotage has been tested in operations against European countries. Such testing can help make methods more targeted and useable in future operations. The consequences of such attacks can range from small disruptions to the collapse of critical social services. The threshold for conducting destructive digital sabotage is high, as such actions may be perceived as an act of war; however, the step from capability to deployment has become shorter.

Complex encryption viruses can pose a significant security risk, in addition to incurring high costs on society. In recent years, ransomware campaigns – where encryption viruses are used to hold information hostage – have increased in volume and become more sophisticated. If such network-based operations are combined with conventional means, the consequences could be severe.

Over the past few years, several large-scale operations have been detected in which several different types of sophisticated malware have been used. In the past, such software was the preserve of actors with significant funds and capabilities, but it has now become more readily available and much more affordable. Moreover, such software is extremely adaptable, enabling threat actors to tailor it to their specific needs.

THE INTELLIGENCE AND INFLUENCE THREAT

The intelligence and influence threat

THE RUSSIAN THREAT PERCEPTION

Russia's perception of Norway as less Russian-friendly and a driver of increased NATO activity in the Arctic has led to an increase in influence-related activity.

THIRD-PARTY EXPLOITATION

Infrastructure belonging to Norwegian companies has become attractive platforms for concealing cyber operations against targets in other countries.

EUROPA AND NATO

The Russian authorities are seeking to reinforce existing polarisations and divisions, with the aim of undermining Western institutions and alliances.

SABOTAGE

State actors have gained valuable experience in cyber sabotage through trial operations, and sophisticated malware has become more readily available even to smaller actors.

OSLO

MOSCOW

RUSSIA

BEIJING

CHINA

CHINESE INFLUENCE AND INTELLIGENCE

Beijing is employing a wide range of increasingly coordinated and efficient measures in Western countries.

Intelligence activity against Norway

Other nations aim to gain insight into Norwegian High North and defence policy, military infrastructure and readiness plans.

Foreign actors are taking a particular interest in businesses that possess unique expertise and technology, including in the arms industry, space research, the maritime sector and the healthcare sector.

A majority of companies subjected to intelligence activity share a common trait: they develop technology that can be used for both civilian and military purposes.

MEASURES FOR EXERTING INFLUENCE

Friendship societies, personal relations to decision-makers and researchers, control of citizens abroad, the publication of covert propaganda in regular newspapers and funding of political parties and causes are all measures used alongside regular diplomacy and strategic communication.

Russia

‘Russia was never so strong as it wants to be and never so weak as it is thought to be’. Those were Putin’s words in 2002. Now that he has entered what he claims to be his final presidential term, Russia is facing major opportunities, but also a series of challenges.

2 November 2018: a Russian Tupolev TU-142 reconnaissance aircraft passes over the USS Mount Whitney off the coast of Trondheim, Norway during the allied exercise Trident Juncture. The ship was NATO’s command vessel during the exercise.

SUMMARY

In the Arctic, Russia has succeeded in securing a presence, ensuring control and initiating large-scale military and civilian infrastructure projects. However, Russia's Arctic investments lack coordination, whilst Western sanctions and relatively low oil prices are limiting profitability.

Together with several other instruments of state power, the Russian armed forces serve as a political tool for the Russian authorities. It has been modernised and slimmed down considerably, and one of the key effects of this modernisation is the fact that the military capabilities in the High North can no longer be taken in isolation, as large parts of the Russian armed forces could potentially be deployed there. Nevertheless, the armed forces continue to suffer from a number of material weaknesses, and the investment in asymmetry and offensive power increases the risk of misunderstandings and military escalation.

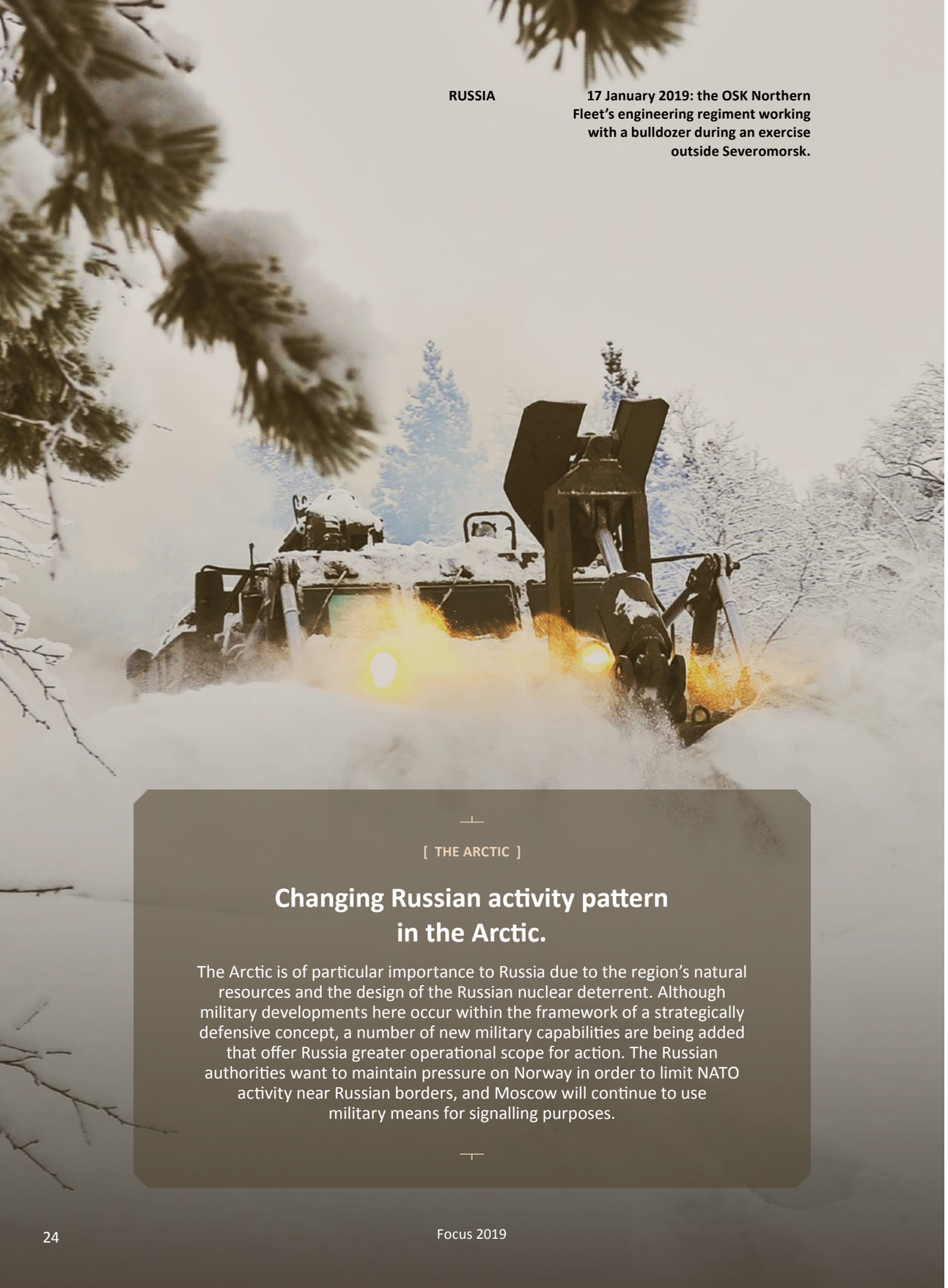
Internally, Russia is currently politically and economically stable. Nevertheless, securing future growth in the Russian economy and handling a possible change of power in 2024 will prove to be key challenges for the political leadership in the years ahead. Both issues make the regime vulnerable to internal and external challenges.

Russia continues its attempts at undermining Western institutions, yet is currently facing a more united NATO and an enduring risk of fresh sanctions. Moscow considers developments in Ukraine to be manageable, whereas the situation in Syria is volatile and without prospects of a long-term political solution.

For Moscow, the overarching task going forward will be to turn tactical advantages into strategic gain. This involves combining what Russia considers to be quite modest objectives – strategic, political and economic stability – with partly offensive means, without risking regime collapse or excessive costs from its conflict with the West.

Ballistic missiles are launched from the strategic submarine Juriy Dolgorukiy whilst in submerged position. The Russian navy took receipt of the submarine in 2012, as the first new strategic Russian submarine since Soviet times.

Together with several other instruments of state power, the Russian armed forces serve as a political tool for the Russian authorities. It has been modernised and slimmed down considerably.



RUSSIA **17 January 2019: the OSK Northern Fleet's engineering regiment working with a bulldozer during an exercise outside Severomorsk.**

[THE ARCTIC]

Changing Russian activity pattern in the Arctic.

The Arctic is of particular importance to Russia due to the region's natural resources and the design of the Russian nuclear deterrent. Although military developments here occur within the framework of a strategically defensive concept, a number of new military capabilities are being added that offer Russia greater operational scope for action. The Russian authorities want to maintain pressure on Norway in order to limit NATO activity near Russian borders, and Moscow will continue to use military means for signalling purposes.

Russia's presence in the Arctic has been significantly bolstered in recent years, a trend which is expected to continue. Although the civilian presence has increased, the most prominent change is the development of the Russian armed forces, one of the Kremlin's top priorities. This, combined with the armed forces' more active stance in the High North, cannot be seen as distinct from Russian security policy thinking. To Russia, two dominant long-term military threats exist: the struggle for Russian natural resources and threats to strategic stability. These threats are existential, as they threaten the pillars of Russia's great power status: oil and gas and the nuclear retaliation capability.

Russia's security strategic presumes the Arctic to be a focal area in a conflict over natural resources. At present, the Arctic accounts for approximately 15 per cent of Russian GDP and approximately 20 per cent of all Russian exports. The Russian authorities consider the Arctic energy resources a pillar of the economy; this makes national control a prerequisite.

«To Russia, two dominant long-term military threats exist: the struggle for Russian natural resources and threats to strategic stability.»

As for threats to the nuclear retaliation capability, there are two factors in particular that are emphasised in Russian doctrines and strategy documents. One is the development of a Western missile defence, and the other U.S. plans for the so-called Prompt Global Strike (PGS) system, a precision-guided weapons system with global range.

The Russian measures intended to mitigate the threat to the retaliation capability and simultaneously increase national control and scope for action in the High North can be divided into three main categories; reinforcement of the Bastion Defence, power projection using multi-role submarines and non-nuclear deterrence.

The nuclear triad and its defence remains the Russian armed forces' top priority. The Kola Peninsula forms a military centre of gravity, and the Barents Sea the key deployment area for the Northern Fleet and its strategic submarines. To ensure early warning and control of local waters, Russia has reinforced its presence by adding new military capabilities here in recent years.

The Northern Fleet submarines have increased their activity in the Barents Sea and the Atlantic Ocean over the past few years, a trend that is expected to continue. The Northern Fleet will be taking receipt of several new and sophisticated Severodvinsk-class submarines in the period to 2030; these are fourth-generation submarines equipped with modern technology and weapons.

The strategic command OSK Northern Fleet is responsible for defending this area, and is tasked with protecting the strategic submarines and their base complex on the Kola Peninsula. Given that Russia has demonstrated its ability to scramble military forces very quickly anywhere on Russian territory, the OSK Northern Fleet's military power cannot be seen in isolation, as it could rapidly be reinforced from other military districts. Similarly, the Northern Fleet's forces are capable of solving tasks outside their primary area of responsibility.

Russia is re-establishing a number of bases along the Arctic littoral, with a centre of gravity to the west. These bases will be important to assert sovereignty and for rescue readiness along the North-East Passage. Some of the bases will be equipped with modern ground-based weapons systems and capable of supporting air, land and sea units.

Together with the strategic command, the establishment of the base complex has not only reinforced Russia's defence capability, but also turned the armed forces into a political instrument in the High North. Offensive Russian actions come in response to what Moscow perceives to be increased allied activity in →

A Russian GSM/GPS jammer in the field.

«During the NATO exercise Trident Juncture 18, Russia deployed surface vessels and patrol aircraft to the exercise area. Simultaneously, it demonstrated its own military capability through strategic sorties over the Norwegian Sea and live fire off the coast of Finnmark.»

the region. In recent years, there have been a number of examples of conventional Russian deterrence targeting Norway and NATO, including multiple incidents of simulated weapons usage.

During the NATO exercise Trident Juncture 18, Russia deployed surface vessels and patrol aircraft to the exercise area. Simultaneously, it demonstrated its own military capability through strategic sorties over the Norwegian Sea and live fire off the coast of Finnmark. Jamming is a particular cause for concern; during the exercise, there were several instances of loss of GPS signal, which affected Norwegian and allied air traffic. This represents a threat to civilian air traffic as well as to healthcare and police services in peacetime.

A decade of military reform has resulted in a flexible and useable force that increasingly serves as a political instrument for the authorities. Moscow retains its ambition of reaching global nuclear parity with the United States, and is simultaneously developing its regional non-nuclear deterrent against NATO targets on both sides of the Atlantic. Through the development of new military and asymmetric means, Russia has acquired comparable advantages and thereby increased its scope for action considerably. This is a continuing trend.

Russia's new armament programme, GPV 2027, was formally launched on 1 January 2018. The programme, for the period 2018–2027, has a total budget of 20,000 billion roubles. Of these, 19,000 billion roubles are intended for investment in technology and equipment for the armed forces, while the rest will be spent on improving support structures. The nuclear forces remain the top priority in GPV 2027, whilst the focus on usability endures. The armament programme is focused on reinforcing Russian investment in long-range precision-guided weapons. It also invests in new force multipliers such as space-based capabilities, electronic warfare and network-based operation capabilities. Furthermore, a number of weaknesses will be addressed. Unlike in the past, funds will be distributed fairly equally between the services.

GPV 2027 confirms the shift in Russia's threat perception, and consequently the understanding of the purpose of the armed forces. This involves a move away from a unilateral emphasis on major direct military conflicts towards a more asymmetric, indirect and complex use of means.

Increasingly, Russia's military activity in the High North must be seen in light of Russian military activity elsewhere, both at home and abroad. Similarly, developments and activity elsewhere may bring to bear on the situation near Norwegian borders.

Russia takes steps to tighten control of Arctic policy.

In 2018, a bill was proposed to ensure more unified control of Russian development in the Arctic. However, there are a number of practical obstacles that could lead to persistent coordination difficulties beyond 2019. Development in the region is hampered by Western sanctions and the financial situation in Russia, with the Kremlin increasingly turning to China for economic support.

The Russian authorities have grand ambitions for developing the Russian Arctic, and in recent years they →

have made progress on increasing the Russian presence and initiating large-scale infrastructure projects in the region. Despite setting up an Arctic commission in 2015, in an effort to take a unified approach to their Arctic policy, the Russian authorities continue to operate parallel structures.

In 2018, new laws were passed with a view to ensuring tighter control. The state-owned nuclear company Rosatom has been granted sweeping powers to develop the region. Initially, the new legislation will ensure more efficient management of the North-East Passage, and to this end Rosatom has established a dedicated directorate. Meanwhile, the legislation grants powers to coordinate the government's Arctic policy more generally, including budget and infrastructure oversight in the High North. Moreover, Rosatom has close links to the defence sector, as well as a special responsibility for Russia's nuclear power. This could make it well placed to coordinate civilian and military activity in the region.

These measures raise a number of practical issues. It is uncertain whether the new legislation will make the division of responsibility clearer or whether it will overlap with those of existing structures. For instance, there are three deputy prime ministers who all have leadership responsibilities for developing the Arctic in one way or another. Furthermore, several state project offices and commissions have functions which partly overlap. The coordination issues inherent in Russia's Arctic policy are therefore likely to persist beyond 2019.

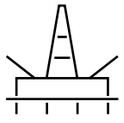
The Arctic represents a significant growth area for the Russian economy, yet development is hampered by Western sanctions and the financial situation in Russia. The authorities' challenge is to develop new projects that will secure the economy going forward. To succeed, they need private actors and foreign investors.

Civilian activity in the Arctic is largely linked to existing on-shore oil fields. The start of an LNG (liquefied natural gas) project on the Yamal Peninsula, with export via the North-East Passage, will be another source of activity. Developing the latter has long been a goal for the Russian authorities; the investment was detailed in Putin's May 2018 decrees, in which he launched an extremely ambitious goal of reaching 80 million tons along the route by 2024, an eight-fold increase of the official figures for 2017.

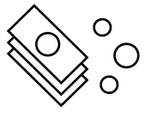
According to figures from the Russian transport ministry, national Russian transport along the North-East Passage has increased considerably in recent years. In 2018, the ministry claims tonnage will reach approximately 18 million tons, just shy of a doubling of the figure for the previous year. The increased amount of goods is largely due to the start of gas exports from Yamal. As for international traffic along the North-East Passage, official figures show that this will reach more than 500,000 tons for 2018, the highest

The Arctic represents a significant growth area

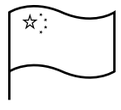
Russia is dependent on private actors and foreign investors:



At present, civilian activity in the Arctic is linked mostly to existing on-shore oil fields.



Development is hampered by Western sanctions and the financial situation in Russia.



China has taken an interest in investing in Arctic projects.

In the longer term, the realisation of Russian plans for developing the North-East Passage could increase traffic in Norwegian waters.

figure since 2013. Meanwhile, the tonnage shipped via the North-East Passage equals only a small part of the total between Europe and Asia, and traffic numbers remain very low compared to, for instance, the Suez Canal.

Yamal LNG exemplifies how Russia has succeeded in completing large-scale Arctic projects with the help of foreign investment. In the years ahead, the Russian authorities will be forced to weigh the need for investment against allowing other states to gain a stronger foothold in the region. One potentially important actor is China, which has shown an interest in investing in Arctic energy projects and the North-East Passage. In early 2018, China published its Arctic strategy, which sets out Chinese investment ambitions in the region. These investments are based on a stated desire to improve China's access to natural resources and transport routes. China was a large economic contributor to Yamal LNG, and this investment can be seen as a partly political one, aimed at securing future involvement in a number of Arctic projects.

«The Russian ambitions for developing the North-East Passage could lead to increased traffic through Norwegian waters.»

The Russian authorities are ambivalent toward the prospect of increased presence of other states in the Arctic, as this is perceived as posing a potential threat to national control of the region's resources. Despite economic difficulties, Russia will continue to invest in self-funded projects in the Arctic and increased activity along the North-East Passage. The Russian ambitions for developing the North-East Passage could lead to increased traffic through Norwegian waters.

22 September 2018: a demonstration in Omsk, organised by the Communist Party of the Russian Federation against the proposed pension reform.

[DOMESTIC POLICY]

Uncertainty regarding Putin’s future role.

Going forward, there are two particular challenges that may affect political stability in Russia: securing economic growth and handling a change of power when Putin’s current presidential term expires in 2024.

With a solid victory in the 2018 presidential election, Vladimir Putin secured a strengthened mandate from the Russian people. The composition of the new government signals political continuity, and there were few changes in key positions. At present, Russia is politically and economically stable. The political opposition continues to be of marginal significance, and the budget has returned to the black following years of deficits. Nevertheless, Russia is facing two key challenges. One is long-term developments in the Russian economy, which remains heavily dependent on oil. Although Russia is rich in natural resources and human capital, it is failing to exploit this potential to the full. Unless the oil price drops significantly, Russia will experience weak to moderate economic growth in the years ahead.

The country would likely have enjoyed a much stronger economic growth rate if the state had implemented deep structural changes such as tax reform, the establishment of an independent judiciary and more robust private property rights. The authorities are unlikely to do so, however, as that could interfere with political control. Rather, they prioritise balancing the budgets and keeping inflation low. In lieu of structural reform, the authorities have a choice between cutting costs, increasing taxes and increasing the debt burden in order to balance the budget, despite the fact that such measures could spark unrest in both the elite and the general population; the extremely unpopular pension reform of 2018 is a case in point. Changes to Western sanctions against Russia presents yet another economic uncertainty.

The other challenge facing Russia is Putin’s political future. Following nearly 20 years in power, he claims to have entered his final presidential term; this is also in accordance with the Russian constitution. The question of who will succeed him is already central to public debate in Russia. Much of the president’s political power is linked to Putin personally, and going forward he will have to lay the foundations for ensuring his own future and building legitimacy for his successor. One possible scenario is that he will be succeeded by a weak president. This would allow Putin to stay on in a new key role within the power apparatus. In addition to popular uncertainty, the absence of an obvious successor is a source of tension within the elite, whose members are keen to secure their own interests and positions for the future. This has made political stability vulnerable.

«Much of the president’s political power is linked to Putin personally, and going forward he will have to lay the foundations for ensuring his own future and building legitimacy for his successor.»

The most prominent political opposition figure in Russia today, Aleksey Navalny, is being systematically undermined and cut off from party politics. He has made a name for himself by exposing corruption in the Russian elite, and has succeeded in building a visible and robust organisation that has a presence in a number of Russian cities. However, at present the Navalny apparatus is not a significant power factor. This is largely due to Putin’s supreme position and a political system built to keep rivals out. When Putin is no longer in power, actors such as Navalny may come to present a greater challenge to the establishment.

Although the current situation is stable, the authorities’ narrowed scope for economic action and uncertainty linked to Putin’s future could exacerbate political instability. The Russian authorities will seek to meet these challenges with well-known methods that involve a series of measures to tighten state control of developments. The authorities will be monitoring popular opinion closely, and will continue to take measures to keep the real opposition fragmented and weak.

16 July 2018: U.S. President Donald Trump and Russian President Vladimir Putin meet in Helsinki, Finland.

[FOREIGN POLICY]

No prospect of lowered tension with the West.

There is no prospect of a normalisation of relations between Russia and the West in the year ahead. Russia continues to behave offensively both in Europe and towards the United States, by making more active use of military power and displaying willingness and ability to interfere in other countries' internal political processes.

The relationship between Russia and the West remains tense. Russia refuses to renege on the annexation of Crimea, and believes it is being subject to a Western policy of containment. The Russian authorities are extremely critical of Western institutions such as NATO and the EU, and retain the ambition to undermine these organisations by pitting member states against each other. The means used are complex, and include military force, traditional diplomacy, misinformation and cyber-based exploitation.

In the longer term, Western sanctions will challenge Russia's economic development. Although Russian oil and gas companies have profited significantly from higher oil prices and low rouble exchange rates, and although Russian countersanctions have stimulated export-oriented activities such as agriculture, the possibility of fresh sanctions in the year ahead will be a source of strong interest in Russia. Sanctions against state-owned Russian banks or a ban on trade in Russian government bonds could have significant economic and political ramifications.

The authorities have taken various steps to reduce the impact of the sanctions, and are pursuing an active policy of reducing Russian dependency on imported products and components. Moreover, Russia has stepped up its efforts to increase exports to non-Western markets. China, a large market and seemingly a strategic ally in the fight against what both countries consider U.S. hegemony, is of particular importance. However, despite an increasingly close partnership, Russia is careful not to make itself dependent on China. Similarly, Moscow wants to avoid an excessive Chinese presence in Central Asia and the Arctic, as that would challenge Russian control.

«Meanwhile, Russia is taking steps to ease tensions with the West. The country seeks to avoid a military conflict with NATO, and wants to continue economic and political cooperation with Western countries in general and Europe in particular.»

Meanwhile, Russia is taking steps to ease tensions with the West. The country seeks to avoid a military conflict with NATO, and wants to continue economic and political cooperation with Western countries in general and Europe in particular. Development of the Nord Stream 2 and Turk Stream gas pipelines is testament to Russian efforts to prioritise the European market. The frequent meetings held with European and U.S. public officials demonstrate that Russia continues to seek legitimacy for its policies among Western decision-makers.

Overall, the chances of a normalisation of relations between Russia and the West in the year ahead are slim. Russia shows no willingness to compromise on strategically important issues such as the annexation →

Russia continues to prioritise the European market. Frequent meetings with European and U.S. public officials show that Russia continues to seek legitimacy for its policies among Western decision-makers.

of Crimea or its support to Syrian president Bashar al-Assad's regime. Russia's willingness and ability to interfere in other countries' internal political processes will endure.

Russia to balance range of interests in the Middle East.

Russia's ability to influence developments in Syria will be challenged by the Assad regime's unwillingness to negotiate. Moreover, the regional powers in the Middle East have diverging interests in the conflict. Moscow continues to strengthen its political and economic ties to a number of countries in the region, and will seek to avoid taking sides in the conflicts between them.

In Syria, Russia has helped secure the Assad regime's territorial control, and its role in the Astana framework with Turkey and Iran offers Moscow considerable influence over any future political solution. Meanwhile, Moscow's ability to shape the outcome of the conflict is being challenged by a number of factors, including the Assad regime's unwillingness to compromise, the Astana parties' diverging interests and the souring relationship between Israel and Iran. To avoid the conflict in Syria escalating to a major conflict in the Middle East, Moscow needs to limit Iran's footprint in the country. However, Iran remains a necessary diplomatic supporter of Russia, and the dialogue with Tehran is important as Russia seeks to reduce U.S. influence in the region.

Russia's military support to the regime enables it to put pressure on all parties in Syria, yet the impact of this will be lessened when the situation on the ground calms down. Furthermore, Russia needs more states to contribute economically to reconstruction in Syria when the civil war ends. To this end, Moscow is reliant on international cooperation, including with the United States and the EU. This is difficult to achieve while Assad remains in power. Moscow's attempt at securing international cooperation for the rebuilding of Syria depends on the parties agreeing to the formulation of a new constitution and a UN-observed election.

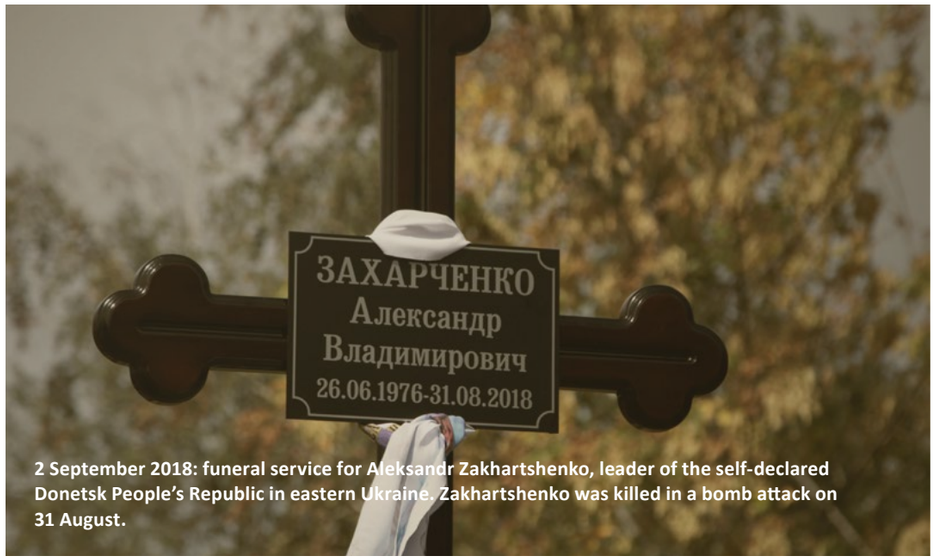
Russia's approach to the Middle East is shaped in part by its aim of circumventing Western sanctions and developing new export markets, and in part by the desire to establish an alternative security policy partnership. Over the past year, Moscow has strengthened its political and economic ties to individual countries in the region, and increased the scope for using non-military means to secure its own interests. Meanwhile, Russia's influence in the Middle East is challenged by its desire not to take sides in the region's polarised conflicts.

«To avoid the conflict in Syria escalating to a major conflict in the Middle East, Moscow needs to limit Iran's footprint in the country.»

In 2019, Russia will likely continue its efforts to strengthen bilateral ties to the regional powers. Many of these, including Iran, Israel, Saudi Arabia, Turkey and Egypt, have strong conflicts of interest between →

Moscow needs to secure economic support for the reconstruction of Syria through international cooperation. Whilst Assad remains in power, this is challenging, as it would require the parties to agree on the formulation of a new constitution and a UN-observed election.

20 August 2018: Russian and Syrian forces stand guard at the Abu al-Duhur province border crossing in eastern Idlib, Syria.



2 September 2018: funeral service for Aleksandr Zakhartshenko, leader of the self-declared Donetsk People's Republic in eastern Ukraine. Zakhartshenko was killed in a bomb attack on 31 August.

Ukrainian President Petro Poroshenko greets Patriarch Filaret outside the Sofia Cathedral in Kiev. In October 2018, the Church of Ukraine was granted independence after being led by the Patriarch in Moscow for more than 300 years.

them. Russia will seek to strengthen bilateral ties in part by developing economic and military-technical cooperation with all the regional powers, particularly when it comes to arms trade and energy. Meanwhile, Russia will have to balance its relationship with Iran with its relationship with Israel on the one hand and the Sunni-dominated states, primarily Saudi Arabia, on the other.

Conflict between Ukraine and Russia to continue.

Russia will continue its integration of the Crimean Peninsula, maintain support to the breakaway republics in eastern Ukraine and continue its efforts to destabilise the Ukrainian state. Although Russia will seek to influence the coming elections in Ukraine, the intensity of the conflict in the east is likely to remain low.

There is nothing to suggest that the Russian authorities will show greater willingness to compromise on the question of Crimea's status. The mainland connection to Russia across the Kerch Strait east of Crimea, which was completed in 2018, clearly demonstrates that Moscow is continuing its efforts to integrate the peninsula into the Russian Federation. Despite the impact of Crimea-related sanctions on the Russian economy and the Kremlin's relationship with the West, the peninsula's strategic importance makes a change in Russian policy extremely unlikely. The incident in the Kerch Strait in November, when Russia detained three Ukrainian vessels and charged their crews with border violation, demonstrates the lability of the situation. This episode could easily be repeated.

The Kremlin will maintain pressure on the Ukrainian authorities. Control of the breakaway republics in the Donbass is an efficient instrument for exerting pressure on Kiev, and Russia is continuing its efforts to destabilise its neighbour. Moreover, the Minsk treaty secures Russia a seat at the table in negotiating with Ukraine and the West. Control of the Donbass, and the attendant ability to exert pressure both in the talks and on the battlefield, is an important Russian instrument against the Ukrainian authorities.

Russia will focus on the Ukrainian presidential election in spring and the parliamentary election in autumn. Ukraine is highly unlikely to elect an overtly pro-Russian president. The aim of Russian influence campaigns will therefore be to install a more pliable negotiating partner. Similarly, in the lead-up to the parliamentary election Moscow is likely to support the political forces that call for a softer line in Ukraine's relationship with Russia.

There is little prospect of progress in the Minsk negotiations. The parties are as far apart in their interpretations of the agreement and which order its terms should be implemented in as when it was first signed. Although Ukraine has redefined the war in the east from a counterterrorism operation to a conflict with Russia, this is unlikely to affect the situation on the ground. Russia will not agree to a permanent solution that restores Ukrainian control of areas currently held by the separatists.

«There is little prospect of progress in the Minsk negotiations. The parties are as far apart in their interpretations of the agreement and which order its terms should be implemented in as when it was first signed.»

In consequence, the conflict does not appear to have an imminent solution. Both parties are taking this time to reinforce militarily and cement their positions along the line of contact. The cost of any escalation is rising steadily for both sides, suggesting that the conflict's intensity is likely to remain low.

RUSSIA


THE ARMED FORCES
A decade of military reform has secured Russia a flexible and usable force that increasingly serves as a political instrument for the authorities.
THE ARCTIC
The authorities have grand ambitions for developing the Russian Arctic, yet development is hampered by Western sanctions and the financial situation in Russia.
EASING OF TENSIONS
Although there is no prospect of a normalisation of Russia's relationship with the West, the country is taking various steps to ease tensions.
RUSSIA
Russia
MOSCOW
THE POLITICAL FUTURE
In order to maintain political stability, the Kremlin needs to ensure economic growth and handle the coming transition of power shrewdly.
UKRAINE
The Russian authorities will continue the integration of the Crimean Peninsula, maintain support to the breakaway republics in eastern Ukraine and continue to destabilise the Ukrainian state.
KIEV
UKRAINE
CRIMEA
COMPLEX AND ASYMMETRIC
The new military reform, GPV 2027, confirms that Russia is seeking to further improve its ability to employ measures in a more asymmetric, complex and indirect way.
THE MIDDLE EAST
Russia's ability to influence developments in Syria is being challenged by the Assad regime's unwillingness to negotiate and the regional powers' diverging interests.
SYRIA
DAMASCUS

The Middle East and Africa

The great powers' involvement in the Middle East and Africa is changing, and as their rivalry increases the regional states' own scope for action is affected. Strong regional states are taking advantage of the great powers to increase their own scope for action, whilst weak states are being subjected to power play and exploitation.

15 November 2018: a Syrian child refugee waits to be transported back home by bus in Tripoli, Lebanon.

SUMMARY

- This great power rivalry is especially evident in the endgame of the war in Syria and in war-torn countries such as Iraq. In Syria, the tug of war between the external supporters is mounting. In Iraq, the state exerts more control now than it has for the past 15 years, yet a corrupt and inefficient government apparatus, combined with the country's proximity to Iran, will complicate both reconstruction and efforts to gain control of the militias.

- The pressure on Iran is mounting. The country's economy is under severe strain due to fresh U.S. sanctions, and there is persistent internal unrest. Nevertheless, the regime will likely choose to uphold the nuclear deal. China and Russia are becoming increasingly important to Iran, and the Iranian authorities have to weigh the need for a good relationship with Europe against the need to deter the United States and regional rivals.

- The Middle East's three major Sunni Muslim powers are moving in a more authoritarian direction, whilst increasing their foreign policy involvement. There is mounting antagonism between them, and this regional conflict dynamic is spreading to the Horn of Africa and countries along the Nile.

- The use of militias in the Middle East and Africa is growing. In war-torn countries and countries where the authorities are incapable of controlling their own territory, states are increasingly turning to militias to compensate for power vacuums. The militias have an impact on local conflict dynamics. They are easily exploited by other actors, making it more difficult to find peaceful solutions.

- In Libya, real power rests with the country's militias. None of them is strong enough to force a national solution on their own, yet many are capable of undermining the efforts of others. The external involvement is not sufficient to resolve the situation at the national level. European and regional initiatives are likely to cause increased political and military conflict in the country in 2019.

- Jihadist groups have grown considerably in Mali and the surrounding countries in the Sahel in 2018, a development that will continue in 2019. Mali is becoming poorer and more dangerous, despite the ongoing peace process and considerable support from the international community. The authorities exert little control in northern Mali, and are steadily losing terrain in key regions.

24 October 2018: Adil Abdul-Mahdi speaks to the Iraqi parliament. He took office as prime minister the following day.

In Iraq, the fight against ISIL has made the central government stronger than at any time since the fall of the Baath regime in 2003. The level of violence is at its lowest for 15 years.

1 October 2018: Iranian missiles are launched against eastern Syria.

[THE MIDDLE EAST AND AFRICA]

Great power rivalry to increase in the Middle East and Africa.

The great powers' involvement in the Middle East and Africa is growing. Their rivalry will be especially evident in the endgame of the Syrian war and in war-torn states such as Iraq. In Syria, the tug of war between the various supporters is intensifying, and the endgame is likely to become protracted. In Iraq, the state has gained increasing control, yet reconstruction will prove challenging.

The global powers' involvement in the Middle East and Africa is changing. China's influence is growing, the Russian involvement is increasing and the United States is altering its use of means. The great powers are competing to cooperate with local forces, which fuels their own rivalry. For the states in the region, increased great power rivalry means less predictability and a shifting scope for action. Large regional powers such as Turkey, Saudi Arabia, Egypt, Iran and Ethiopia are seeking to strengthen their ties to the global powers. Simultaneously, they attempt to limit their own internal weaknesses and increasingly interfere in neighbouring states in an effort to control developments there. As a result, weaker states are under mounting pressure from both global powers and their own larger neighbours.

The great power rivalry is most evident in Syria. With support from Russia, Iran and Hezbollah, the Assad regime has settled the civil war militarily and likely secured its own survival for a time. As the regime regains control of larger parts of Syria, it is becoming more self-assured and less willing to enter into the compromises that are being attempted forced upon it. In 2019, the regime's agenda will be dominated by the reclamation of all Syrian territory, normalisation, stabilisation and reconstruction. To succeed, Damascus will remain reliant on external supporters. In Idlib, the final de-escalation zone guaranteed by the trio of Russia, Turkey and Iran, a weakened opposition remains standing together with jihadist groups. Turkey has forces standing in the western Kurdish areas of Afrin and Manbij. Further east is the Kurdish-dominated anti-ISIL umbrella SDF, supported by coalition forces and the United States. The tug of war between the external supporters is intensifying.

The external actors in Syria have diverging interests. Turkey is seeking to limit Kurdish autonomy in the future Syria. The United States has supported Kurdish positions, but is now signalling the end of its military effort in Syria in 2019. Russia and Iran both seek to secure political victories, as well as long-term influence, from their military involvement in the war. However, Syria is in ruins, and in order to rebuild and normalise the country the Assad regime needs external capital. This is something neither Russia nor Iran can supply, while Western states have signalled that access to reconstruction funds will be contingent upon a genuine political process in the country.

«With support from Russia, Iran and Hezbollah, the Assad regime has settled the civil war militarily and likely secured its own survival for a time.»

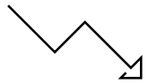
To the United States, Iran's role in Syria is important, whereas European countries seek stability in order to secure an acceptable solution to the refugee issue. The Assad regime is under heavy pressure to accommodate various external actors. The sheer number of actors and their diverging agendas enables Damascus to pit them against each other in order to increase the regime's own scope for action. It may also turn to the Arab states or China and India in order to ease economic pressure from Western countries.

Consequently, although Assad settled the civil war in his favour in 2018, the great powers' interests will continue to complicate the peace process. Although the endgame is at hand, it is likely to become protracted.

In Iraq, the fight against ISIL has made the central government stronger than at any time since the fall of the Baath regime in 2003. The level of violence is at its lowest for 15 years. Kurdish ambitions for autonomy have been set back by several years, with →

Iran under pressure:

There are benefits to Tehran of remaining in the nuclear deal, in the form of normalised diplomatic relations, low risk of military attack and the prospect of restrictions on arms trade being lifted.



U.S. sanctions are hitting the Iranian economy hard, and the gap between people's expectations for economic development and what Tehran is able to deliver is fuelling internal unrest.

Pressure on Iran is making the country more dependent on China, whilst Russia is becoming a more important political partner – especially as the regime needs to demonstrate its deterrent to the United States, Israel and Saudi Arabia.

the Kurds becoming increasingly reliant on Baghdad. The 2018 election brought a consensus government to power that will preserve the current political system. However, deep socioeconomic, political and security-related challenges remain. Developments in 2019 will largely determine whether Baghdad is able to retain its newly acquired control.

The new prime minister of Iraq, Adil Abdul-Mahdi, must accommodate two key political blocs. One is close to Iran, and consists of parties that originate from Shia militias. The other is more nationalistic and populist, and has demanded that Abdul-Mahdi introduce political reforms in the year ahead. Although Iraq raises significant revenues from oil, corruption and an inefficient state apparatus have rendered Baghdad incapable of tackling the need for reconstruction. As a result, the country remains dependent on funds from outside. The Gulf states have promised significant contributions, but these are contingent on Iraq pursuing a line that limits Iranian dominance. Militias that are closely linked to Iran have positioned themselves on the inside of the state apparatus, where they exert influence over Iraq's budget funds and political direction. In the past, Iraq has served as an important arena for Iranian sanction circumvention, and a key issue in 2019 will be what impact U.S. sanctions against Iran will have on Iraq. Another important factor in 2019 will be the effect of the announced U.S. withdrawal from Syria on the situation in Iraq.

Pressure to mount on Iran

The Iranian economy is under heavy pressure following fresh U.S. sanctions, and internal unrest continues. Nevertheless, the regime will likely choose to uphold the nuclear deal. China and Russia will be important supporters, and the Iranian authorities will have to weight the need to deter against the need for maintaining a good relationship with Europe.

Iran is facing an uncertain situation in 2019. U.S. sanctions are having a significant impact on the economy, and there is persistent internal unrest. Demonstrations are fuelled by the gap between people's expectations for economic development and what the Iranian authorities are capable of delivering; inflation, wage stagnation and a currency crisis are all widening this gap. Thus far, demonstrations have been nationwide yet sporadic, with low participation from the urban middle classes and lack of a clear leadership and unifying causes. This may change, in which case pressure on the Iranian authorities would grow further.

4 November 2018: protesters in Tehran express their disapproval of the FATF (Financial Action Task Force) on the 39th anniversary of the Iranian hostage crisis.

The Iranian power elite has sought to put up a united front against outside pressure. President Rouhani's legitimacy is linked to the economic profit Iran was expecting from the nuclear deal; after the United States pulled out, Rouhani has become more heavily dependent on Europe. In order to secure economic cooperation with Europe, Rouhani must implement economic reforms and secure a degree of willingness to compromise on foreign policy matters. However, conservative forces view such concessions as a threat to regime security and their own positions of power. Throughout 2019, it will become ever more challenging to uphold the nuclear deal should it fail to have a positive impact on the country.

However, there are positive effects of the nuclear deal for the regime in Tehran. It keeps Iran in the diplomatic fold, and keeps the risk of military attacks on the country relatively low; however, after the U.S. withdrawal this is still a possibility. The restrictions on Iranian arms imports and exports will be lifted in October 2020, in accordance with the nuclear deal and UN Resolution 2231. As a result, the regime is likely to adopt a wait and see approach to the U.S. administration's Iran policy.

The pressure it is under is increasing Iran's economic dependency on China, whilst Russia is becoming an increasingly important political partner. The regime needs to demonstrate its deterrent vis-à-vis the United States, Russia and Saudi Arabia, whilst weighing the need to deter against the need for good relationships with Europe, neighbouring states and the other great powers.

In 2019, Iran will continue investing in ballistic missile systems. Should the regime decide to withdraw from the nuclear deal, Iran would quickly be able to restore the nuclear programme to its 2015 level.

30 November 2018: Saudi Arabian Crown Prince Mohammad bin Salman al-Saud and Turkish President Recep Tayyip Erdogan on the opening day of the G20 summit in Buenos Aires, Argentina.

[THE MIDDLE EAST AND AFRICA]

Antagonism between Turkey, Saudi Arabia and Egypt to grow.

The Middle East's three major Sunni Muslim states are increasing their foreign policy involvement. Politically, they are moving in a more authoritarian direction. The antagonisms between them are growing, and the regional conflict dynamic is spreading to the Horn of Africa and countries along the Nile.

When the Arab Spring erupted in 2011, the Middle East's three major Sunni Muslim states – Egypt, Saudi Arabia and Turkey – all had different forms of government. Eight years later, all three have moved in a distinctly authoritarian direction. Power has been concentrated in the hands of a limited elite that cracks down hard on any opposition. All three countries have signs of internal unrest that they are countering with military force: Turkey with the Kurdish PKK in the east, Egypt with Bedouins and ISIL on the Sinai Peninsula, and Saudi Arabia with Shia Muslim groups in its Eastern Province.

In Egypt, President Sisi has secured his position for four new years by gaining 90 per cent of the votes at the regime-controlled election in 2018. In the past year, Sisi has replaced parts of the military leadership with loyal forces, and has offered the armed forces lifelong immunity for all actions committed since June 2013. Meanwhile, a number of the protesters against Sisi's ascent to power in 2013 have been sentenced to death. Government control of the press and the internet is increasing sharply, and the room for political disagreement has practically been reduced to nil. Simultaneously, the Egyptian economy is under severe strain. The authoritarian shift and the prioritisation of stability over growth will continue in 2019.

In Turkey, President Recep Tayyip Erdogan has consolidated his power. The 2018 election secured him five new years in office, with expanded constitutional powers. Although the purge of the armed forces that followed in the wake of the attempted coup has calmed down, government agencies are still subject to politicisation. Meanwhile, the Turkish economy is under heavy pressure, both due to internal affairs and external pressure. Erdogan is likely to tighten his grip on key institutions further in 2019.

Saudi Arabia is in the middle of a royal generational change. Since November 2017, the young crown prince, Muhammad bin Salman (MBS), has been outmanoeuvring his rivals in the royal family and consolidated his grip on power. He has created new dependencies between himself and a small, handpicked circle of members from the royal family, upper classes and civil service. Reforms are initiated to build broad popular support and loyalty to him personally, but are accompanied by increased surveillance, arrests and harsh punishments, including against advocates of those same reforms. One important prerequisite for the crown prince's plan is an ambitious economic turnaround, which in the past year has run into difficulties. Meanwhile, the war in Yemen, the Qatar crisis, the relationship with Israel and the Khashoggi case have all eroded trust in MBS at home and abroad. Side-lined forces are hoping to prevent him from seizing power. Should his position be weakened further, the likelihood of a counter-coup increases.

«Egypt, Turkey and Saudi Arabia are all involved in armed conflicts in neighbouring countries: Turkey in Syria, Egypt in Libya and Saudi Arabia in Yemen.»

Egypt, Turkey and Saudi Arabia are all involved in armed conflicts in neighbouring countries: Turkey in Syria, Egypt in Libya and Saudi Arabia in Yemen. Their efforts are intended to bolster their own national security by tightening their grip on the local area, and these efforts will continue in 2019. In Turkey and Egypt, improved stability at home offers the regimes there the ability to turn their attention to matters beyond their own borders. Another reason is that Western pressure on Iran's role in the region is creating room for manoeuvre for the Sunni states. Iran's influence in neighbouring countries is seen as a model for others to copy. Here, they come into contact with the Gulf states of Saudi Arabia, UAE and Qatar, which have strengthened their positions in the region in recent years, in no small part due to cheque book diplomacy. Consequently, the tensions →

between Turkey and Egypt and among the Gulf states are becoming more evident. These antagonisms have economic, political, military and ideological causes; whereas their rivalry is well-known from conflict areas such as Libya, Syria and Yemen, it is also increasingly affecting the dynamic in the Horn of Africa and countries along the Nile.

In Libya, real power rests with the militias

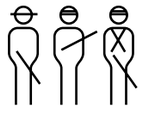
In Libya, real power rests with the country's militias, none of which is strong enough to force a national solution on their own, but many of whom are capable of undermining the efforts of others. The risk of political and military conflict in the country will increase in 2019.

Up until 2011, the political situation in the Middle East and North Africa was characterised by centralised state apparatuses exerting control of their own territories. In 2019, the picture is different; power struggles, civil war and radicalisation have weakened many governments' ability to control their own territory. In the ensuing vacuum, states have often sought to set up militia groups or form ties to existing ones. These may be used in hostilities involving other armed groups, such as in Syria, where government-friendly militias have served as foot soldiers for the Syrian regime during the war. Militias can retake territory on behalf of the state, like the Shia militias did in Iraq during the ISIL offensive, or prevent jihadist groups from operating freely. In Mali, the government has supported militias in an effort to compensate for a lack of government presence in the country's northern areas. Militias that are integrated into the state apparatus often continue to exist as parallel structures.

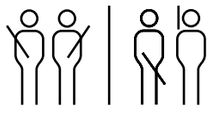
This development has progressed furthest in Libya, where the gallery of actors is fragmented, there are few alliances and few actors who wield both political and military influence. The Libyan power-sharing agreement of 2015, which brought together the key political actors in the country in order to hold elections, has collapsed. Three years later, Libya is just as polarised, and the military and political struggle for power is far from over. A number of new external initiatives, such as France's push for an imminent presidential election and Egypt's attempt at uniting the remnants of the Libyan army, stoke the fires of existing conflicts. Libyan actors are positioning themselves both politically and militarily before new rounds of negotiations.

In Tripoli, the security situation has gradually deteriorated throughout 2018. The Government of National Accord (GNA) has served as an arena for politicians and militia commanders to fight over funds and influence. The attempt to establish a neutral security force loyal to the government has failed. Although the government has military commanders with standing forces at its disposal, the generals primarily use their

Risk of political and military crisis in Libya to increase in 2019:



Militias being integrated into the state apparatus continue to exert influence through parallel structures.



None of them are capable of forcing through a national solution on their own, yet many are able to undermine the attempts of others.

In practice, southern Libya is lawless, with both an ISIL and an al-Qaeda presence.

25 September 2018: government-loyal Libyan militia members celebrate military progress south of the capital of Tripoli.

«Power struggles, civil war and radicalisation have weakened many governments' ability to control their own territory.»

soldiers to further their own personal interests. As a result, the government has resorted to buying military power by recognising certain militias as legitimate security forces. These militias have not become more loyal to the state simply by being given new uniforms, and have exploited their new-found legitimacy to form a militia cartel instead. Four large Tripoli-based militias have inserted their own men into all government institutions and are now controlling key infrastructure and extorting banks. The result is that the militias are able to dictate policy and secure revenue over the government budget whilst simultaneously continuing to engage in criminal activity.

Many west Libyan militias outside the capital consider the current situation untenable. In autumn 2018, two of them attacked Tripoli in an attempt to dissolve the Tripoli cartel. New and more expansive attempts will follow, and the capital is expected to see military hostilities in 2019.

The deadlocked situation in Libya is largely caused by the east Libyan militia commander Khalifa Haftar. His militia coalition, the Libyan National Army (LNA), is one of the few united actors in Libya, and the only one to regularly receive political, economic and military support from outside the country. Support from Egypt, the United Arab Emirates, Jordan and Russia has enabled Haftar to delay all negotiation initiatives that have been presented to him thus far. In 2018, external support enabled Haftar to seize new territory, and in 2019 he is likely to gain control of the entire →

eastern part of Libya. However, military victories in the east do not bring Haftar any closer to his aim of controlling Tripoli. To do so, he needs a form of military support that his external supporters are unwilling to give him. Nevertheless, leaving the militias to rest is not an option for Haftar, who needs to be able to show military progress if he is to lure militias in western Libya over to his side. In 2019, Haftar is therefore likely to attempt to deploy forces into southern and central Libya, a move which could cause fresh conflict with the Misrata-based militias.

«Several West African countries are concerned about the spread of violence and have assumed greater responsibility in regional security matters.»

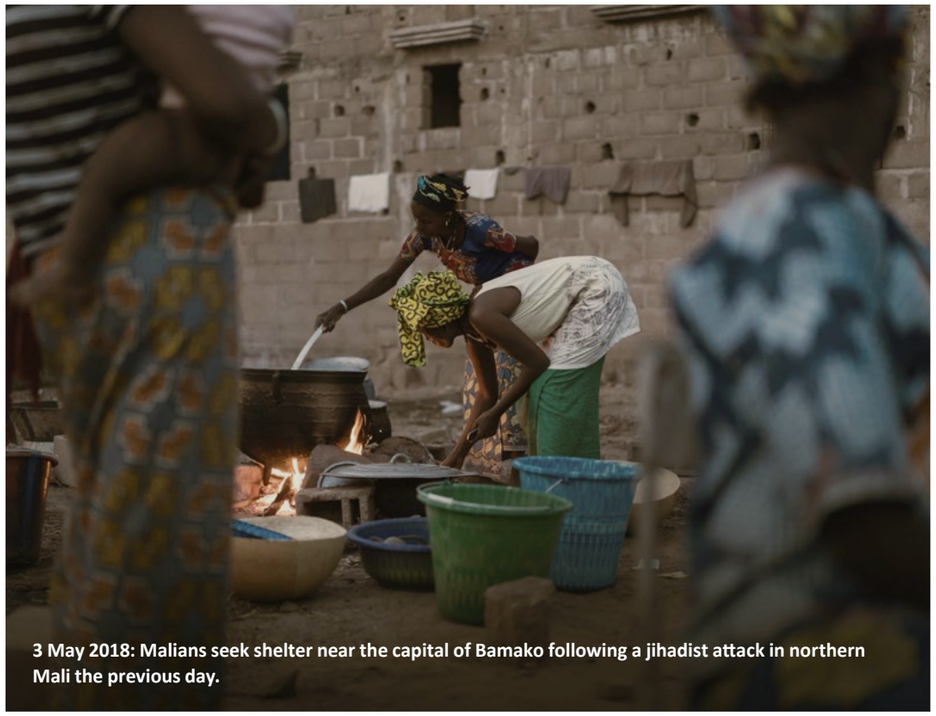
To all intents and purposes, southern Libya is lawless. Old ethnic conflicts and competition for the control of smuggling routes and oil fields regularly trigger local hostilities between Tuareg, Tebu and Arab tribes. Neither the government in Tripoli, Haftar nor other north Libyan actors exert significant influence or maintain a presence in this part of the country. This allows foreign actors and terrorist groups to operate relatively freely in the area. 2018 saw increased activity by Chadian rebel groups, who use Libya as a base from which to launch attacks on the Chadian authorities. ISIL and al-Qaeda also maintain a presence across southern Libya. The remnants of ISIL use this part of the country to regroup and train new soldiers, while al-Qaeda uses it to support its activities in the Sahel. Southern Libya will remain a lawless area in 2019, but may also become an arena for intervention by the great powers or neighbouring countries seeking to tackle the terrorist and rebel groups operating in the area.

Jihadist groups' growth potential in Mali and the Sahel to increase

Jihadist groups have grown considerably in Mali and the surrounding countries in the Sahel in 2018; this will continue in 2019. Mali is becoming more dangerous despite receiving significant support from the international community. Several West African countries are concerned about the spread of violence and have assumed greater responsibility in regional security matters.

Despite the ongoing peace process and massive international support, Mali is becoming poorer and more dangerous. The conflict dynamic is complex and involves militant Islamists, conflicts between ethnic groups and struggles for local resources. The authorities exert little control in northern Mali and are steadily losing control of central parts of the country. The Malian authorities are cooperating with local militias who share their interests, in order to influence the balance of power in the periphery.

The authorities are losing control of rural areas, which offers militant Islamists the opportunity to exert influence in new areas. The Malian jihadist groups are small yet resourceful, and have close

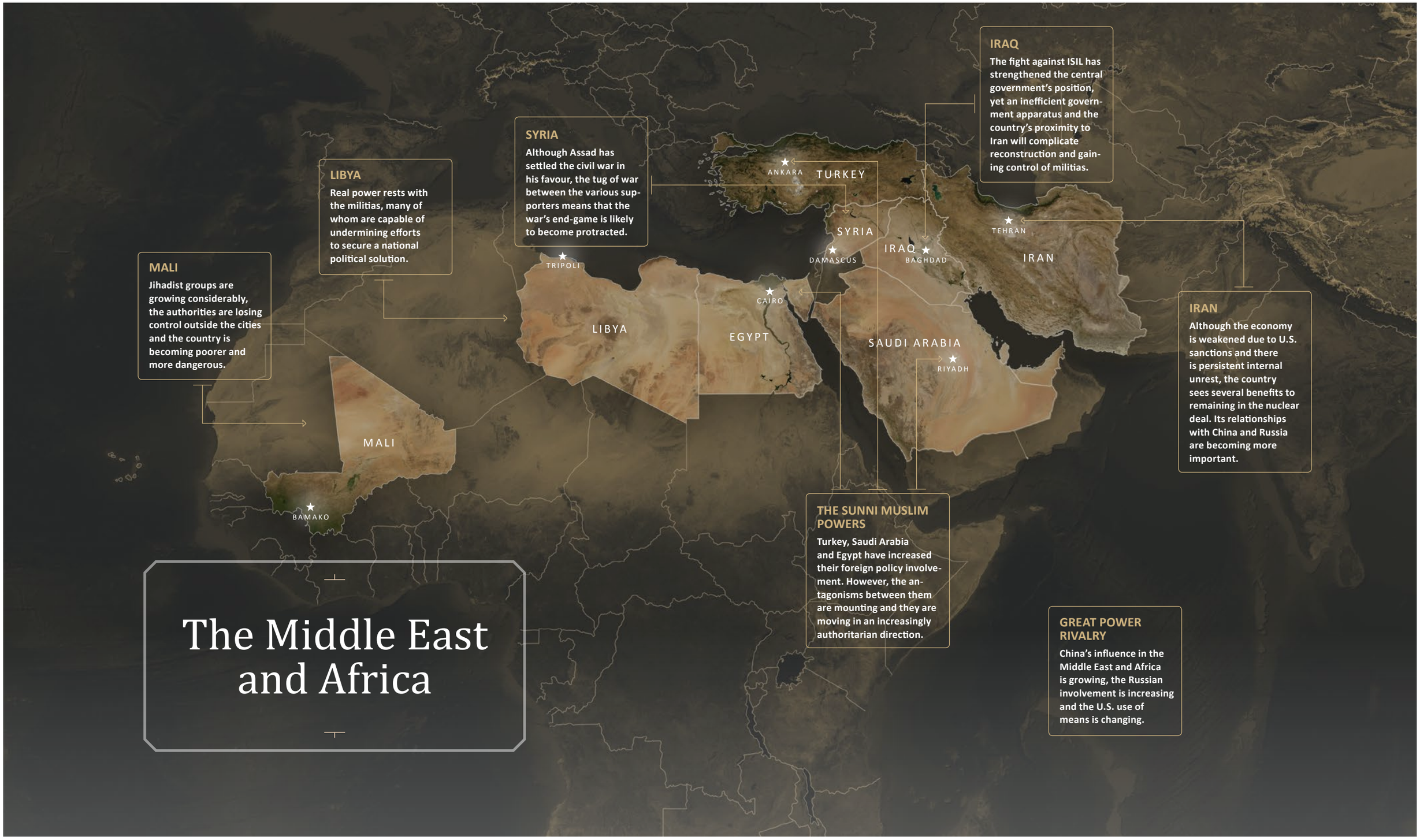


3 May 2018: Malians seek shelter near the capital of Bamako following a jihadist attack in northern Mali the previous day.

ties to local communities. This provides them with extensive freedom of movement and operational capability. In 2017, the largest militant Islamist groups in Mali formed the umbrella organisation JNIM and pledged allegiance to al-Qaeda in the Islamic Maghreb (AQIM). The JNIM merger has enabled capability transfers from established groups in northern Mali to newer groups further south in the Sahel. In addition to being among the most active theatres of militant Islamism in Africa, Mali is considered a platform for the dissemination of militant Islamism to the Sahel and West Africa.

In 2018, Mali has seen conflicts between ethnic groups that have also involved Niger and BurCHINA Faso. Like Mali, the authorities in these countries lack capabilities and have ineffectual security forces. They are incapable of controlling large, scarcely populated areas and of creating a buffer zone against developments in Mali. The West African states are concerned about the spread of violence from Mali to the region at large, and have assumed greater responsibility in regional security matters. For instance, they have set up a regional security force called G5 Sahel, which has been tasked with increasing border security, fighting illegal activity and reducing the threat of militant Islamism. At present, countries with authoritarian governments, such as Chad and Mauretania, remain in relative control of their internal security. However, in the longer term years of repressive rule could cause political instability.

THE MIDDLE EAST AND AFRICA



The Middle East and Africa

A member of the Syrian Democratic Forces (SDF) removes an ISIL flag in Tabqa, 55 kilometres west of Raqqa.

International Terrorism

Although developments suggest that the number of terrorist attacks in Europe will remain low in 2019, there are several reasons to expect a broader, more complex international terrorist threat in the years ahead.

1 August 2018: ISIL fighters surrender to the authorities in Sheberghan, northern Afghanistan, to avoid capture by the Taliban.

Foreign fighters present in areas of conflict could guide and incite attacks in their respective home countries. Such incitement is likely to pose a greater threat than returned foreign fighters to Europe and Norway.

SUMMARY

The number of terrorist attacks conducted by Islamist extremists in Europe has halved since 2017, and is likely to remain on a similar level this year. ISIL's capacity to conduct directed terrorist attacks in the West remains diminished, yet the organisation retains the ability to inspire, guide and contribute operational support to attacks. The threat from ISIL sympathisers in Europe will therefore remain unchanged in 2019.

Foreign fighters present in areas of conflict could guide and incite attacks in their respective home countries. Such incitement is likely to pose a greater threat than returned foreign fighters to Europe and Norway. Foreign fighters who have already returned will have a negative impact on the threat environment. Many are due for release from European prisons in 2019. In recent years, radicalisation in European prisons has been on the rise. This provides a larger recruitment base and contributes to a more complex threat environment.

Following its loss of territory, ISIL is operating through clandestine cells and networks in Iraq. In 2019, it will be doing the same in Syria. The organisation will take advantage of local lines of conflict in order to regain influence. Meanwhile, ISIL maintains contact with its global network of affiliates, whose members mainly focus on local conflicts.

ISIL's decline opens up the possibility of changes to the threat environment in the longer term. Al-Qaeda will seek to take advantage of this situation in order to reclaim its leading role in global jihad. However, it is unlikely to be capable of attaining a similar position to the one held by ISIL. Violent extremist groups continue to enjoy good growth conditions in a number of areas, and will continue to pose a local and regional threat for a long time to come. New attack methods could prompt changes to the threat environment, and various foreign fighter networks from Syria and Iraq may form the basis for new terrorist groups with a transnational agenda. The dynamic within European networks could come to have a greater impact on the threat to Europe than the development of terrorist organisations in the Middle East and Africa.

12 May 2018: police forces stand guard following a knife attack in Rue Saint-Augustin and Rue Monsigny in Paris. ISIL later claimed that one of its 'soldiers' had carried out the attack.

[INTERNATIONAL TERRORISM]

ISIL retains intention and degree of capability to attack Europe

Despite suffering military and territorial defeat, ISIL continues to pose a terrorist threat in several regions, including Europe. The organisation is capable of inspiring, guiding and contributing operational support to European-based cells and sympathisers.

In the period January to September 2018, nine completed terrorist attacks and ten averted terrorist attacks were registered in the West. All were so-called 'inspired attacks'. In 2017, the figure was 25 and 28 respectively. There are few indications that ISIL will be capable of resuming any large-scale campaign of directed attacks against Europe in 2019.

In the longer term, however, the organisation is in a position to bolster its capacity to launch external operations, given that its facilitation network outside Syria and Iraq remains less affected. Going forward, parts of ISIL's infrastructure for targeting Europe will be located outside its core areas.

ISIL's affiliates outside of Syria and Iraq have the capacity to launch directed attacks on Western interests in their respective areas of operation. The affiliates are likely incapable of mounting large-scale attacks in Europe. The threat from certain affiliates could increase as a result of an influx of Western foreign fighters and strategic instructions from ISIL's leadership. However, there have been few known cases of Western foreign fighters joining ISIL's affiliates.

Contact between foreign fighters and home networks likely to pose greater threat than return of foreign fighters to Europe and Norway.

Foreign fighters will affect the threat environment in 2019, particularly through their links to established communities in their home countries, where they can offer guidance and incite attacks. Security measures have made it difficult for foreign fighters to return to Europe; already returned fighters could continue to pose a threat, and radicalisation in European prisons has increased. This provides a larger recruitment base and contributes to a more complex threat environment.

ISIL's transformation into an underground network has restricted non-Arab foreign fighters' scope for action. It is difficult for them to hide among the general populace, and they are consequently less useful to an underground organisation. Nevertheless, many still serve as soldiers in Syria. A large number have already been captured by local security forces, and many want to leave the area of conflict. Several surviving foreign fighters linked to ISIL are staying in ISIL-held areas near Abu Kamal in Syria's Deir ez-Zur province.

«In 2019, a new factor will come into play, namely the release of large numbers of extremists from European prisons. Many will have been radicalised whilst inside.»

Few new foreign fighters will travel to Syria and Iraq in the year ahead. Since 2016, counterterrorism measures and ISIL's loss of the border areas to Turkey have made it difficult to travel into and out of the group's core areas. Likewise, mass travel from the West to other areas where ISIL is present is unlikely. Since 2016, there have been few registered departures from Norway, and this trend is expected to continue.

It is unlikely, but not impossible, that Norway-affiliated foreign fighters will be able to exit the conflict area undetected. The return of foreign fighters to Europe is likely to take the form of extraditions from Syria or Iraq.

In 2019, a new factor will come into play, namely the release of large numbers of extremists from European prisons. Many will have been radicalised whilst inside. Together with returned foreign fighters, these individuals will have a negative impact on the threat environment.

ISIL to operate as underground organisation with global network.

Following the loss of territory it controlled in Syria and Iraq, ISIL is operating through clandestine cells and networks in Iraq. In 2019, it will be doing the same in Syria. The organisation will take advantage of local lines of conflict in order to restore its influence. Meanwhile, ISIL maintains contact with its global network of affiliates, whose members mainly focus on local conflicts.

ISIL has been significantly degraded in Iraq and Syria since its apex in 2015. The organisation has subsequently lost most of its territory, and thereby also some of its attraction. However, ISIL was expecting to lose control of the 'caliphate', including Mosul and Raqqa, and started preparations for territorial defeat by setting up covert structures early on.

«Despite its loss of territory, ISIL will be able to draw on existing funds and equipment for a long time to come, thereby covering the resource requirements of an underground organisation.»

ISIL is now returning to its modus operandi as an underground movement, implementing a strategy for continued destabilisation of Syria and Iraq. In a speech in August 2018, ISIL's leader Abu Bakr al-Baghdadi emphasised the fight against regimes in the region, and called for unity. He also referred to ISIL's past as al-Qaeda in Iraq and the Islamic State in Iraq. ISIL will be using methods and networks from this period, whilst simultaneously being more capable than its predecessors. Its aim is to undermine local and national authorities in regional countries, in an effort to secure continued operational scope for action and opportunities for future growth.

In Iraq, ISIL will retain a presence in rural Sunni areas where it has traditionally enjoyed a strong foothold. In Iraq, ISIL is organised as an underground organisation with clandestine networks and attack cells. These will take advantage of the volatile political situation and exacerbate sectarian fault lines. Many of the social, economic and political factors that enabled ISIL's growth in 2013–14 remain unchanged. In the longer term, ISIL's support among the Sunni Muslim population will increase should Shia militias cement their position and further marginalise this population group.

In Syria, ISIL has reallocated resources in order to operate covert cells and networks. This restructuring and the overall pressure on the organisation increases the prospect of internal divisions and defection by smaller groups. In 2019, the question of the foreign fighters' future will be a central one. It will prove difficult for foreign fighters without ethnic or linguistic links to Syria to operate as part of an underground movement.

Despite its loss of territory, ISIL will be able to draw on existing funds and equipment for a long time to come, thereby covering the resource requirements of an underground organisation. ISIL remains much stronger today than it was at its weakest in 2008.

ISIL's global network will be important to maintaining its status as an international organisation with territorial ambitions. The capability of ISIL's affiliates outside Syria and Iraq has remained largely unaffected by the military defeat in its core areas. In ISIL propaganda, more attention has been paid to the affiliates than before, whilst Syria and Iraq are being downplayed. The affiliates' development depends on local and regional conflict dynamics, and their operational priorities will remain linked to these lines of conflict. Since 2016, the most prominent ISIL affiliates have been those in Afghanistan and on the Sinai →

19 October 2018: Anjem Choudary, spokesperson for the British Islamist group Islam4UK, is released from Belmarsh Prison in London. Choudary was arrested in 2016 for calling for support to ISIL.

21 December 2018: a soldier in the Kurdish organisation Women's Defence Units (YPG) attends the funeral in Tal Tamr, north-eastern Syria of a member of the Syrian Democratic Forces (SDF) who died fighting ISIL.

Commercially available UAVs can relatively easily be modified in order to deliver explosives, and ISIL has frequently used UAV systems to collect information and deliver weapons in Syria and Iraq. There is a possibility that UAVs may be used in a terrorist attack in the West in the year ahead.

Peninsula in Egypt. In Afghanistan, ISIL has an established presence and a high level of activity, whereas the affiliate on the Sinai Peninsula has been diminished as a result of Egyptian security operations. This is likely to be a continuing trend throughout 2019. In 2018, ISIL referred to its affiliates in South-East Asia and Somalia as provinces for the first time; this does not necessarily herald a considerable transfer of capabilities, however. In the past, ISIL operations in these areas have been referred to as being carried out by 'soldiers of the caliphate', in line with other operations outside ISIL's territories.

ISIL's decline opens up possibility of changes to threat environment

ISIL's decline could trigger a power struggle that al-Qaeda would seek to exploit. Violent extremist groups continue to enjoy good growth conditions in a number of areas, and will continue to pose a regional threat for a long time to come. Meanwhile, possible use of new attack methods could alter the threat environment.

ISIL's decline opens up the possibility of others taking over its global jihad hegemony. The group best placed to do so is al-Qaeda.

Al-Qaeda will seek to take advantage of ISIL's downfall to strengthen its own position and attract sympathisers through increased propaganda output. Over the past two years, the organisation has bolstered its ability to produce propaganda, and has increasingly called on affiliates to openly declare their affiliation. Unity and patience remain key elements of its

«ISIL's demise offers al-Qaeda the opportunity to decide the direction of what they refer to as the global Islamic resistance struggle.»

message. Al-Qaeda has likely been motivated by ISIL's decline in Syria and Iraq; ISIL's demise offers al-Qaeda the opportunity to decide the direction of what they refer to as the global Islamic resistance struggle.

In the coming year, al-Qaeda will prioritise attacks in the geographic areas of its affiliates over attacks in the West. The group retains its long-term aim of establishing a caliphate and uniting the global militant jihad movement, and will therefore give priority to alliance-building.

The umbrella organisation Jamiat Nusrat ul-Islam wal-Muslemin (JNIM) consists of local insurgent groups, including al-Qaeda in the Islamic Maghreb (AQIM). This group will pose a regional threat to local authorities and Western interests in the Sahel for a long time to come. Other areas where such groups may flourish include the Philippines, the Horn of Africa and the Arabian Peninsula.

Al-Qaeda will nonetheless continue to prioritise Syria. The al-Qaeda affiliate Hayat Tahrir al-Sham (HTS) has experienced great internal upheaval and has distanced itself more and more from al-Qaeda's leadership. Meanwhile, veterans with close links to the organisation's key leadership figures have left HTS and set up Hurras al-Deen, which has succeeded in forming a number of local alliances since February 2018. There

15 June 2017: journalists and civilians at the site in Mogadishu, Somalia where the Islamist group al-Shabaab detonated a car bomb in front of a restaurant.

are no indications that Hurras al-Deen will prioritise attacks in the West in 2019.

It is unlikely that any other group would be capable of consolidating the jihadist community to the same extent as ISIL did. Local issues may be given priority in debates about priority and strategy, and lines of conflict other than 'Islam against the West' may have a mobilising effect. Foreign fighter networks from Syria and Iraq could form the basis for new terrorist groups with a transnational agenda.

The dynamic within European networks could come to have a greater impact on the threat to Europe than the terrorist organisations' development in the Middle East. These networks could bring the various communities in Europe closer together, which would provide a basis for radicalisation and organisation. Prison radicalisation is yet another uncertainty that is making the terrorist threat increasingly complex and nebulous.

Although chemical weapons and UAV systems have been used by terrorists in Syria and Iraq, attacks of this type have yet to be conducted in the West. The dissemination of manuals for manufacturing various poisonous substances has continued over time, and various terrorist organisations have long had the intention of launching such attacks. However, the manufacture of chemical and biological substances is challenging, time-consuming and risky, something which has likely limited attempts at their manufacture. A ricin attack in Cologne, Germany was averted in June 2018; although this is unlikely to herald the start of a new trend, a successful terrorist attack using such means could motivate others to launch similar attacks. In Syria and Iraq, ISIL has had access to radiological sources, but has not used these for offensive purposes. There have been few examples of incitement to use radiological weapons in terrorist propaganda. UAV systems have frequently been used by ISIL as collection and weapons platforms in Syria and Iraq; commercially available UAVs can be modified relatively easily to deliver explosives. There is a possibility that UAVs may be used in a terrorist attack in the West in the year ahead.

INTERNATIONAL TERRORISM

Asia

China has moved away from keeping a low international profile, and is establishing itself as a traditional great power. As part of this political shift, Beijing is showing increased willingness to use economic instruments of power to promote its interests and challenge the United States' hegemony. Economic dependencies, primarily capital exports and trade, have become a key source of foreign policy influence.

Chinese recruits stationed in Mohe, the country's northernmost canton.

SUMMARY

China has moved away from keeping a low international profile, and is establishing itself as a traditional great power. As part of this political shift, Beijing is showing increased willingness to use economic instruments of power to promote its interests and challenge the United States' hegemony. Economic dependencies, primarily capital exports and trade, have become a key source of foreign policy influence.

As China grows, the country's armed forces have been tasked with protecting Chinese interests abroad, and the PLA has reinforced its capacity for foreign operations across all services. China is also seeking an increased presence in the Arctic.

Beijing is investing heavily in making China a technological power. New technology has made it possible to tighten social control and reinforce the country's authoritarian shift. Surveillance and control technologies are being introduced in test provinces and will be exported to other countries.

North Korea has successfully initiated talks with the United States and improved its relationship with many of its neighbours. The country will attempt to buy time and secure sanctions relief, particularly from China. Whilst the talks are ongoing, the regime will continue developing its nuclear capabilities.

2018 saw military escalation in Afghanistan, where the conflict appears deadlocked. Nevertheless, renewed dialogue between the United States and Taliban in autumn 2018 offers some hope of a diplomatic solution. However, the situation is more unpredictable now than in the past.

Beijing is investing heavily in making China a technological power. New technology has made it possible to tighten social control and reinforce the country's authoritarian shift. Surveillance and control technologies are being introduced in test provinces and will be exported to other countries.

14 November 2018: a robot collects and prepares a frozen meal to order at a hotpot restaurant in Beijing, China.

5 March 2018: a security guard at the Chinese-operated port of Hambantota, Sri Lanka.

[CHINA]

China to continue to use economy as means of advancing foreign policy aims.

China is in the process of establishing itself as a traditional great power, and the authorities have moved away from maintaining a low international profile. As part of this shift, Beijing is showing increased willingness to use the economy as an instrument of power to advance Chinese interests. Economic dependencies, primarily capital exports and trade, have become a key source of foreign policy influence.

China's growing global economic role and its large capital reserves make it easier both to resist pressure and to exert it on others. Although economic motives alone explain much of China's foreign policy activity, the authorities are becoming more willing to use economic dependencies as means of coercion to promote political interests.

There are two types of economic instruments that can boost China's foreign policy influence going forward. The first and most important is capital export, which primarily involves lending and direct investment. China has become a major creditor, and will use loans or lending pledges to secure goodwill and reward recipient countries which promote Chinese interests. Ultimately, Beijing could demand that countries struggling to repay their debts give China access to strategic resources and infrastructure, in exchange for grace periods or cancelling of debts; this could include access to raw materials or control of airports or ports. Furthermore, direct investment can gain China influence; investment pledges or threats of withdrawing such pledges can be used as leverage. Investment in foreign media outlets could secure influence over how China is covered by the media.

The other economic instrument used by Beijing is trade. Although China will continue to portray itself as an advocate of free trade, the authorities may use informal and deniable trade sanctions against countries that challenge Chinese interests. The authorities could take retaliatory measures against countries that openly introduce formal trade policy sanctions against China. Beijing will continue to treat the United States as an unpredictable economic rival and trading partner.

In addition to promoting specific interests bilaterally, China will increasingly use its economic clout to challenge U.S. hegemony. Through its Belt and Road Initiative, Beijing will be stepping up its infrastructure projects in Asia, Africa and Europe, thereby generating increased economic cooperation at the United States' expense. Through the Belt and Road Initiative, China will offer partner countries loans for infrastructure projects constructed and run primarily by Chinese companies. Meanwhile, Beijing will challenge U.S. dominance by ramping up its efforts to internationalise the Chinese currency, working to make the Shanghai energy exchange a key petroleum trading facility and gradually phase out its dollar reserves. Crucially, China will also seek to stem U.S. power and reduce its dependency on the United States by making efforts to become a self-sufficient high-tech nation. As part of this, Beijing will continue to acquire technology from OECD countries, among others, through the acquisition of companies and research partnerships in particular.

«Investment in foreign media outlets could secure influence over how China is covered by the media.»

Although the use of economic power will increase Chinese influence globally, there is financial risk associated with extensive lending and investment. In the years ahead, China is likely to suffer economic losses from unprofitable infrastructure projects and defaulted loans. Beijing is willing to accept these losses, however, so long as they can be translated into strategic gain.

PLA to improve its ability to conduct operations abroad.

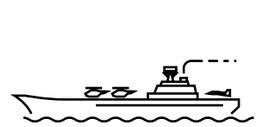
China is moving away from the principle of not interfering in the internal affairs of other states. The PLA is introducing capabilities for conducting operations abroad across all services.

As China's interests widen, the People's Liberation Army (PLA) has been tasked by the authorities with →

1 August 2017: PLA forces at the opening ceremony of China's new military base in Djibouti.

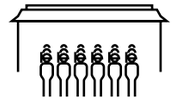
China's growing global interests

China is prioritising the protection of its own security and interests, including outside its own borders:



In a few years, China will be able to deploy a carrier group abroad in a crisis.

China is training a new naval infantry force to operate in all kinds of terrains and climates



In 2017, the country established its first overseas naval base, in Djibouti.

protecting Chinese interests abroad. This mission was officially formulated in 2004 as one of the four so-called 'new historic missions' for the PLA. The importance of protecting China's security and interests abroad was repeated in China's military strategy of 2015.

Since the early 2000s, China has primarily invested in its navy (PLAN) in order to fulfil the government's task. PLAN has taken receipt of several new vessel types capable of solving both local and global missions, including 20,000-ton amphibious landing vessels, large supply ships and a new cruiser class with high payload and the ability to protect naval task forces against aircraft and surface vessels.

China's two aircraft carriers are to conduct fleet protection locally, i.e. in the 'local waters' of the Yellow Sea, East China Sea and South China Sea. In a few years, China will be capable of deploying a carrier group abroad in a crisis, although the group will likely lack the ability to take control of airspace in a pressured situation. It is only after China introduces carriers with catapults, nuclear propulsion and the ability to despatch several types of aircraft that this will change. This is expected to occur in five years at the earliest.

China's air force (PLAAF) has experienced problems with both its fighter and bomber engines. China continues to use a number of Soviet aircraft types, but is also building large numbers of transport aircraft, a new type of strategic bomber and drones. The establishment of overseas bases and airstrips will increase operational range.

«In a few years, China will be capable of deploying a carrier group abroad in a crisis, although the group will likely lack the ability to take control of airspace in a pressured situation.»

China is training a brand new force of naval infantry for operations in all kinds of terrain and situations. In connection with the military reform, the army has seen a personnel cut of 300,000, whilst the naval infantry has been bolstered from approximately 10,000 to 60,000. The force is training for traditional tasks such as landing operations, but also increasingly for counterterrorism and urban warfare operations. It is also training in winter conditions and specialised terrain such as mountains, deserts and jungles. The →

fact that it exercises in different areas with various means of transport and logistics indicates a role in overseas operations. Naval infantry have already been deployed to China's military base in Djibouti.

China will continue to hone its ability to protect Chinese global, economic and political interests going forward. This will be accomplished through the addition of new equipment and training personnel for operations outside of China's immediate vicinity. As its global interests expand, the pressure on China to reunite Taiwan with the mainland will mount. The investments in enabling the PLA to conduct operations abroad will improve its ability to accomplish this task as well.

As China becomes technological power, new technology to support authoritarian development.

Beijing is investing heavily in making China a technological power, particularly in new technologies such as artificial intelligence, the use of big data and autonomous vehicles. The authorities are using this technology to tighten control of society, and are also exporting it to other states.

According to China's own strategy document for artificial intelligence (AI) development from July 2017, Chinese leaders believe that China will become world-leading on certain aspects of AI by 2025, and in all such aspects by 2030. AI technology is put to use in test zones as soon as it becomes functional, and already exists in public in areas across China.

The new technology enables tighter social control and contributes to an authoritarian shift in the relationship between the Chinese authorities and the people. In Chinese test provinces, big data profiles are stored for all citizens. The profiles contain biometric data, movement data based on facial recognition cameras and data from digital payment platforms and social media. By 2020, a national system for 'social credit' will be launched; both private individuals and non-governmental organisations, including Chinese companies and foreign firms operating in China, are part of the social credit system. Companies acting in contravention with Chinese legislation risk losing social credit and incurring sanctions.

«By 2020, a national system for 'social credit' will be launched; both private individuals and non-governmental organisations, including Chinese companies and foreign firms operating in China, are part of the social credit system.»

The authorities have two main motives for implementing digital social control in China. Firstly, a social credit system aids economic growth by compensating for a trust deficit between strangers in Chinese society. The other main motive is to maintain order and stability, and to prevent government opposition.

Authoritarian developments in China have progressed furthest in Xinjiang. State control of the province is a high priority due to its strategic significance. Xinjiang borders eight countries and is a hub of the land-based Belt and Road Initiative. Moreover, the area is rich in resources and comprises one sixth of China's land mass.

Chinese social control technology is expected to become a sought-after export. For the Chinese side, this could also be a source of non-Chinese data sets; Beijing is negotiating a deal on artificial intelligence with Zimbabwe, which includes a national Zimbabwean facial scan database.

5 February 2018: a policewoman wearing smart glasses with a built-in facial recognition system at a train station in Zhengzhou, China.

17 January 2018: posters showing 'exemplary citizens' hanging outside the People's House in Rongcheng, on the eastern coast of China.

[NORTH KOREA]

North Korea to buy time and sanctions relief through talks.

Through a diplomatic charm offensive, North Korea has successfully initiated talks with the United States and improved relations with neighbouring countries. Pyongyang will seek to keep the talks going in order to buy itself more time and secure sanctions relief – especially from China. Whilst the talks continue, the regime will continue to develop its nuclear weapons capability.

18 September 2018: South Korean President Moon Jae-in and North Korean leader Kim Jong-un toast during a welcome dinner in Pyongyang.

After six months of tensions and fear of war, North Korea initiated a diplomatic charm offensive against several of its neighbours in early 2018. Following years of isolation, Kim Jong-un has met both South Korean and Chinese leaders several times, and has held a summit with the U.S. president. From Pyongyang's perspective, the charm offensive has already paid off handsomely; the country is therefore likely to continue pursuing this policy and seek to continue the talks in 2019.

There are several reasons why North Korea can consider its charm offensive successful. First of all, the regime succeeded in pitting the United States and China against each other, thereby improving its tense relationship with China. The latter seeks to play a key role on the peninsula and fears – probably unrealistically – that North Korea will enter into an agreement with the United States that undermines Chinese interests. The trade conflict and growing rivalry between the two great powers have deepened Chinese concerns about being marginalised; this in turn has heightened Beijing's willingness to improve its relationship with North Korea.

Secondly, North Korea has been rewarded for its willingness to negotiate in the form of sanctions relief, particularly from China. In 2017, Chinese leaders went to great lengths to accommodate U.S. calls for tough sanctions, which affected North Korea's profitable exports to China. Beijing has now eased some of these sanctions, and although it would be difficult to move away from agreed UN sanctions altogether, the Chinese authorities can influence their implementation. Should the talks collapse, China is unlikely to support U.S. demands for the reintroduction of so-called 'maximum pressure'. 90 per cent of North Korea's trade is with China; a coercion campaign without Chinese support would therefore have limited effect on the North Korean economy.

«Thus far, the talks have cost North Korea little, and Kim Jong-un has not made any specific promises to disarm.»

Thirdly, the regime has reduced the likelihood of an armed attack from the United States. During the Singapore summit, the U.S. president announced that he would suspend joint military exercises with South Korea; these exercises are a provocation to North Korea.

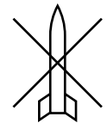
Thus far, the talks have cost North Korea little, and Kim Jong-un has not made any specific promises to disarm. It is uncertain what he means by saying that his country will 'work toward complete disarmament on the Korean Peninsula'. Kim may insist that this means that the United States must dismantle its nuclear umbrella over South Korea. Whilst the talks are ongoing, Pyongyang is able to reinforce its nuclear deterrent.

North Korea will continue to offer certain limited and symbolic concessions, such as returning the remains of U.S. soldiers who fell in the Korean War or shutting down some of the plants linked to its nuclear programme. In the longer term, the regime may want a deal and therefore be willing to restrict its weapons programme. However, it is unlikely to relinquish its nuclear weapons.

Kim's successful charm offensive:

Through its charm offensive, Pyongyang has succeeded in pitting the United States and China against each other.

The regime has secured sanctions relief, especially from China.



The authorities have reduced the likelihood of an armed attack from the United States.

3 November 2018: an Afghan officer takes a selfie in front of a fire burning confiscated drugs in Herat, Afghanistan.

[AFGHANISTAN]

Afghan security forces suffer heavy losses, yet new dialogue gives hope for peace talks.

In 2019, the United States, the Taliban and the Afghan authorities are likely to step up their dialogue. In parallel, the parties will continue their military campaign, which complicates diplomatic efforts.

The Afghan conflict has long been deadlocked, without the prospect of a military victory for any of the parties. The U.S. South Asia strategy has resulted in a limited military escalation against both the Taliban and ISKP, ISIL's Afghan affiliate. Airstrikes and special operations inflict major losses on the Taliban, yet fail to break their fighting spirit and ability to recruit. In 2018, the Taliban seized control of new areas in the Afghan countryside and inflicted record losses on the Afghan security forces (ANSF). Moreover, the movement was able to eliminate several key ANSF leadership figures, including the Kandahar police chief, General Raziq, who for many years was able to efficiently stem the Taliban in parts of southern Afghanistan. The Taliban's progress has left the security forces struggling with low fighting spirit and high desertion rates. This is not sustainable, and is decimating a force that is already reliant on coalition force support. The Taliban, for its part, is defying opposition from rivalling insurgent and breakaway groups.

The main parties to the Afghan conflict have been exploring the diplomatic line to some extent since 2001. Although the ceasefire between the Taliban and the Afghan authorities in June 2018 was a source of renewed optimism, the Taliban rejected President Ghani's offer of a subsequent ceasefire in August, instead attempting to seize the province capital of Ghazni. The U.S. appointment of Zalmay Khalilzad as special envoy to the Afghan conflict in September, with subsequent bilateral meetings between the Taliban and the United States in October and November, has served to revive optimism once more. In 2019, the United States and the Taliban are likely to increase their dialogue, with the Afghan authorities in a supporting role. In parallel, the Taliban, the Afghan security forces and the coalition forces will continue their military campaign unabated, which will complicate the diplomatic efforts being made. A lack of progress in 2019 would weaken reconciliatory actors on all sides.

In the past, the United States has been unwilling to discuss military withdrawal from Afghanistan, which is one of the Taliban's absolute demands for signing a peace deal with the Afghan authorities. Increased flexibility on this point, as well as other concessions in the form of prisoner exchanges, the removal of Taliban members from sanction lists and permission to open a formal political office may lead to a breakthrough in 2019. The United States needs to weigh increased flexibility toward the Taliban against maintaining the Afghan authorities' integrity and their ownership of the political processes.

The Taliban will continue to demand bilateral negotiations with the United States regarding military withdrawal before entering into peace talks with the Afghan government. The latter, for its part, will oppose any negotiations to which it is not a central party. The Taliban is unlikely to have reflected much on what a peace deal would look like.

«A lack of progress in 2019 would weaken reconciliatory actors on all sides.»

At the start of 2019, the Afghan election commission announced a three-month postponement of the coming presidential election. It is now planned for July, but may become further delayed. Key actors in the country will work towards positioning themselves as favourably as possible prior to the election, which further complicates the road toward a peace process.

The various regional actors have strong and sometimes diverging interests in Afghanistan. Its neighbours are increasingly reaching out to the Taliban, as the movement is set to remain a powerbroker for the foreseeable future. Many of them also have an ambition to promote peace and reconciliation between the Afghan authorities and the Taliban, using everything from discreet diplomacy to high-profile peace conferences to accomplish this. Such initiatives offer the Taliban an arena on which to bolster its political legitimacy, but may also serve as something a wake-up call, given that none of the regional actors want the Taliban to have a monopoly on power. Without U.S. involvement, none of the regional peace initiatives will amount to anything specific, as the key issues will remain unresolved.

ASIA


AFGHANISTAN
The dialogue between the United States, the Afghan authorities and the Taliban continues, yet diplomatic efforts are complicated by the ongoing military campaign.
TECHNOLOGY
With a focus on AI and the use of big data, Beijing is investing heavily in making China a technological power.
BEIJING
NORTH KOREA
PYONGYANG
NORTH KOREA
Whilst talks continue, its relationship with the outside world improves and Beijing is easing sanctions, North Korea is free to continue developing its nuclear weapons capability.
KABUL
KABUL
AFGHANISTAN
CHINA
SOCIAL CONTROL
The authorities are using China's rapidly growing technological expertise to tighten social control, rolling out new technology in test zones as soon as it becomes functional.
EXPEDITIONARY CAPABILITY
The People's Liberation Army (PLA) is improving its ability to protect Chinese interests overseas through the addition to new materiel and training for involvement beyond China's immediate vicinity.
GLOBAL POWER
In its role as a more traditional great power, China is using economic dependencies to advance its interests and challenge U.S. hegemony.
Asia

Weapons of Mass Destruction and Export Control

The use of new technology drives new offensive and defensive weapons categories whose distinctions and roles are blurred. In the longer term, a number of countries will gain access to sophisticated weapons systems and acquire the ability to produce these systems. In a long-term perspective, this could challenge traditional security policy thinking and make drawing up arms control agreements more challenging.

8 December 1987: the leaders of the United States and the Soviet Union, Ronald Reagan and Mikhail Gorbachev, sign the INF Treaty in the White House, Washington, D.C.

SUMMARY

- Russia is responding to the emergence of a global missile defence with new, offensive systems. Many of these will be both conventional and nuclear, increasing the risk of misunderstandings. Nuclear weapons will remain a key component of Russia's armed forces, and new weapons types are intended to maintain the nuclear balance with the United States.

- China is developing a series of sophisticated regional and intercontinental missiles capable of carrying both conventional and nuclear warheads and with improved precision and range. The country continues to phase in new strategic submarines, and is developing hypersonic glide vehicles and manoeuvrable warheads with which to respond to missile defence systems.

- North Korea can be considered a nuclear-armed power and has made progress in developing intercontinental ballistic missiles (ICBM). The country has refrained from testing missiles in 2018, and seemingly shut down its nuclear test site. However, the regime is likely to retain its capabilities and programmes.

- It is uncertain whether Iran will uphold the nuclear deal following the United States' withdrawal and the reintroduction of sanctions. Thus far, Tehran has upheld the agreed commitments, but signalled that it is capable of quickly resuming sensitive parts of its nuclear programme. The missile programmes will continue, and should Iran withdraw from the nuclear deal it is expected to invest more heavily in these ongoing programmes.

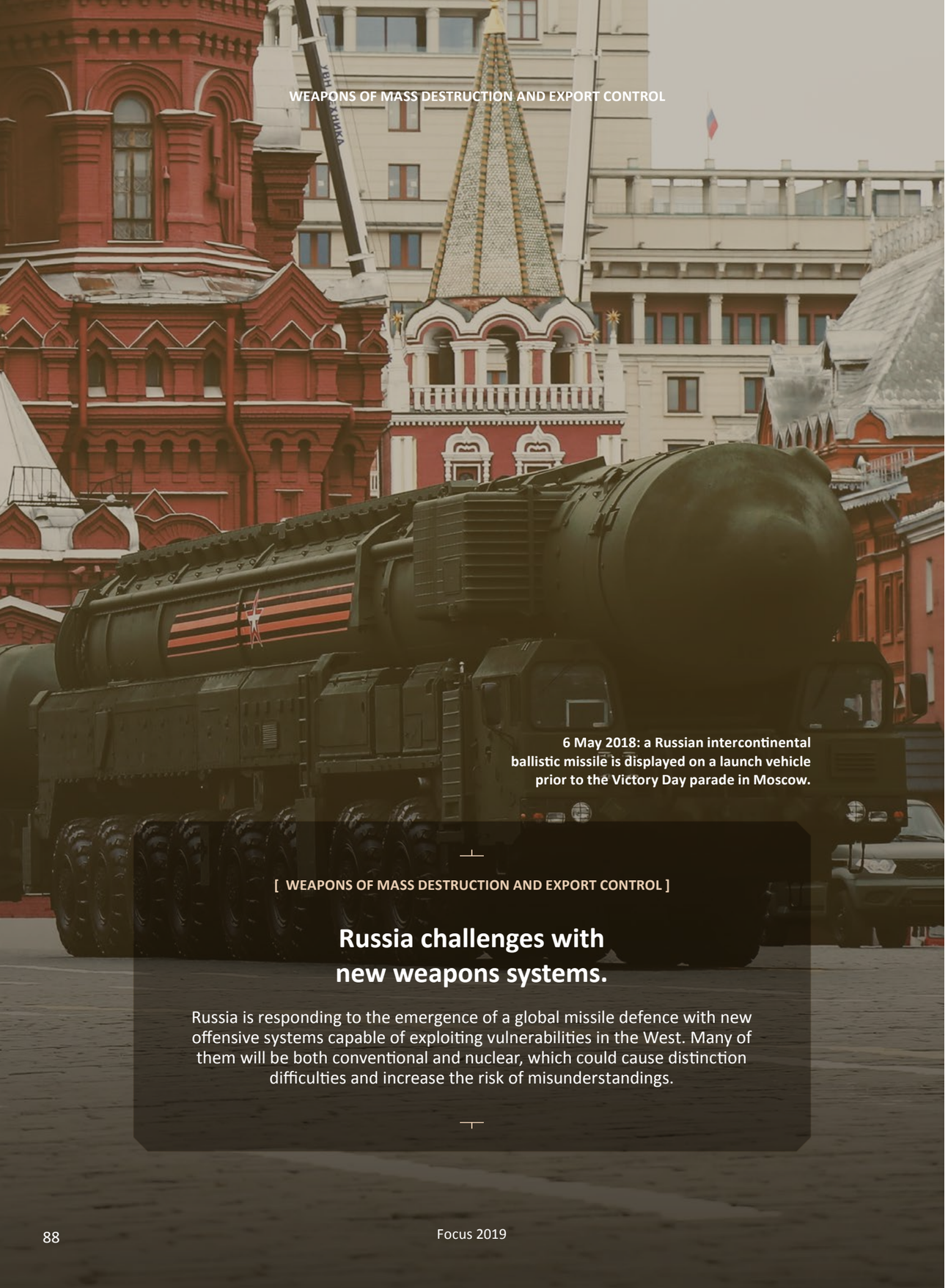
- Foreign actors are becoming more creative in their covert attempts at acquiring sensitive technology and knowledge. One of the current trends is the acquisition of capabilities to produce proprietary listed goods. Export control is becoming more complicated due to uncertainty surrounding the real end user's identity, as well as increased demand for materials which are not subject to export control, but which can nonetheless be used for capability enhancement.

- The use of new technology drives new offensive and defensive weapons categories whose distinctions and roles are blurred. In the longer term, a number of countries will gain access to sophisticated weapons systems and acquire the ability to produce these systems. In a long-term perspective, this could challenge traditional security policy thinking and make drawing up arms control agreements more challenging.

WEAPONS OF MASS DESTRUCTION AND EXPORT CONTROL

Nuclear weapons will remain a key component of Russia's armed forces, and new weapons types are intended to maintain the nuclear balance with the United States.

The newest class of Russian submarines is the Dolgorukiy class. Three hulls have so far entered active service.



6 May 2018: a Russian intercontinental ballistic missile is displayed on a launch vehicle prior to the Victory Day parade in Moscow.

[WEAPONS OF MASS DESTRUCTION AND EXPORT CONTROL]

Russia challenges with new weapons systems.

Russia is responding to the emergence of a global missile defence with new offensive systems capable of exploiting vulnerabilities in the West. Many of them will be both conventional and nuclear, which could cause distinction difficulties and increase the risk of misunderstandings.

On 1 March 2018, the Russian president announced several new and sophisticated weapons systems. He explained the investment with the United States' withdrawal in 2002 from the ABM missile defence agreement and its development and deployment of a land- and sea-based missile defence in the U.S., Europe and Asia. The Russian authorities claim that an expanding global U.S. missile defence is threatening the strategic nuclear balance and jeopardising Russia's retaliation capability. Putin also claims that a missile defence undermines strategic nuclear agreements such as New START.

The new weapons systems include the intercontinental ballistic missile (ICBM) Sarmat, the hypersonic glide vehicle (HGV) Avangard, the long-range air-launched ballistic missile Kinzhal, the Burevestnik cruise missile and the Poseydon underwater drone. Many of these could be operational within a decade, and could help maintain nuclear parity with the United States and ease Russian concerns regarding missile defence systems.

«Although it is uncertain to what extent a global missile defence would affect Russia's nuclear retaliation capability, Moscow believes that such a system will affect its strategic balance with the United States.»

Historically, long-range ballistic missiles have been equipped with nuclear warheads. In response to the U.S. Prompt Global Strike (PGS) system, Russia may choose to equip its systems with conventional warheads. In recent years, Russia has developed several long-range high-precision missiles capable of carrying both conventional and nuclear warheads. This makes it more difficult to determine what type of warhead a missile is carrying, which in turn increases the risk of misunderstandings and unintentional nuclear weapons use. Russia is also phasing in other weapons systems that can serve both conventional and nuclear purposes.

Although it is uncertain to what extent a global missile defence would affect Russia's nuclear retaliation capability, Moscow believes that such a system will affect its strategic balance with the United States. Nuclear weapons form a central component of the Russian armed forces, and new weapons types are intended to ensure that this balance is maintained. Russia will continue to demand that defensive systems, including missile defences, are regulated by strategic agreements. Some of the new Russian weapons may be used as negotiating chips in the future.

China to modernise and develop broad range of sophisticated weapons

China is developing a range of sophisticated regional and intercontinental missiles with both conventional and nuclear warheads. The country is set to introduce a new road-mobile ICBM with multiple warheads, and continues to phase in new strategic submarines. The range and precision of the regional missile systems continues to improve, and China is also developing missile defence countermeasures, such as hypersonic glide vehicles and manoeuvrable warheads.

China is reinforcing its position as a nuclear-armed power with new strategic capabilities. Beijing currently has an ICBM arsenal of approximately 100 missiles; long-range nuclear missile systems are central to China's strategic deterrence capability. The Chinese →

«Like Russia, China is developing advanced hypersonic glide vehicles (HGV) to penetrate missile defences more easily. If successful, they will constitute a new capability with which to reach strategic targets at long range, with high precision and short flight times.»

emphasise survival capability and are phasing in both sea- and road-mobile ICBM systems capable of carrying multiple warheads.

In addition, China is expending significant resources on developing high-precision conventional and nuclear ballistic missiles with regional range. The People's Liberation Army (PLA) has over 1,000 conventional missiles capable of reaching Taiwan, South Korea and Japan. In addition, it has a smaller arsenal of medium-range missiles to deter India and Russia. The regional systems support Beijing's aim of evolving the armed forces into a modern-day force capable of fighting both local and regional wars.

China is also prioritising the development of a long-range regional multi-role precision-guided weapon to deliver conventional and likely also nuclear warheads. Various variants of this missile exist, for use against both land- and sea-based targets. The anti-ship variant is intended to deter the U.S. navy from interfering in conflicts. A nuclear variant of the missile could reach targets across South-East Asia, including U.S. bases on Guam; this enhances the Chinese deterrent. Distinction difficulties could arise should conventional and nuclear variants be deployed to the same military units.

Like Russia, China is developing advanced hypersonic glide vehicles (HGV) to penetrate missile defences more easily. If successful, they will constitute a new capability with which to reach strategic targets at long range, with high precision and short flight times. HGVs attain the same high speeds as a ballistic missile, but have a much lower orbit and can be manoeuvred in flight. To a missile defence system, these characteristics make it more difficult to detect and neutralise. An HGV capability would likely ease Chinese concerns that a future missile defence could undermine its deterrence capability.

North Korea to continue missile and nuclear programmes despite thaw

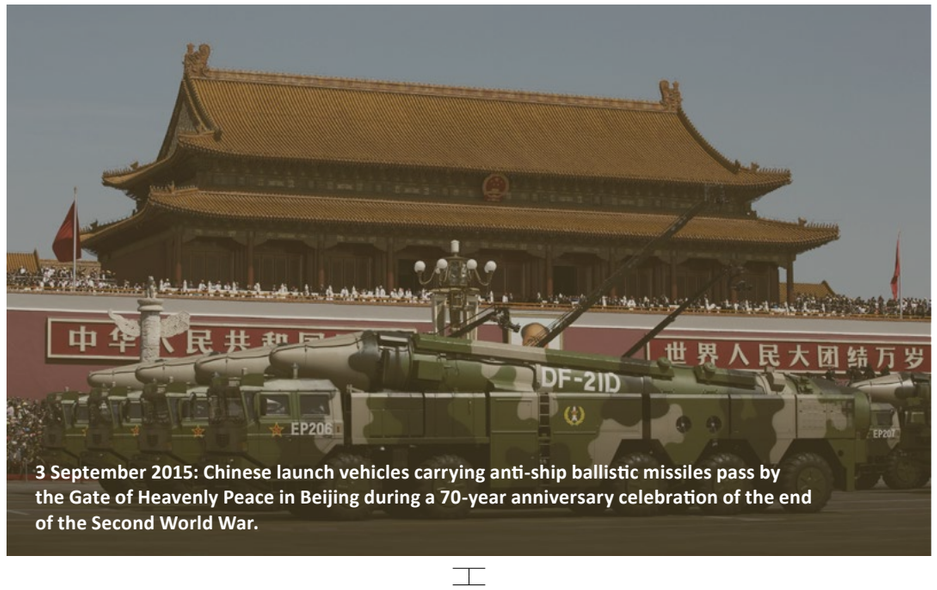
North Korea has declared itself a nuclear-armed power, and has made progress in the development of an ICBM. The country has refrained from missile testing in 2018, and has seemingly shut down its nuclear testing site. However, the regime is likely to retain its capabilities and programmes.

The North Korean regime has invested significant resources in its nuclear and missile programmes. Its nuclear weapons are the Kim regime's primary guarantee for survival and stability, and are used in attempts to force the U.S. to limit its presence in the region.

In 2017, North Korea demonstrated significant technological progress. For the regime, the nuclear test of what was reportedly a thermonuclear bomb was an important milestone, and the result of more than a decade's planning. The long timeframe underlines the importance of a credible deterrent to Pyongyang. In addition, North Korea conducted several tests of long-range ballistic missiles in 2017. Progress has been swift, and important steps have been taken toward the aim of becoming an ICBM-capable nuclear-armed power.

In 2018, North Korea refrained from testing missiles and nuclear weapons, a necessity in order to maintain →

WEAPONS OF MASS DESTRUCTION AND EXPORT CONTROL



3 September 2015: Chinese launch vehicles carrying anti-ship ballistic missiles pass by the Gate of Heavenly Peace in Beijing during a 70-year anniversary celebration of the end of the Second World War.

8 April 2018: intercontinental ballistic missiles displayed on launch vehicles during a military parade in Pyongyang, North Korea.

An Iranian medium-range missile is ready for launch on a camouflaged launch vehicle.

WEAPONS OF MASS DESTRUCTION AND EXPORT CONTROL

a climate conducive to disarmament talks. Although the postponement of testing has been well received, the encouraging symbolic acts of 2018 do not indicate that nuclear weapons and other military nuclear technology will be negotiated away. Meanwhile, cessation of missile testing does not necessarily limit the development of various missile systems, and the production facilities have not been shut down. The longest-range ICBM system is said to be capable of reaching much of the United States.

Should Kim Jong-un agree to disarm, this would require extensive control and access over time. Several plants would have to be destroyed, and the country would have to submit to the International Atomic Energy Agency's inspection regime for the control of nuclear material.

Iran to maintain missile programmes, ready to resume nuclear programme on short notice

It is uncertain whether Iran will uphold the nuclear deal following the United States' withdrawal and reintroduction of sanctions. Thus far, Tehran has upheld the agreed commitments, but signalled that it is capable of quickly resuming sensitive parts of its nuclear programme. The missile programmes will continue, and should Iran withdraw from the nuclear deal it is likely to ramp up development of its long-range systems.

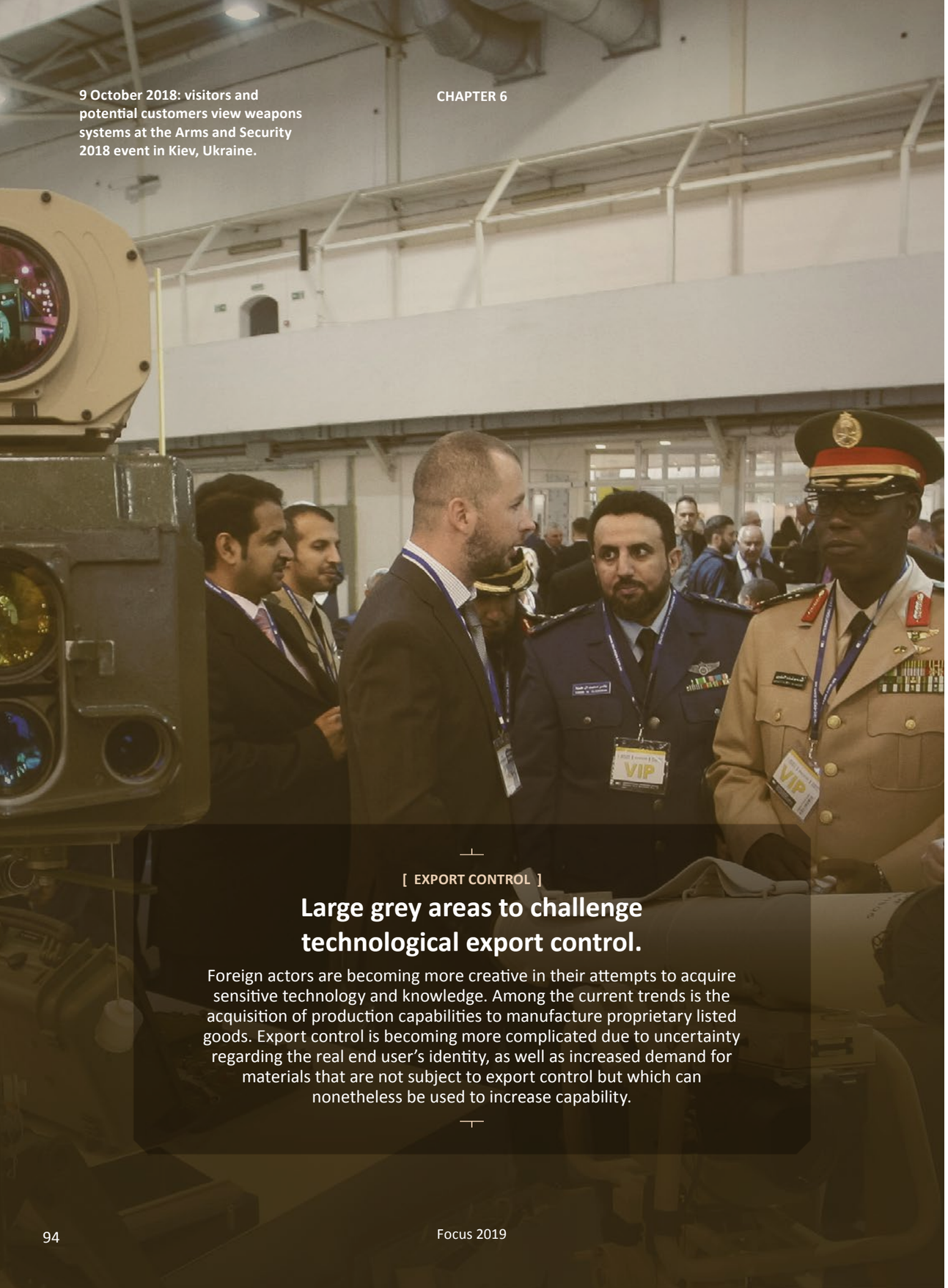
In May 2018, the United States withdrew from the nuclear agreement (JCPOA) and later that year reintroduced sanctions against Iran. Iran has upheld it commitments whilst the deal has been in force, which limits the country's nuclear activities. Should the regime decide to circumvent or withdraw from the deal due to U.S. actions, Iran would be able to quickly start rebuilding its nuclear programme to a level comparable to that which existed before the deal was signed in 2015.

«Thus far, Tehran has upheld the agreed commitments, but signalled that it is capable of quickly resuming sensitive parts of its nuclear programme.»

The purpose of the restrictions is to increase the time it would take Iran to create enough fissile material for a nuclear weapon, from a few months to at least a year. Should Iran abandon these limitations, it would likely increase its stores of enriched uranium and reduce the scope of IAEA inspections. The deal allows for testing of known new centrifuge models for use in a more efficient enrichment process that Iran has been researching. Should the deal collapse, Iran would likely re-install its stored centrifuges and gradually phase in new and more efficient models.

Regardless of the nuclear deal, the Revolutionary Guard reportedly has a development programme for long-range ballistic missiles. If the deal collapses, activity is likely to increase and large-scale tests may take place under cover of Iran's space programme. At present, Iran has a large arsenal of operational medium-range ballistic missiles with ranges of up to 2,000 kilometres. In addition, the country has a large number of short-range ballistic missiles that have been used against land-based targets in the region.

It is likely that Iran has retained critical military expertise from its previous nuclear programme. If it abandons the nuclear deal and resumes enrichment of fissionable material, this expertise can be used to produce a nuclear warhead that can be mounted on a ballistic missile.



9 October 2018: visitors and potential customers view weapons systems at the Arms and Security 2018 event in Kiev, Ukraine.

[EXPORT CONTROL]

Large grey areas to challenge technological export control.

Foreign actors are becoming more creative in their attempts to acquire sensitive technology and knowledge. Among the current trends is the acquisition of production capabilities to manufacture proprietary listed goods. Export control is becoming more complicated due to uncertainty regarding the real end user's identity, as well as increased demand for materials that are not subject to export control but which can nonetheless be used to increase capability.

States that have an ambition to possess nuclear, chemical and biological capabilities and means of delivery normally require specific expertise and access to relevant technology, either through acquisition or by manufacturing it themselves. New technology and knowledge may also improve a country's military capability in a broader sense. Information regarding actual end users and how goods are to be used is becoming more important. Increased technological expertise and access to technology, raw materials and production capabilities, combined with wider trade and communication opportunities, is making it difficult for exporting countries to keep track. The distinction between legitimate civilian use and use in WMD and means of delivery programmes can be unclear. Moreover, developments are increasingly moving towards closer integration of civilian and military technology, which increases the complexity of export control. In many cases, front companies are used for proliferation, with transport and transit of goods passing through third countries.

«Developments are increasingly moving towards closer integration of civilian and military technology, which increases the complexity of export control.»

States subject to international sanctions also seek to acquire technology and knowledge to build their own production capability and thereby circumvent export control; one example is North Korea. Production technology is often found lower down on the technological supply chain than the final products, and is to a lesser extent subject to export control. The second-newest generation of Western technology often covers a given actor's needs; this is a complicating factor, as such technology is no longer subject to export controls.

Norwegian underwater technology is in high demand from Russia. Such technology may be used for underwater navigation, mapping and surveillance, and can therefore be used militarily. The Russian authorities have submitted a bill which would prevent making contracts linked to the Russian defence ministry public. The purpose is to protect Russian companies from Western sanctions. The end user may appear to be civilian even when an acquisition concerns technology for military purposes.

China is a large and growing actor in the acquisition of Western technology. It is often difficult to know who the real actor is, due to blurred distinctions between civilian and military use. One of the purposes behind China's national strategy for civilian-military fusion is to better exploit civilian technology militarily. Large state-owned actors may also attempt to gain access to technology subject to export control through strategic acquisitions of foreign companies.

The role of academia and research institutions is central to upskilling and knowledge dissemination; this also applies to industries that may be linked to a country's military institutions. In 2017, China passed a new intelligence act which requires all Chinese actors, including private companies, researchers and foreign exchange students, to cooperate with the Chinese security services when requested to do so. Skill transfers are also regulated by export controls, and the Chinese intelligence act is an example of measures that complicate such controls.

Technological developments to challenge future arms control regimes

The use of new technology yields new offensive and defensive weapons types, the distinction between and roles of which are becoming blurred. In the longer term, a number of countries will gain access to sophisticated weapons systems and production capabilities. This could make drawing up arms control agreements more challenging.

There are two arms control treaties that regulate nuclear weapons and their means of delivery, →

«The knowledge that a system can carry both conventional and nuclear warheads could lead to diverging threat perceptions and increase the risk of misunderstandings.»

New START and INF, both with the United States and Russia as parties. The INF Treaty regulates land-based medium-range missiles, and was drawn up at a time when the United States and the then Soviet Union were the two great armed powers. This deal is now in jeopardy after Russia deployed cruise missiles in breach of the agreement. Russia believes that the INF Treaty is irrelevant in a strategic reality in which a number of Asian and Middle Eastern countries have medium-range missiles that fall into the INF category. New START covers strategic nuclear weapons, regulating the number of deployed warheads and means of delivery. The deal expires in 2021, when it can be extended by another five years.

There are several factors complicating the prospect of future arms control deals. This includes the use of new technology that drives the manufacture of new offensive and defensive weapons types. Development and deployment of missile defences, new nuclear weapons systems and the development of conventional long-range precision-guided weapons are all factors that affect the parties' threat perception. Moreover, the distinction between what is defined as non-strategic and strategic nuclear weapons is unclear.

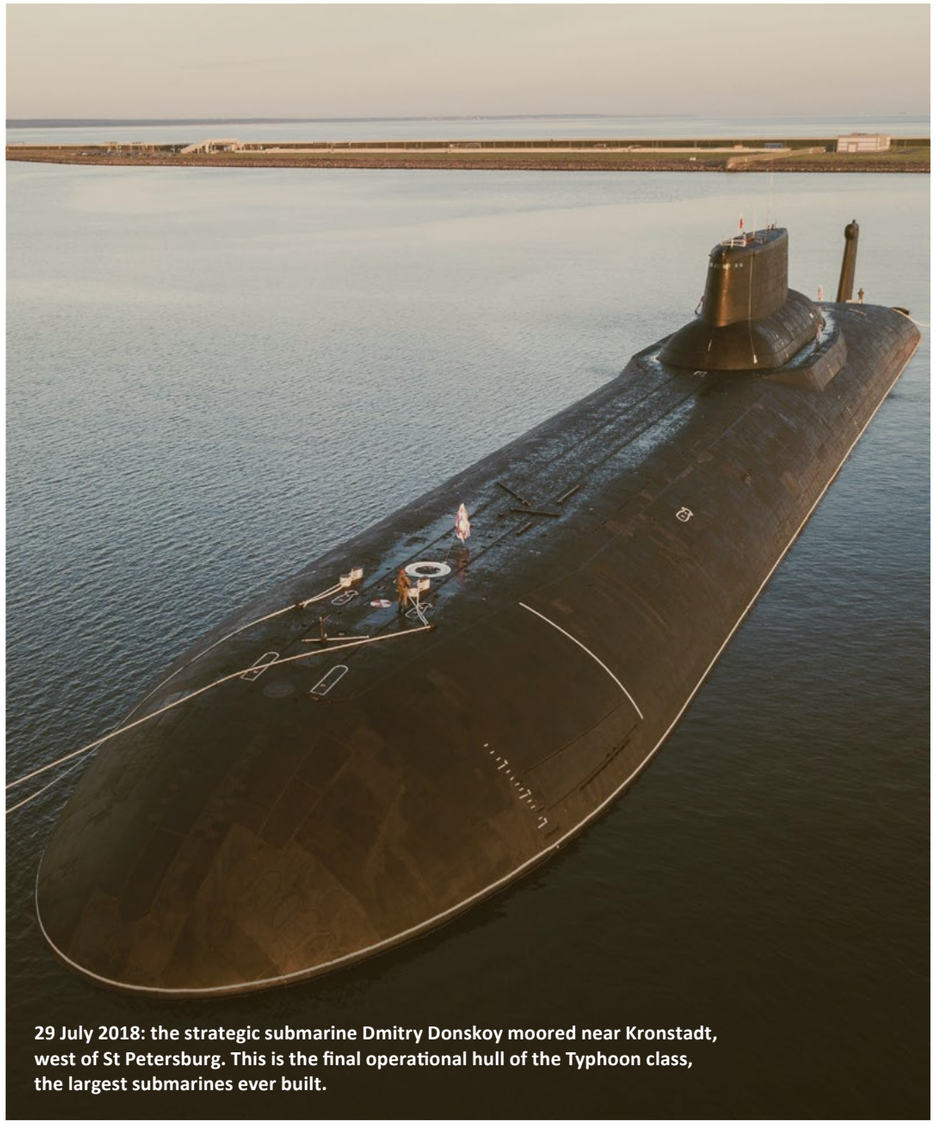
The distinction between various weapons classes and the platforms that carry them is already becoming blurred. Long-range conventional precision-guided weapons can be used in new roles, and many of the systems are capable of carrying nuclear warheads. The knowledge that a system can carry both conventional and nuclear warheads could lead to diverging threat perceptions and increase the risk of misunderstandings. A number of countries are also developing →

«A number of countries are developing more sophisticated long-range weapons systems. Russia and China are at the forefront.»

The distinction between civilian and military technology is blurring. Non-listed goods could be used to build military capability; for instance, civilian navigation technology can be used to make missiles more precise.

WEAPONS OF MASS DESTRUCTION AND EXPORT CONTROL

Still from the film Countdown to Zero from 2010. This documentary looks at various scenarios that could lead to the use of nuclear weapons, including failed diplomacy, terrorism and misunderstandings.



29 July 2018: the strategic submarine Dmitry Donskoy moored near Kronstadt, west of St Petersburg. This is the final operational hull of the Typhoon class, the largest submarines ever built.

Challenges to future arms control:

The distinctions between various weapons types and the platforms that carry them are becoming blurred.

The terms strategic, non-strategic and tactical are not unambiguous.

Several countries are developing non-symmetric means such as anti-satellite weapons and digital tools.

ballistic missiles that are more manoeuvrable in flight, similar to cruise missiles. All of these systems offer new capabilities and possibilities, and challenge the definitions laid down in existing agreements.

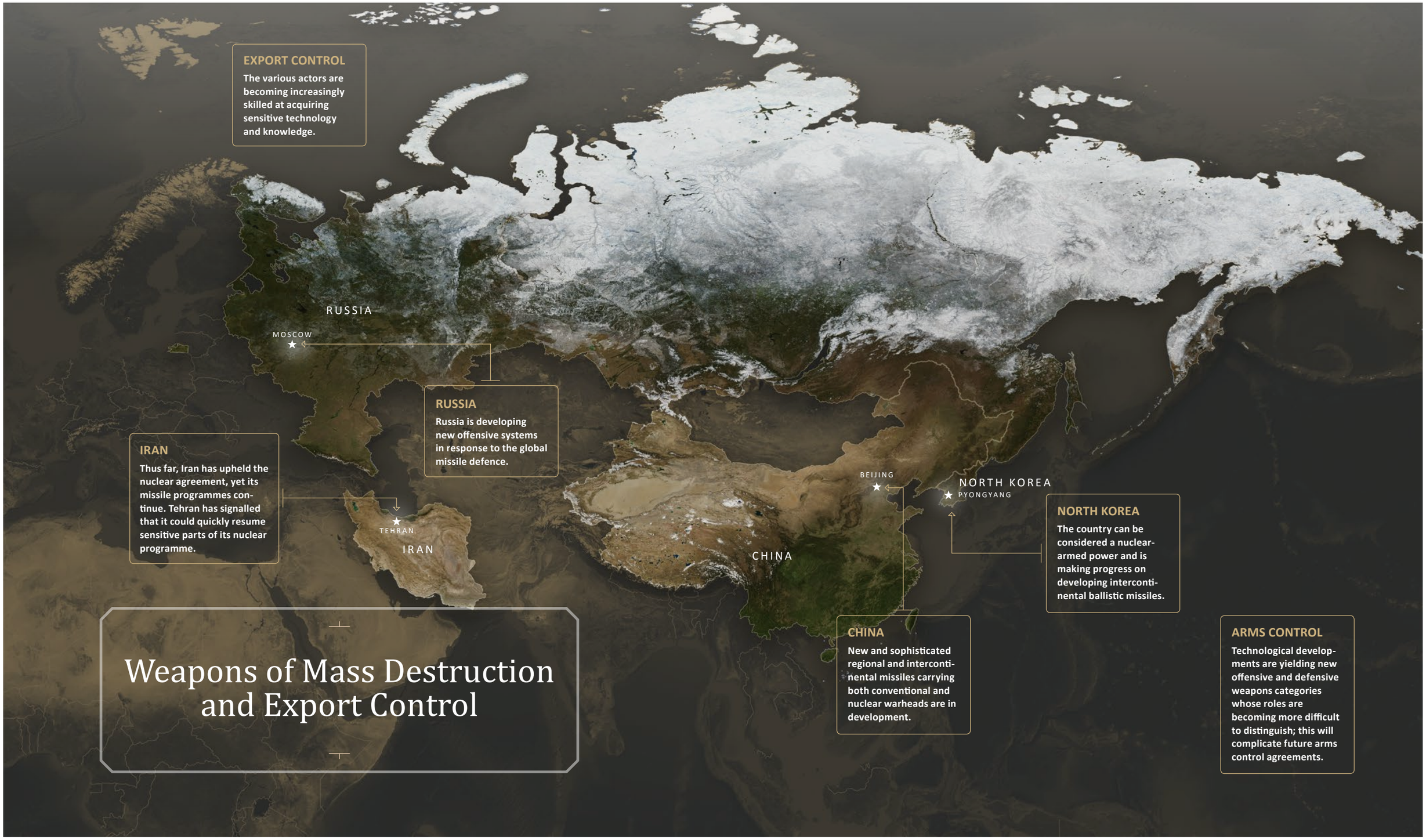
A number of countries are developing more sophisticated long-range weapons systems. Russia and China are at the forefront. 'Putin's new weapons' may prompt other states to respond with similar capabilities or new kinds of defence systems. For instance, the debate on weapons in space has been reignited. As China is becoming a large, sophisticated actor, Russia and the United States are reluctant to compromise excessively on arms control independently of China. Beijing, for its part, points to the two other countries' numerical nuclear superiority.

The terms strategic, non-strategic and tactical nuclear weapons are not unambiguous. In New START, intercontinental systems and cruise missiles delivered by strategic bombers are considered strategic. However, the deal does not cover long-range sea-launched cruise missiles, even though these are just as relevant. Moreover, any use of nuclear weapons, regardless of type, would have strategic implications. Non-strategic or tactical nuclear weapons challenge this assessment, as they are theoretically intended for use on the battlefield or in self-defence. In instances where one party is conventionally superior, the weaker party may compensate by using these nuclear weapon types.

«Several countries are developing asymmetric means to counter an opponent's use of space-based sensors.»

Several countries are developing asymmetric means to counter an opponent's use of space-based sensors. Such capabilities include anti-satellite (ASAT) weapons, which can contribute to a credible retaliation capability. ASAT weapons can also reduce an opponent's fighting power significantly. In recent years, defence planning has included the use of cyberspace as an asymmetric capability. It is difficult to determine which opportunities the major actors have for shutting down vital systems in a conflict. New capabilities of this kind could affect the balance of power and yet would be hard to incorporate into disarmament agreements.

WEAPONS OF MASS DESTRUCTION AND EXPORT CONTROL



NATO STANDARD

Highly likely (> 90%)
Likely (60-90%)
Even chance (40-60%)
Unlikely (10-40%)
Highly unlikely (< 10%)

THE USE OF CONFIDENCE LEVELS

The assessments provided by NIS to Norwegian decision-makers are often complex and tend to describe rapidly changing situations. Therefore, NIS uses a standardised set of confidence levels, shown in the table above, in its classified assessments. This is to ensure that decision-makers understand how confident the service is in any given assessment.

Focus, on the other hand, is an unclassified document aimed at the wider public, and NIS has therefore chosen to prioritise readability and linguistic variation. Readers of Focus should not be required to have a deep understanding of our confidence levels, which are not used stringently by NIS in this document.

DIGITAL VERSION:
FORSVARET.NO/FOKUS