

The weekly briefing | 7 July 2014

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Africa

Libyan government resumes control over eastern oil terminals after agreement with rebels

The Libyan government announced an end to the country's oil crisis on 2 July after resuming control over the eastern terminals of Ra's Lanuf and Sidra, which were seized by rebels last year in a bid to secure greater regional autonomy. At a joint news conference with Libya's acting Prime Minister Abdullah al-Thani, rebel leader Ibrahim Jadhran described the arrangement as a gesture of goodwill.

The terminals have a combined capacity of around 500,000 barrels of crude oil per day, accounting for a third of Libya's average oil capacity before the blockade. Although technical delays could continue to affect exports, the announcement has already pushed crude oil prices to their lowest levels in three weeks. An increase in oil exports will provide welcome relief to Libya's struggling economy, after armed occupations and strikes in the aftermath of Muammar Gaddafi's overthrow in 2011 paralysed the country's oil industry.

Libya's National Oil Corporation announced its intention to lift a force majeure ban on the eastern oil terminals – an encouraging sign that Libya's political and economic turmoil may begin to normalise. Furthermore, several rebels groups have announced their support of the new parliament elected last week. It is widely expected that legislators intend to replace the current assembly that is largely dominated by Islamists, which Jadhran's group, in particular, opposes. Such increased pluralism within Libya's government is a positive move towards providing the political climate necessary to alleviate many of the tensions that currently prevail within the country.



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Other developments

Ethiopia has called on Yemen to extradite the leader of an outlawed opposition group in order to face terrorism charges. The Ethiopian government welcomed the arrest of Andargachew Tsige, secretary-general of the Ginbot 7 group, as he tried to transit through Sanaa airport. Ethiopian leaders accuse Tsige of plotting terrorist attacks. Ginbot 7, based in the United States, calls for the overthrow of Ethiopia's ruling party. In recent years, several individuals have been convicted for their links to the group, including a number of prominent journalists. Ginbot 7 released a statement criticising Tsige's detainment and pledging retribution should he be extradited to Ethiopia.

The militant group al-Shabaab, have claimed responsibility for two separate raids on settlements in Kenya, during the evening of 5 July. Approximately a dozen armed assailants attacked villagers in Hindi village, Lamu County, killing at least 13 people and setting alight to a number of government buildings. In a separate attack on Gamba town in Tana River County, militants killed at least 10 civilians and raided a police station, which resulted in the death of a police officer, before the release of at least one detainee who was being held in custody at the police station on suspicion of being involved in a recent al-Shabaab-claimed attack of a similar nature. Although the Somali-based militant group has taken responsibility for the attacks, the Kenyan authorities have contested this and blamed local ethnic rivalries.

Striking engineering and metal workers in South Africa have rejected a wage offer to end the country's largest-ever strike. The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) announced on 4 July that workers' representatives had rejected the offer of an initial 10% pay increase for this year, with further increases over the next two years. Around 200,000 workers began industrial action on 1 July, with the National Union of Metal Workers (NUMSA), South Africa's largest union, demanding wage increases of up to 15% in a one-year deal. So far, the strike has hit an estimated 10,500 companies across the country, with concerns mounting over the impact of the strikes upon the country's car-manufacturing services.

On the radar

- **Speculation continues regarding Zambian President Michael Sata's deteriorating health** and the intention of one of his sons to run for office.
- **Renewed debate is surfacing in Nigeria over the National Conference's proposal to create 18 more states.**
- **The UN Security Council is to be briefed by the UN Office for West Africa on 8 July**, and will consult on Somalia and Eritrea on 10 July.
- **11 July marks the four-year anniversary of the bombings in Kampala, Uganda**, carried out by al-Shabaab.
- **Aid agencies are warning that a famine could break out in South Sudan within weeks** unless major food aid is provided.

Americas

Juan Carlos Varela inaugurated as new president of Panama

On 1 July, President Juan Carlos Varela was officially sworn into office during an inaugural ceremony at the Rommel Fernandez Stadium in Panama City. The event was attended by a number of significant political leaders, including Spanish Prime Minister Mariano Rajoy and the president of Taiwan, Ma Ying-jeou. Several hours before the ceremony, Varela met with a US delegation led by Secretary of State John Kerry to discuss cooperation within the field of education and on the ongoing Panama Canal enlargement project. In his first speech as president, Varela promised to give back strength and credibility to the country's democratic institutions, to fight against corruption and to maintain economic growth. After the inauguration, Venezuela's vice-president, Jorge Arreaza, announced the official restoration of diplomatic relations between the two countries.

Varela served as Panama's vice-president from 2009 to 2014, and as minister of foreign affairs from 2009 to 2011, until running against the handpicked successor of his former ally, Ricardo Martinelli, in the presidential election on 4 May. Under Martinelli's administration, the country's economy has undergone dramatic development but at the cost of growing inequality and rising basic food prices. Varela's victory with over 60% of the vote marked an end to Martinelli's hold on power. During his rule, Martinelli was accused of using his business connections to increase his support base, and found himself entangled in an alleged \$25 million corruption scandal involving corporate contracts in Panama, despite being controversially acquitted of such involvement by the serving attorney general. Varela faces high domestic and international expectations. His electoral victory owes much to his denunciations of Martinelli's litigious practices, as many Panamanians have become less tolerant of the rampant corruption that plagues the country's administration. In parallel, the United States sees Varela as a more transparent partner, who is better suited to ensuring the successful completion of the Panama Canal expansion project. In contrast, the left-wing governments of Latin America, such as Venezuela, hope that Panama's newly-elected president will adopt a more ambivalent stance that is less subservient to US interests in the region.

Among the priorities set for his five-year mandate, Varela placed particular emphasis upon the extension work of the Panama Canal. The Panama Canal expansion project is a multibillion-dollar enterprise launched in 2007 to increase the canal's ship transit capacity. Its completion date was initially scheduled for 2014 but was delayed by a year following a series of logistical issues and a more recent dispute over financing. The United States, which built the canal in 1914 and constitutes the waterway's biggest customer, has been urging Panama's authorities to deliver the project on time. The construction of a wider canal is a major strategic interest for the United States in its efforts to export liquefied natural gas (LNG) to Asia from the Gulf Coast. In addition, Varela is committed to ending the country's endemic problem of insecurity with a programme called 'Safe Neighbourhood', and has decreed an amnesty period until 1 August in order for criminal gangs to cease their activity.

Other developments

Russia has cancelled 90% of the debt Cuba contracted with the Soviet Union. On 4 July, the Russian parliament agreed to reduce the Cuban debt from \$32 billion to \$3.2 billion. The announcement was made days before President Vladimir Putin's tour in the region. The Russian president is to arrive in Cuba's capital, Havana, on 11 July, before going to Argentina and then Brazil for the sixth BRICS summit on 15 July. During his stay in Cuba, Putin is expected to disclose new investments and partnerships in the areas of energy, transport, civil aviation and public health. Over the past months, Russia has had a more active stance in the region, amid growing tensions with the West over the Ukrainian crisis.

The Organisation of American States (OAS) has declared its support for Argentina in its legal dispute against the so-called 'vulture funds' and its attempts to restructure its sovereign debt. The organisation published an official statement that highlights the risk posed by the recent precedent on the international financial system, following the refusal of the US Supreme Court to hear Argentina's defence against NML Capital. The motion was approved with the notable abstention of the United States and Canada. The Supreme Court's decision represents a major setback in the normalisation of the Argentine economy, and may risk triggering a technical default within the coming month. Argentine economic authorities will meet with the NML Capital court-appointed lawyer in New York on 7 July.

A terrorist attack on an oil camp in the northeast of Colombia left 13 injured. The assault targeted the Caño Limón oilfield in the Colombian state of Arauca and was attributed to the National Liberation Army (ELN) guerrilla group. While the ELN has traditionally carried out attacks on oil pipeline infrastructure, this attack is the first to target workers. The oil rich Arauca region, which borders Venezuela, is considered to be the ELN stronghold. The oil and mineral sectors of Colombia, which have been booming over recent years, represent the preferred targets of guerrillas group and other criminal organisations. The ELN is the second most significant guerrilla group in the country, with an estimated 2,500 members.

On the radar

- **Further planned protests against the FIFA World Cup are to take place across Brazil this week** in Rio de Janeiro, São Paulo and the capital, Brasilia.
- **El Barzón activist group plans to protest in Mexico's capital, Mexico city, on 23 July**, against the government's energy reforms.

Asia and the Pacific

Chinese and South Korean presidents meet for fifth time during Xi Jinping's official state visit to South Korea

On 4 July, Chinese President Xi Jinping finished his two-day official state visit to South Korea. During this visit, Xi and South Korean President Park Geun-hye made strong overtures regarding their country's positions towards regional stability. Specifically, a senior presidential secretary for Park stated that the South Korean and Chinese presidents both agreed that Japan's 'attitude towards revising history continues' and that much of the world, including many Japanese people, strongly oppose the ending of Japan's ban on its self defence operations abroad. The former comment was made in reference to the wars fought between Japan and the two countries. In Xi's speech at Seoul National University, he referred to these conflicts as a shared memory of 'barbarous wars of aggression'. In terms of bilateral relations, this meeting appeared more symbolic in nature, though Xi did note that he hoped to finalise a free-trade agreement with Seoul by the end of the year. Nevertheless, the two countries have historically struggled to make progress on the removal of trade barriers and on other economic issues.

Based on the statements made by the two leaders, Japan and North Korea seem to be the two issues driving the increased dialog between Xi and Park. Although Xi did not mention North Korea specifically during his trip to South Korea he noted that stability on the Korean Peninsula is of utmost importance. While China opposes the further development of nuclear weapons by North Korea, the downfall of the North Korean regime is not in China's interest. While Japan announced this week that it would be lifting Cold War-era sanctions on North Korea, in exchange for reopening a probe into Japanese victims of kidnapping in North Korea, it is unlikely that bilateral relations between Tokyo and Pyongyang will significantly improve over the short term.

Unlike Xi's previous meetings with Park, last week's official visit was particularly indicative of the changing international political climate in East Asia. The Cold War period generated a strong legacy of international alliances in the region, particularly between North Korea and China, and since the leadership of Chairman Mao Zedong, China has been North Korea's only real ally in the region. This Korean War vestige, however, is beginning to fade. Indeed, the outcomes of the meetings in South Korea suggest that this bond, forged before Xi's generation of leadership assumed power, has become less meaningful to the Chinese. Based on Xi and Park's statements, it seems that Beijing may be seeking a more meaningful alliance with Seoul than Pyongyang.

Other developments

At least two people were killed and 14 injured in violence between Buddhists and Muslims in Myanmar on 1-2 July. The attacks by Buddhists on Muslims took place in Mandalay, Myanmar's second largest city. Officials stated that at least 50 people participated in the violent attacks, during which cars were torched and rocks were hurled at Muslim businesses and homes, with at least one mosque damaged. The incident was sparked by a rumour that a Muslim shop owner had raped a Buddhist woman. A crowd of over 300 Buddhists reportedly stormed the man's shop. Police fired rubber bullets at the mob but failed to control the situation. Local authorities instituted a curfew on the night of 3 July, which has helped maintain peace and stability in the city. This is the first major violent sectarian incident in Mandalay, typically characterised as a city of peaceful Buddhist-Muslim coexistence.

Police in Malaysia on 5 July announced the arrest of four leaders of the separatist militant organisation the Liberation Tigers of Tamil Eelam (LTTE). This arrest follows the capture of three other suspected militants on 15 May. Counterterrorism forces in Malaysia stated that of the members arrested this week, one was an expert bomb maker and had participated in the foiled assassination of former Sri Lankan President Chandrika Kumaratunga in 1999. Sources in Malaysia indicated that one of the arrested held a United Nations High Commissioner for Refugees card. Another is suspected of involvement in human trafficking. The four LTTE members reportedly entered Malaysia after a crackdown on LTTE activities in Sri Lanka. LTTE was formed in 1976 as a militant separatist group seeking an independent Tamil state in Sri Lanka. The movement was eventually defeated during the Sri Lankan Civil War (1983-2009). Experts suggest that the group is likely attempting to find a new base from which to revive the LTTE movement.

On 2 July, North Korea launched two short-range rockets into the Sea of Japan. Wednesday's launches were the third set in the previous week – all of which have landed in the Sea of Japan. Last week's launches preceded the arrival of Chinese President Xi Jinping in South Korea. Japan and South Korea both condemned the launches. Japan-North Korea relations did thaw a little last week with the Japanese government announcing its easing of some unilateral sanctions on North Korea. The lifting of travel and banking sanctions on North Korea came in exchange for North Korea's reopening of an investigation into the Japanese citizens abducted by North Korea during the Cold War. Given the recent improvement in Japan-North Korean relations, the North's launches appear to be in protest at South Korea's hosting of Chinese officials traditionally sympathetic to the North Korean government. Indeed on 30 June, North Korea's National Defence Commission (NDC) proposed the suspension of verbal provocation and military activities by both North and South Korea. South Korean officials rejected this proposal.

On the radar

- **The Nuclear Suppliers Group will continue debate over India's proposed membership,** as representatives remain divided.
- **Chinese President XI Jinping will become the first Chinese head of state for 30 years to visit Sri Lanka** with an official state visit planned later this year.
- **Preliminary planning is expected to begin this month in Xinjiang, China, for the construction of an international railway** intended to connect China's western region with Pakistan.
- **China is expected to deport 11 North Korean citizens who fled their country on 19 June.**
- **After concluding visits to South Korea and New Zealand, Japanese Prime Minister Shinzo Abe will meet with officials in Australia on 7 July** before heading to Papua New Guinea.

Europe

Former French President Nicolas Sarkozy placed under investigation for allegedly perverting the course of justice

The former French President Nicolas Sarkozy was placed under formal investigation for allegedly perverting the course of justice by trying to use his influence to illegally obtain information about an inquiry into alleged irregularities in the 2007 presidential election. He has been accused of accepting up to \$70 million from the former Libyan leader, Muammar Gaddafi, as well as additional donations from Liliane Bettencourt, France's richest woman. The investigation was announced after anti-corruption police questioned the former president for 15 hours on 1 July. In an interview shortly after his release, Sarkozy called the accusations grotesque and claimed that the investigation was politically motivated.

Investigators suspect that Sarkozy and his lawyer, Thierry Herzog, tried to obtain inside information from the judge Gilbert Azibert about the progress of the investigation involving Bettencourt. Prosecutors also believe that the former president had been made aware of a mobile phone tap sanctioned by judges in order to ascertain whether Sarkozy's 2007 election campaign had received donations from Gaddafi. Sarkozy is also accused of being tipped off about a planned raid on his offices. These recent allegations are part of a series of investigations involving Sarkozy. For instance, Sarkozy is also being investigated for using public funds to pay for party political research during this presidency. However, investigators have also faced criticism for authorising the recording of lawyer-client conversations while tapping the phone of Sarkozy.

These latest developments represent a major setback for Sarkozy's planned political comeback in the 2017 French presidential elections. Since his failed re-election bid in 2012, the former president has been unable to garner any meaningful support in the polls due to his involvement in a several other investigations, and a general distain towards the lavish lifestyle he leads. Should he be found guilty for influence-peddling or abuse of power, Sarkozy could face up to five years in prison and up to €500,000 in fines under French law. Even if Sarkozy is called as a witness in the cases, it is unlikely that he will be able to salvage his public image before the beginning of the next presidential election campaign. These recent allegations have, however, also been damaging for Francois Hollande's government, as a number of ministers, including the justice minister, Christiane Taubira, have acknowledged their complicity in phone-tapping activities against Sarkozy. At a time of increasing popularity for the far-right in French politics, these allegations represent damaging blows to both the Hollande's Socialists and Sarkozy's Union for Popular Movement (UMP) party, who are already facing poor popularity ratings in the polls.

Other developments

NATO members and Russia carried out separate drills in the Black Sea last week. Warships from NATO countries including the United States, United Kingdom, Turkey, Greece, Italy and Romania were led by the Bulgarian navy in an exercise named 'Breeze' in the western section of the Black Sea on 4 July. The exercise is part of a 10-day drill that aims to improve interoperability and cooperation between NATO member states. On 4 July, the Russian defence ministry announced that the Russian Black Sea Fleet had commenced military exercises of all-arms force. Drills involving around 20 warships and auxiliary vessels, 20 aircraft and helicopter gunships, and Marine Corps and coastal missile units were performed around the whole of the Black Sea maritime area. It is not known how long these Russian exercises will last.

Turkey's governing AK Party announced on 1 July that Prime Minister Recep Tayyip Erdoğan will be their candidate for the presidential elections on 10 August 2014. Erdogan has held the premiership since 2003 and according to the constitution is unable to run for another term. Critics argue that the prime minister is seeking to become more authoritarian and wants to turn the traditionally ceremonial position of president into a more powerful post. In the past, the president has been chosen by parliament; however, for the first time Turks will vote for their preferred candidate in a two-round election process. In April, President Abdullah Gül rejected the suggestion of swapping positions with Erdoğan at the end of the presidential term.

On 2 July, the Ukrainian parliament endorsed President Petro Poroshenko's appointment of Colonel-General Valery Heletey to the positions of defence chief and general chief of staff. Heletey will enact a series of reforms in the military to restore the capability of the Ukrainian armed forces. Poroshenko hopes that this new direction will sharpen the army's effectiveness and deter further Russian aggression. The ceasefire between the military forces and rebels in eastern Ukraine officially ended on 30 June, and government forces have re-launched operations against pro-Russian separatists in these regions. Addressing parliament on 3 July, Heletey also vowed that the Ukrainian army would regain control of the Crimean Peninsula that was annexed by Russia in March 2014.

On the radar

- **British Prime Minister David Cameron will visit Gibraltar on 7-8 July** to tackle the ongoing problems on the British Overseas Territory's border with Spain.
- **The election of the new President of the European Commission will be held in Brussels, Belgium, on 15 July.**
- **The High Representative of the Union for Foreign Affairs and Security Policy for the EU, Catherine Ashton, will lead talks on Iran's nuclear programme on 7 July in Vienna, Austria.**
- **Protestant groups will march on Orangemen's Day in Belfast, Northern Ireland, on 12 July.**

Middle East

Protests and bomb blasts mark one-year anniversary of military coup in Egypt that ousted the Muslim Brotherhood

On 3 July, supporters of ousted President Mohammed Morsi held rallies across several Egyptian cities in response to the Islamic National Alliance to Support Legitimacy's call for a day of national anger. At least three people were killed following clashes with security forces in Giza, southwest of central Cairo, and a further 157 were arrested according to state officials. A conscripted guard was killed and a further two protesters were injured during clashes in the capital's southern district of Helwan. Security forces attempted to disperse protesters using tear gas and flash grenades, and they closed traffic access to Tahir Square, the iconic symbol of the Egyptian revolution. On the same day, an improvised explosive device was detonated on a public train in the country's second city, Alexandria, wounding nine. Separately, a homemade bomb was accidentally detonated inside an apartment in the Islamist stronghold of Kirdasah, killing two suspected militants.

The protests are indicative of the country's ongoing political disunity; however, the smaller number of demonstrators taking to the streets may reflect a new reluctance from Islamists and other political dissidents to challenge the state after months of harsh government crackdowns. Since the July 2013 military coup and the June 2014 inauguration of President Abdel Fattah al-Sisi, there has been a ban on public demonstrations, with clashes claiming the lives of hundreds of Morsi sympathisers. Alongside the ousted president, the state has imprisoned upwards of 22,000 individuals on political and terrorist charges, notably sentencing some 529 Muslim Brotherhood members to death in March of this year.

Despite this, the National Alliance to Support Legitimacy, comprised of some 11 Islamic groups, continues to seek political mobilisation against al-Sisi. Street demonstrations are likely to continue in the following days and weeks, together with an increased use of improvised explosives as the unrest continues.

Other developments

Iran and the P5+1 have resumed the fifth round of nuclear talks in Vienna. The seven states are seeking agreement on the terms of Tehran's nuclear programme by 20 July, the expiration of the six-month agreement reached in November 2013. Iran, in keeping with the terms of the agreement, has curbed its uranium enrichment in return for an easing of economic sanctions. Despite the successes of the interim agreement, the talks are likely to be marked by fierce disagreements over the number of centrifuges that it is acceptable for Iran to have. The Iranian negotiator, Majid Takht-Ravanchi, stated at the meetings resumption that Tehran would not abandon its technological and nuclear development, and should the P5+1 adopt maximalist positions, no deal would be met. Thus, if what are perceived to be excessive demands are placed upon Iran, no agreement will be reached and the talks would likely be extended a further six months.

The Islamic State of Iraq and the Levant (ISIS) seized control of eastern Syria on 3 July. The rebels stormed areas of Syria's Deir as-Zour province, taking control of strategic border towns and the al-Omar oilfield, one of Syria's largest producers of crude oil. The area, previously controlled by Jabhat al-Nusra, also known as the al-Nusra Front, was reportedly over-run during cross-border raids that forced the retreat of the al-Qaeda linked group. ISIS's latest victory and territory gains serve to reinforce growing concerns that the militant group is growing in strength within the region. Moreover, the development is likely to cause alarm to neighbouring Gulf states, which have expressed concern over ISIS's expansionist intentions and sectarian ideology.

Violence erupted on 4 July as thousands of Palestinians took to the streets for the funeral of murdered Palestinian teenager Mohammed Abu Khder, which coincided with the first Friday prayers of the Islamic holy month, Ramadan. Protestors in Shuafat, eastern Jerusalem, clashed with security forces after throwing rocks and Molotov cocktails. Israeli forces reacted by firing tear gas and stun grenades into the crowds. Friday's protests were part of escalating tensions between Israel and Palestine, following the discovery of abducted Israeli teenagers Naftali Fraenkel, Gil-Ad Shaer and Eyal Yifrah in a shallow grave in the West Bank on 1 July. Hamas, blamed by Israel for the murder and abduction of the teens, has ardently denied any involvement in the killings, blaming splinter extremist groups for the abductions. Clashes look likely to continue in the wake of recent events, and Israel continues to militarily reinforce the Palestinian borders of the Gaza Strip and West Bank.

On the radar

- **Iraqi parliament to reconvene on 8 July** in the hope of creating a new coalition government.
- **UN Security Council to discuss draft resolution of cross-border humanitarian assistance to Syria** from 7-13 July.
- **7 July marks the two-year anniversary of Libya's first free elections** following the revolution that ended Muammar Gaddafi's 40-year rule
- **Increased risk of terrorist attacks in Iraq on Republic Day, 14 July.**

Polar regions

Russian bombers 'test' Canada's military readiness

Russian Tu-95 heavy bombers have executed flight missions in close proximity to Canada's northern borders on at least two recent occasions. While Canada's military exercises considerable secrecy in sharing information on the exact numbers of Russian flight missions near its borders, or the exact details of the missions themselves, Defence Minister Rob Nicholson has spoken recently in Parliament about an increase in Russian military activity in the Arctic and the need for ongoing vigilance. Further incidences in North America in June saw US jets scrambled in response, including interceptions of Russian long-range bombers off the Alaskan coast and even 130 kilometres from California. According to North American Aerospace Defense Command (NORAD), such probes are not strictly speaking illegal, but many defence officials in both Canada and the United States have interpreted the moves as strategic messaging from Moscow, with Russia attempting to punish Canada for its critical stance on the crisis in Ukraine.

The Russian military exercises have exposed at least three problematic dimensions of Canada's defence and foreign policies. First, there is the long-running dispute over whether and how to replace Canada's aging fleet of F-18 Hornet fighter jets. Many in the defence establishment are advocating for them to be replaced by the F-35 Lightning II, but in addition to the expected reservations over cost there are some concerns over the suitability of the F-35 for interception missions. Second, some have criticised Prime Minister Stephen Harper's recent foreign policy decisions in relation to Russia, arguing that although they were principled decisions too little was done to prepare for a Russian response. Finally, there is the long-term question of security policy in the Arctic. Like Russian President Vladimir Putin, Harper has made some assertive claims over Canadian sovereignty in the Arctic. Whatever the words used by both leaders, the recent Russian bomber probes suggest that Canada is far less able to convert these words into reality than Russia.

None of these problems look capable of any immediate solution. The dispute over the refitting of the Canadian air force will not be resolved any time soon, and in the likely scenario that Russia maintains its pressure along Canada's northern borders, the fleet of F-18s will have to cover long distances to respond. The chill in Russian-Canadian military relations following Canada's expulsion of Russian military units from the country complicates efforts at information sharing and the avoidance of misunderstandings on both sides. Finally, while conflict over territory and resources in the Arctic remains a distant eventuality, if Canada is to make good on their claims it will have a long way to go to meet the challenge presented by Russia's comprehensive rearmament programme.

Other developments

Canada's National Energy Board has given the green light to a five-year plan for seismic exploration of oil and gas reserves under the shelf in Baffin Bay and Davis Strait in Canada's eastern Arctic. An international consortium of three mining companies under the umbrella name Multi-Klient Invest (MKI) submitted the plan for the exploration project. Inuit leaders have expressed considerable concerns about the proposal. The Qikiqtani Inuit Association's outgoing president said that the approval should have been delayed until the results of a strategic environmental assessment by the Department of Aboriginal Affairs and Northern Development have been published.

Russia is investing six billion roubles on the refurbishment of five Arctic airfields, all former Soviet bases abandoned after the end of the Cold War. According to a report in the Russian newspaper *Izvestia* on 2 July, the airfields will be ready for use by October 2015. The decision follows the widely reported reopening of the Temp airfield at Kotelny in the New Siberian Islands in September 2013. *Izvestia* quotes Leonid Ivashov, President of the Russian Academy of Geopolitical Problems, who claims that the redevelopment of these airfields is essential for protecting new oil and gas developments along Russia's Arctic shelf.

Further doubts have been raised about the immediate prospects for Arctic shipping in a recent interview given by Jan-Gunnar Winther, director of the Norwegian Polar Institute, to the BarentsObserver. While both the number of ice-free days and the number of successfully completed commercial voyages have increased year on year since 2010, Winther claims that poor mapping and weak satellite connections make any journey along the Northern Route, which follows Russia's Arctic coast, too dangerous to countenance without expensive icebreaker assistance, which calls profitability into question. This danger is further compounded by the difficulty of mounting search and rescue operations in the Arctic.

On the radar

- **China's icebreaker Xuelong (Snow Dragon) is set to leave its Shanghai base on 11 July** to embark on a sixth expedition to the North Pole.
- **China is planning to publish a guidebook for ships sailing through the Northern Sea Route** on an unspecified date later this month.
- **Russia will begin construction of three new nuclear-powered submarines on 19 July** at its Northern shipbuilding base of Severodvinsk on the White Sea.

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