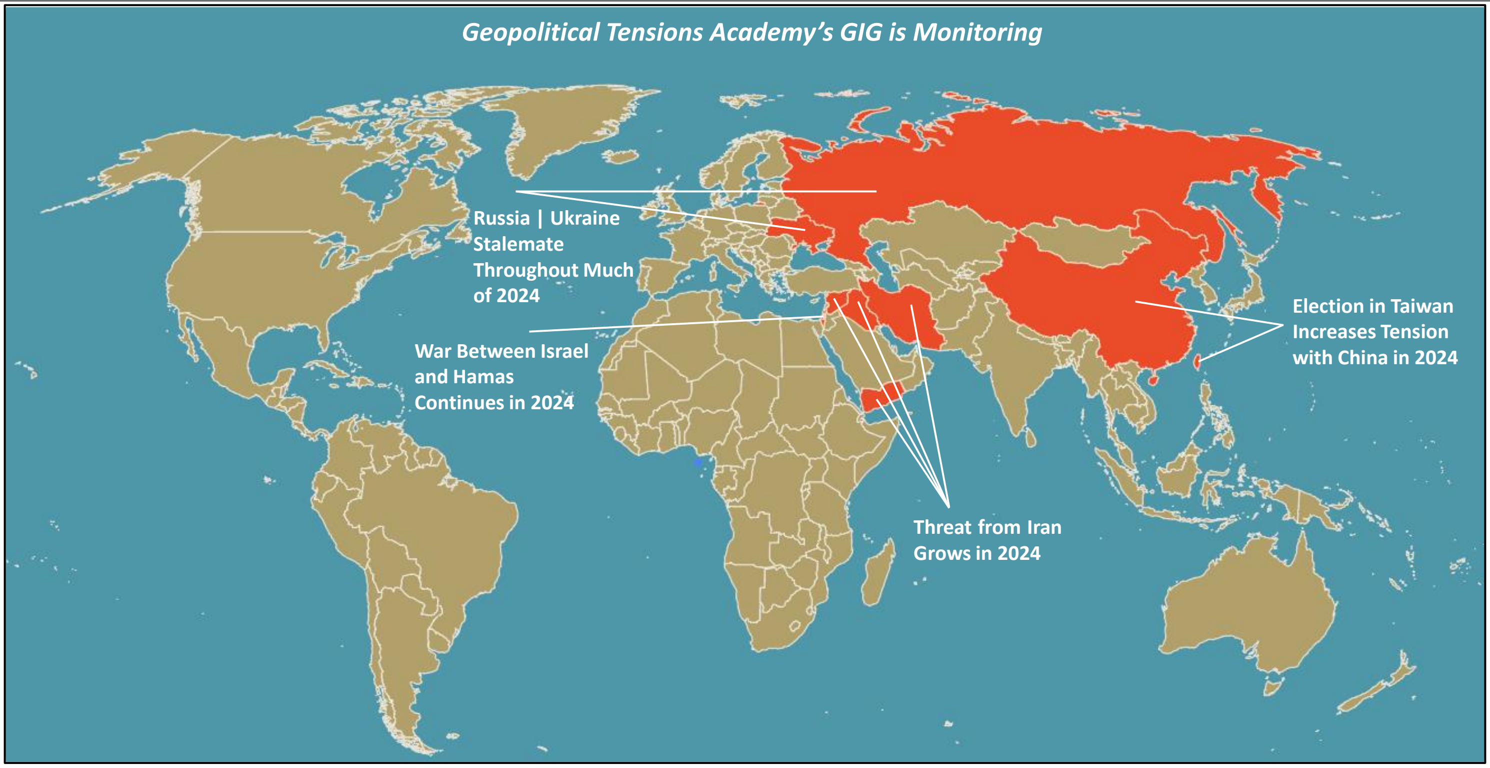
Around the World with Academy Securities



In this month's edition of Around the World with Academy Securities, our Geopolitical Intelligence Group (GIG) focuses on the following geopolitical tensions that we are monitoring:

1. War Between Israel and Hamas Continues in 2024
2. Threat from Iran Grows in 2024
3. Russia | Ukraine Stalemate Throughout Much of 2024
4. Election in Taiwan Increases Tension with China in 2024

In our final ATW for 2023, our GIG provides their perspective on the areas that they are most focused on in 2024, as well as a few others that are likely to be of interest. First, we provide an update on the war between Israel and Hamas. While large-scale combat operations may slow in the new year, the mission to eradicate Hamas will continue, and questions about which entity will govern Gaza post-conflict remain unanswered. Next, we highlight the growing Iranian threat. Not only have the capabilities of many of their proxy forces continued to grow, but also Iran's nuclear and ballistic missile threat remains largely unchecked in the absence of an agreement. We also report on the war in Ukraine and the likelihood of the stalemate extending throughout 2024 as neither side has the ability to achieve its objectives. We then offer a preview of the 2024 Taiwanese presidential election where DPP candidate and known separatist William Lai is leading in the polls and what the potential Chinese reaction could be. In addition to the major themes that we are following, our GIG is also closely monitoring North Korea on the heels of their latest ballistic missile test (an ICBM with the capability to strike anywhere in the United States). Also, in South America, 2024 will be a pivotal year both economically and politically for Argentina and its new President Javier Milei, which could provide an opportunity for the U.S. to offer assistance to Argentina and keep them outside the realm of Chinese influence.

Please reach out to your Academy coverage officer with any questions and we would be happy to engage.

Front and Center: War Between Israel and Hamas Continues in 2024

As we have addressed in our previous ATW, SITREPs, and podcasts, our GIG continues to closely monitor the war between Israel and Hamas. Following the end of the ceasefire, Israel went back on the offensive in southern Gaza and has made additional progress in eliminating Hamas commanders and destroying their capability to control Gaza militarily. However, the humanitarian cost continues to be high, and many countries (and the UN General Assembly) are putting pressure on Israel to agree to another ceasefire and complete the operation in "weeks, not months" (while also negotiating for the release of the remaining hostages). With this in mind, Israel will continue the tempo of its operations for the next several weeks, but by early January 2024, the decision could be made to pull some forces out of Gaza and focus on more limited operations. However, what comes next in Gaza? The question of what entity will administer Gaza following the end of large-scale combat operations is currently being debated. The U.S. has suggested that the PLA should take an active role in governing the territory, but Netanyahu disagrees with this approach. Israel requires a clear view into the security situation and does not sufficiently trust the PLA. Another factor is likely the upcoming election in Israel, and Netanyahu is shoring up his domestic support. The likely outcome for governing Gaza next year is a combination of several different groups, including a few neighboring countries that will be contributing to the reconstruction efforts. Egypt, Jordan, the UAE, and Saudi Arabia all have a vested interest in supporting a peaceful and orderly transition to new leadership in Gaza.

"Israel's military operations in Gaza are going according to plan, apart from losing the information war that is perilously affecting world opinion. The IDF says that they are moving into the final stages prior to an expected reoccupation of the Gaza Strip through 2024. The U.S. and Israel are challenged with the objective to contain the war to Gaza. Iran and Hezbollah have thus far carried out limited attacks against Israel which begs the question of why? While Israel's brute force operations to destroy the Hamas military arm hiding amongst the densely populated Palestinian population is causing horrific damage and civilian casualties, it is also acting as a deterrent to Iran and Hezbollah. The IDF has proven that they are willing to enter and stay in Gaza to eliminate Hamas even though civilian casualties are high. This is sending a message to Iran and Hezbollah that Israel can more than handle Hamas. The IDF has also demonstrated that the Iron Dome, David's Sling, and Arrow are proving effective in defending against airborne threats. Israel has begun messaging that the operations are going well enough that they are beginning plans for demobilizing some IDF units. This along with the underused Israeli Air Force is sending a strong message that the IDF has the capability and capacity to shift their main effort to Iran or Hezbollah if need be." – ***General Robert Walsh***

"The IDF will not cease operations until they are satisfied that Hamas has been defeated (at the strategic level). The challenge is that Israel (and the IDF) may have set a national objective that will be nearly impossible to achieve. Hamas doesn't just consist of fighters, but also a political entity and an ideology. While not a stated objective, at some point Israel will declare an end to major combat operations and they will then have to systematically eliminate, in a less kinetic way, the remaining Hamas fighters in Gaza. I've not seen any specific criteria set by the IDF or the government as to what constitutes a defeat other than statements to the effect of "when Hamas is no longer a threat to Israel." Israel will scale back on their own timeline. There will be no scenario where Hamas is part of any residual political ruling entity. As the IDF controls more and more territory, humanitarian assistance will be able to scale up and the international community will engage in parallel with the IDF. An Arab nation will not likely take the lead, but rather could be part of a coalition (possibly UN-led) with a broad international community of donors and participants. A two-state solution or talks to that effect are not likely in the coming year. While it will be a narrative

of the Arab countries and the international community, Israel will not make any near-term concessions on the two-state solution. Moreover, you still have the challenges in the West Bank and Israeli citizens are vacating northern Israel given the fear of an expanding conflict with Lebanese Hezbollah." – ***General Robert Ashley***

"Israel's current government will continue to try to destroy Hamas regardless of world opinion and allied pressure. Netanyahu has nothing to lose as he will likely "get the boot" once the war is finished. No two-state solution is possible with the current government in place. Israel will end up governing Gaza for some period of time as the UN and Arab states don't seem currently inclined to accept that burden. The current PLA government is too weak and unacceptable to Israel to govern initially. This situation will continue to be a long-term terrorism challenge. The only government which might step up is Qatar, but their relationship with Hamas is a double-edged sword." – ***General Frank Kearney***

"Israel will not be rushed in its determination to eradicate Hamas. They are used to being in the minority when it comes to political views and will not be deterred by Iran, Hezbollah, Hamas, or Western politics. Israel will continue to attack until they are sure that they have killed Hamas leadership and crippled their ability to be a threat. They want their hostages back, but it is unlikely that they will trade eradication of Hamas for hostages. It is hard to see any option other than a two-state solution given the emotional setback of the past few months. Egypt, Jordan, and Saudi Arabia are as concerned about the radical ideology espoused by Hamas as anyone. They will likely support a two-state solution." – ***General Mastin Robeson***

Threat from Iran Grows in 2024

As we reported in our recent SITREPs, the U.S. has continued to strike Iranian-backed militia groups in Syria and Iraq in response to attacks on U.S. forces in the region. In total, U.S. forces in Iraq and Syria have been attacked over 90 times since the war between Israel and Hamas began. Iranian-backed Houthi rebels have also been escalating their attacks in the region. In our previous ATW, we highlighted U.S. destroyers engaging missiles and drones launched by the Houthis towards Israel and commercial ships. In addition, Houthi forces hijacked the Galaxy Leader in the Red Sea and most recently struck other commercial ships with anti-ship cruise missiles. These attacks have forced two major shipping companies and an oil company to direct their ships away from the Red Sea. These actions will likely put pressure on global supply chains and increase the costs/time of shipping goods due to rerouting ships around the Horn of Africa (our Macro Strategist, Peter Tchir, has been concerned about this risk since the war began and includes his thoughts in the quotes below). In response to these attacks, the U.S. has announced the creation of a multinational naval task force assigned to protect shipping in the region, a move that Iran has publicly warned against. This new task force, Operation Prosperity Guardian, will still take a few weeks to fully assemble, but will be a significant step in addressing the Houthi threat to shipping. While there have not been any casualties or significant damage, it is likely only a matter of time until there is an incident that could result in U.S./Israeli retaliatory strikes against Houthi positions in Yemen. In an effort to provide more deterrence, the Pentagon recently moved the Eisenhower Carrier Strike Group from the Persian Gulf into the Gulf of Aden. However, the reason a retaliatory strike has not occurred to date is likely twofold: there have not been any direct attacks against U.S. military assets/personnel in the region (like there have been in Iraq/Syria) and the U.S. does not want to risk the outbreak of a wider conflict in Yemen. It appears that an escalation in Yemen could result in Houthi forces trying to close the Bab el-Mandeb Strait coming out of the Red Sea into the Gulf of Aden and asking Iran for more support. It could also jeopardize the fragile ceasefire that the Houthis have with Saudi Arabia. However, the largest underlying threat to the region is Iran, which will come out of this current conflict in a better position than where it began. Iran has increased its partnership with Russia, continued to supply oil to China, and has disrupted the efforts of Israel to re-open diplomatic relations with Saudi Arabia. It has also managed to bring the Palestinian issue front and center once again, which has resulted in further global scrutiny over Israel's tactics following the horrific October 7th attack. Iran is still building its nuclear program and with no deal in sight to curb this or its ballistic missile capabilities, Iran will emerge a much more significant threat to the U.S. in 2024.

"The threat from Iran in the Middle East will grow in 2024 as the China-Russia-Iran axis works to counter U.S. interests in both Ukraine and the Middle East. Iran will continue using its proxy militias to attack U.S. military forces, while avoiding a direct escalation. Iran's objective is to make it so difficult that U.S. military operations are curtailed because of the challenges presented. They are gambling that they can make it so problematic that U.S. forces redeploy from Iraq and Syria versus escalating into a direct conflict with Iran. Tehran knows that the Biden administration does not want an armed clash with Iran, wants the war in Gaza to end, and would like to revive the JCPOA negotiations regarding Iran's nuclear program. Iran is growing its relations with Russia to gain increased military support and with China for economic gain. It's been reported that Russia's Wagner Group may supply Hezbollah with sophisticated surface-to-air missiles to counter Israel's air strikes. China's willingness to buy Iranian oil is fueling Iran's support for its proxy militias. Meanwhile Iran is delighted with the growing Saudi relations with China and Russia that diminish U.S. influence. It's a complex chessboard with the U.S. playing defense." ***– General Robert Walsh***

"Iran will remain opportunistic, and their support will wax and wane as the conflict tempo changes. Iran has temporarily caused a delay in the KSA and Israeli talks and is enjoying the vilification of Israel and general turmoil. KSA wants a broader relationship with Israel, is focused on a more diversified economic strategy, and wants stability in the region. It will require some time (at least most of 2024) before KSA and Israel can get back to the dialogue that preceded 7 October. Iran supports both the Houthis and Lebanese Hezbollah, but the control is not automatic from Iran. Both entities will keep their own interests in the equation of what they are willing to do. In most cases their interests align and that can at times give the impression that they simply do whatever Iran says. The Houthis will not close the strait, but we've already seen a number of major maritime shipping firms decide to stay out of the Red Sea given the risk. This week, it was announced that the U.S. launched Operation Prosperity Guardian which appears to be an extension of TF 153's mission. China is more interested in stability in the region, but I would not assess that is the case for Russia (Putin is enjoying the instability and attention it has pulled away from Ukraine)." – ***General Robert Ashley***

"The Iranian threat will continue and likely increase as Russia and China benefit from a U.S. still enmeshed in Middle Eastern conflicts. There is an economic and military burden associated with supporting Israel, continued efforts in Iraq and Syria, and now deterring Houthi forces in the Red Sea. Shipping companies are already diverting routes from the Suez. A major oil company is the latest to declare "no transits" of the Red Sea. Soon the coalition will be in place to protect commercial shipping in the region and there may be strikes in Yemen against Houthi sites. Escalation must be tempered so no unintended consequences occur." – ***General Frank Kearney***

"It is 100% correct that the Iranian threat has increased. The growing challenge is between Middle East leadership and their populations. In an age of instant news (even into remote areas), the high number of Palestinian deaths is resonating with much of the world's population, but it is also correct that Saudi Arabia, Jordan, Egypt, and the UAE leadership remain solidified against Iran and the radicalism seen in Hamas and Hezbollah. This is a challenge that will only increase with time. The Abraham Accords fostered a vision of economic/financial business lines beyond energy, giving Middle Eastern leaders a new horizon. The good news is that Russia is less capable of supporting Iranian aggression now than a year ago. Israel is extremely vigilant, and all eyes are on Iran's every movement." – ***General Mastin Robeson***

"The Houthis, an Iranian-funded ethnic/political group who gained power in the Yemen civil war, have accelerated threats and live attacks on shipping in the Red Sea. Although initial attacks were "justified" by claiming support of the people of Gaza, the expanded threat has grown to include drones, missiles, and ship-boardings. The surge in insurance premiums and physical danger has caused multiple shipping agencies to avoid the Red Sea altogether. A

corresponding spike in the costs for ships diverting to avoid Red Sea transits threatens to impact oil and other cargo prices globally. The U.S. Navy, in partnership with forces from the U.K., Bahrain, France, Norway, and others have created a maritime task force to defend merchant traffic from Houthi attacks. Saudi Arabia and UAE, two combatants that opposed the Houthis in the Yemen civil war, have declined participation for now. The Saudis, especially, likely do not relish a return to Houthi missile attacks into Saudi cities." – ***General Michael Groen***

"We have been worried about global shipping logistics since the start of the war. Even under the "status quo" at the time (fighting concentrated in Gaza), we thought that shippers may choose to avoid the region. As the Houthi attacks have increased, the aversion to shipping through the region has become public. This is inflationary and could show up in Q1 and Q2 if nothing is done to resolve it. In addition, I continue to watch closely for signs that the administration will no longer tolerate Iran's significant shipments of oil (estimated by oil experts to be 3.2mm to 3.5mm barrels per day). Anything that forces the U.S. hand in that respect will also be inflationary. Finally, at around $95 to $100 per barrel (if we get there), I expect the Saudis will increase production as a sign of ongoing progress towards "Westernization" of their economy, the pursuit of finalizing the Abraham Accords, etc. If we get to those levels and the Saudis don't respond, I expect much higher prices and bigger problems in the region." – ***Peter Tchir, Head of Macro Strategy, Academy Securities***

"The U.S. recently experienced unsophisticated attacks by Iranian hacker groups against water and healthcare infrastructure (the healthcare attacks involved ransomware). Their recent attacks against the healthcare and water sectors demonstrate their continued probing and interest in our critical infrastructure. Additionally, the attack this week on Iranian gas distribution that shut down over 70% of pumping stations is being blamed on Israeli-backed cyber forces and is only going to escalate attacks between the two nations (with a focus on critical infrastructure), which may be destructive and not just disruptive. U.S. companies doing business in Israel should be prepared for potentially extended outages effecting internet, network access, customers, suppliers, and third party providers and have contingency plans in place." – ***Admiral Danelle Barrett***

Russia | Ukraine Stalemate Throughout Much of 2024

As we have covered in our previous ATWs, the stalemate in Ukraine continues. The Ukrainian counteroffensive has resulted in limited gains on the ground, but its forces were successful in forcing Russia to pull the bulk of its Black Sea Fleet out of Crimea. However, as we approach the 2-year anniversary of the start of the conflict, support for Ukraine is starting to fade. For the first time, an aid package has been blocked by Congress and will likely result in further debate. In Europe, elections have resulted in Slovakia and the Netherlands pulling their support for Ukraine and there is concern about other 2024 elections in Europe as well. In addition, while the EU has agreed to start membership talks with Ukraine, Hungary has blocked $55 billion in aid funding. With respect to the fighting, U.S. intelligence estimates that Russia has lost almost 90% of its pre-war active-duty force and the fighting has set back 15 years of efforts to modernize its military. However, Putin believes that even with these loses, Russia still has the ability to "wait the West out." Ukraine does not have the military capability to remove all Russian forces from its borders. Russia's positions are now heavily fortified and even with the addition of more advanced weaponry from the U.S. and the EU, the overall impact has been minimal. While Ukraine has not lost the war, it is unclear what an achievable victory looks like at this point. Putin is no doubt watching the elections in Europe and in the U.S. next year as the barometers for evaluating his next move in Ukraine. In the spring, Russia will likely go on the offensive once again in an effort to seize as much territory as it can prior to the end of the year. While the conflict will still end in a stalemate, we could likely see some form of negotiated ceasefire discussions occurring before the end of 2024 or in early 2025.

"President Biden continues to believe that it's in the U.S. and Europe's national interests to support Ukraine's objective to defeat the Russian military while behind the scenes his subordinates are preparing Ukraine to expect less funding in 2024. There are no indications that either side is willing to negotiate given the current battlefield's frozen front. Putin's imperial aggression is aimed at rebuilding the former Soviet Union while Ukraine is fighting for its survival. The challenge is what can be done with support for Ukraine waning. The trend seems unsustainable and the mood in Ukraine is much more sober than before this year's counteroffensive. The character of war has changed with constant surveillance and precision munitions provided by drones. Gone from Ukraine's military tactics is the U.S.-professed "offensive maneuver" highlighted by armored breakthroughs supported by artillery. The stalemate has resulted in dug-in troops relying on massive defensive mine belts. Ukraine knows that time is on Putin's side and will pressure its military to go back on the offensive once it receives their requested weapons. Ukraine's military is now defensively holding the frontlines while the U.S. and Europeans build the manufacturing capabilities for the long-range weapons that could push Putin to negotiate. The stalemate is expected to continue during 2024." – ***General Robert Walsh***

"Putin will be successful in keeping this a stalemate through the U.S. elections. The defensive belts will be improved over the winter and the Russians have an artillery/ammo advantage as well as long-range air and missile fires. The Ukrainians have not proven that they have a maneuver warfare capability and have not massed their efforts to achieve a breakthrough. I don't see the F-16s as a game changer when they come. Too little too late, in my view. Without funding from the U.S. and EU there will be munitions and equipment shortages when the fight resumes in the spring. Given the U.S. elections in 2024, I would expect a Russian offensive effort to gain as much land as possible before ceasefire negotiations begin." – ***General Frank Kearney***

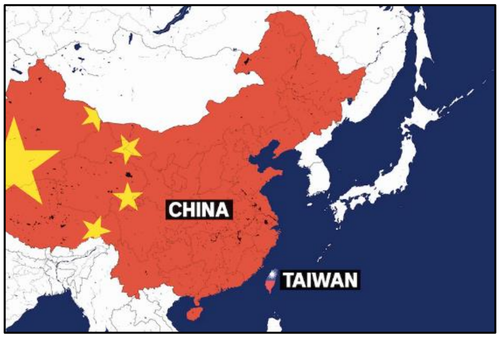
"The key variable will be to watch Western leadership/popular support and/or fatigue in their commitment to supporting Ukraine financially and through their arms support. Even an atrophy of Western support would not lead to the fall of Ukraine as a nation in 2024, but rather to Russia solidifying their position in the eastern provinces and starting to expand to the west (modest expansion at best). While Putin still maintains his maximalist demands, if the Western support suffers a major setback, Russia could start down the path of making demands to Ukraine following a ceasefire that would likely include complete neutrality by withdrawing their petition to join the EU and remaining outside of any NATO framework. Concessions are not feasible for Zelensky, or the Ukrainian people, and Putin is in no hurry or under any pressure to end the conflict. U.S. elections could be the most impactful variable in 2024 as the conflict limps along into another fighting season. Negotiations seldom start until one side sees no path to victory and the best outcome becomes a negotiated settlement. Unlikely we'll get there in 2024, and yes, Putin can prolong the fight beyond next November. However, I would not characterize this as a stalemate as it gives the impression that nothing is happening. Minor changes in position continue to occur as both sides press the fight." – ***General Robert Ashley***

"The big question remains in 2024: do we want Russia to lose, or do we want this to end in a strategic negotiation? Do we provide Ukraine with what they need to win and risk a potential nuclear war, regime change in Russia, and Russia no longer being a major power in the international community? For the past 2 years, Ukrainian forces (with Western aid) have continued to fight Russia to a stalemate and will not win unless the West provides some key capabilities essential to success on the battlefield. Watch to see if the U.S. wants Ukraine to achieve decisive success by providing Ukraine with sufficient fighter aircraft, M1 main battle tanks, and long-range missiles/artillery (HIMARS, MLRS, ATACMS munitions) to win. The quantities provided to date have only been enough to deny Russia further gains. 2024 will end as it starts with both Russia and Ukraine unable to achieve their strategic objectives (Russia controlling all of Ukraine and Ukraine recapturing all of their territory). Expect to see Russia continuing to utilize their information warfare in Ukraine (stressing Russian ethnic/cultural differences) to influence people living in currently Russian-controlled Ukraine as to why those portions of Ukraine should be part of Russia when the war ends in a strategic negotiation in 2025.

In 2024, Russia will continue to undermine the existing European security order (short of an all-out war with NATO). Putin knows that he cannot compete militarily or economically with the West, but can manipulate populations through disinformation campaigns and malign cyber-activity to foment instability and undermine regimes that are aligned with the West." – ***General KK Chinn***

"This week Ukraine came under one of the worst cyber-attacks by Russia since the start of the war. Since the war began, the West has been surprised by the lack of aggression and sophistication of Russian state sponsored attacks. There have been a few successful attacks, namely the attack on the Viasat communications network, but those have been exceptions. Most attacks have been unsophisticated phishing, wiper malicious code, website denials of service, or defacements of government sites. This recent attack saw the Russians target a key internet service provider, Kyivstar, which supplies over half the mobile (24 million) users and home (1.1 million) internet services in Ukraine. This attack also interfered with air raid signals, bank ATMs, and business sale transactions. The attack was significant in that it destroyed some IT infrastructure. The Russian hacktivist group Killnet claimed responsibility, but all indicators point to a state sponsored attack, specifically by the Russian security services. More fingers were pointed at Russia as there was no ransom involved and it was about destruction of infrastructure. Russia has been attacking Ukraine (along with other key infrastructure providers) since the start of the war with very little success. It is widely suspected that most Russian cyber forces are on defensive cyber operations tasking due to the heavy volume of attacks from Ukraine and pro-Ukrainian hacktivist groups. We also suspect a breakdown in Russian cyber leadership like we saw with traditional Russian fighting forces." – ***Admiral Danelle Barrett***

Election in Taiwan Increases Tension with China in 2024



As discussed in our previous ATW, with Taiwan's election approaching in January 2024, China's concern is that the new president will be William Lai, who is the current VP. Lai, from the DPP, is currently leading in the polls, especially since the opposition parties decided not to run on a joint ticket. However, China views Lai as a separatist and following his transit of the U.S. back in August, China conducted one of its largest military exercises on record and simulated a blockade of Taiwan. At the APEC summit meeting between Biden and Xi in November, Xi was warned not to interfere in the upcoming election in Taiwan. However, there are reports from Taiwanese officials of CCP leadership meetings being held to discuss how to step up their effectiveness in influencing Taiwanese public opinion. If William Lai and his VP, Hsiao Bi-khim (the de facto ambassador to the U.S.), win in January, we expect that a Chinese reaction will occur shortly thereafter. This could include exercises similar to the ones conducted in August. However, since it would be unlikely for Taiwan to declare independence if Lai were to win (President Tsai believes that since Taiwan is already independent, it does not need to declare anything), the immediate scope of the reaction would likely be contained to military exercises.

"The Democratic Progressive Party's (DPP) candidate Lai Ching-te's lead in the polls signals increased military tensions and more aggressive behavior by China's military in 2024 if he is elected. He had indicated that he will continue with President Tsai Ing-wen's policy that Taiwan already has de facto independence and needs to continue its current path of separating itself from Beijing. The PLA will continue to escalate their military operations to intimidate and coerce Taiwan. The election's result will also affect future U.S.-China relations. Taiwanese intelligence officials are messaging that China is using disinformation/influence operations to manipulate the election. The influence is occurring via cyber "effector bots" and social media persuasion. The messaging includes labeling the U.S. as an undependable ally by using Ukraine as a blueprint because of the current U.S. congressional division over providing additional funding." – ***General Robert Walsh***

"China will continue to beat the war drums of rhetoric. The election will most likely solidify Taiwan's "independent" political position. The increasing number of alliances that are growing across the Pacific Rim will decrease the risk

of China doing anything militarily. China will continue to posture and ensure the world knows that they remain staunchly behind a "one China" policy, but it is doubtful they will launch a cross-strait military invasion. China's current financial/economic challenges will not go away soon and will continue to exacerbate their ability to be more aggressive. If China does launch an attack, it has a low probability of military success, and will certainly result in deeper economic woes (to include world sanctions that would cripple the country). Taiwan is far more capable of defending itself than Ukraine is." – ***General Mastin Robeson***

"Expect the DPP (VP Lai) to win the election and China will continue to exploit the information domain to divide the population in Taiwan and reduce their belief in their government and democratic principles. Interestingly, all parties want the same for Taiwan with respect to sovereignty, status quo, and defense build-up against China. The election is about the relationship with China for the future, with KMT/TPP politicians claiming that they can manage the risks/control China because China will respect their sovereignty, but we know that doesn't work as we saw in Hong Kong. In 2024, China's goal will be to continue to split apart any coalition of support for Taiwan. War is not on the near-term horizon as China is focused on internal challenges, building its military capability, and continuing to sway public opinion of China as a preferred partner and peaceful nation. The two key words that will cause concern in the region are if Taiwan starts talking about "Independence" or China starts talking about "Reunification."

In 2024, expect Chinese confrontations in the South China Sea with the Philippines, Vietnam, Indonesia, Malaysia, and Brunei and in the East China Sea with Japan over the nine-dash line. As long as the Russia/Ukraine war, Israel/ Hamas war, and Houthi attacks on vessels in the Red Sea remain ongoing, the media cannot focus on the internal challenges that China is having. Don't expect China to help end these conflicts.

The U.S. will continue to work with our network of allies and partners to counter China and maintain our competitive edge by ensuring that we have strong anchor points with Japan, Australia (Pacific Ocean), and India (Indian Ocean). We want strong anchor points as it helps with our predictability regarding time/distance challenges in a crisis. India and Japan are strong anchor points on different oceans, so it is advantageous for us to remain a key player in the QUAD and expect to see a QUAD+ arrangement to include Vietnam, Indonesia, and other non-aligned actors in the region.

Finally, in 2024, the Arctic and Antarctica will continue to be a region of geopolitical competition with China. In the Arctic, China aspires to be a polar great power by 2030, however, China is not an Arctic state. For influence in the region China works with Arctic nations (permanent research stations in Norway, Iceland, and Sweden) and is investing with Russia to become their strategic partner of choice as China looks to utilize the Northwest Passage (with the potential retreat of the Arctic Sea ice) as a new transpolar route. In 2024 expect to see China increase the number of ice breakers in their inventory, continue to build facilities in Antarctica for scientific research that enhance duel-use technologies, and conduct scientific research that improves their military capabilities. China will be ready to assume control of Siberia if Russia falters on the global stage." – ***General KK Chinn***

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