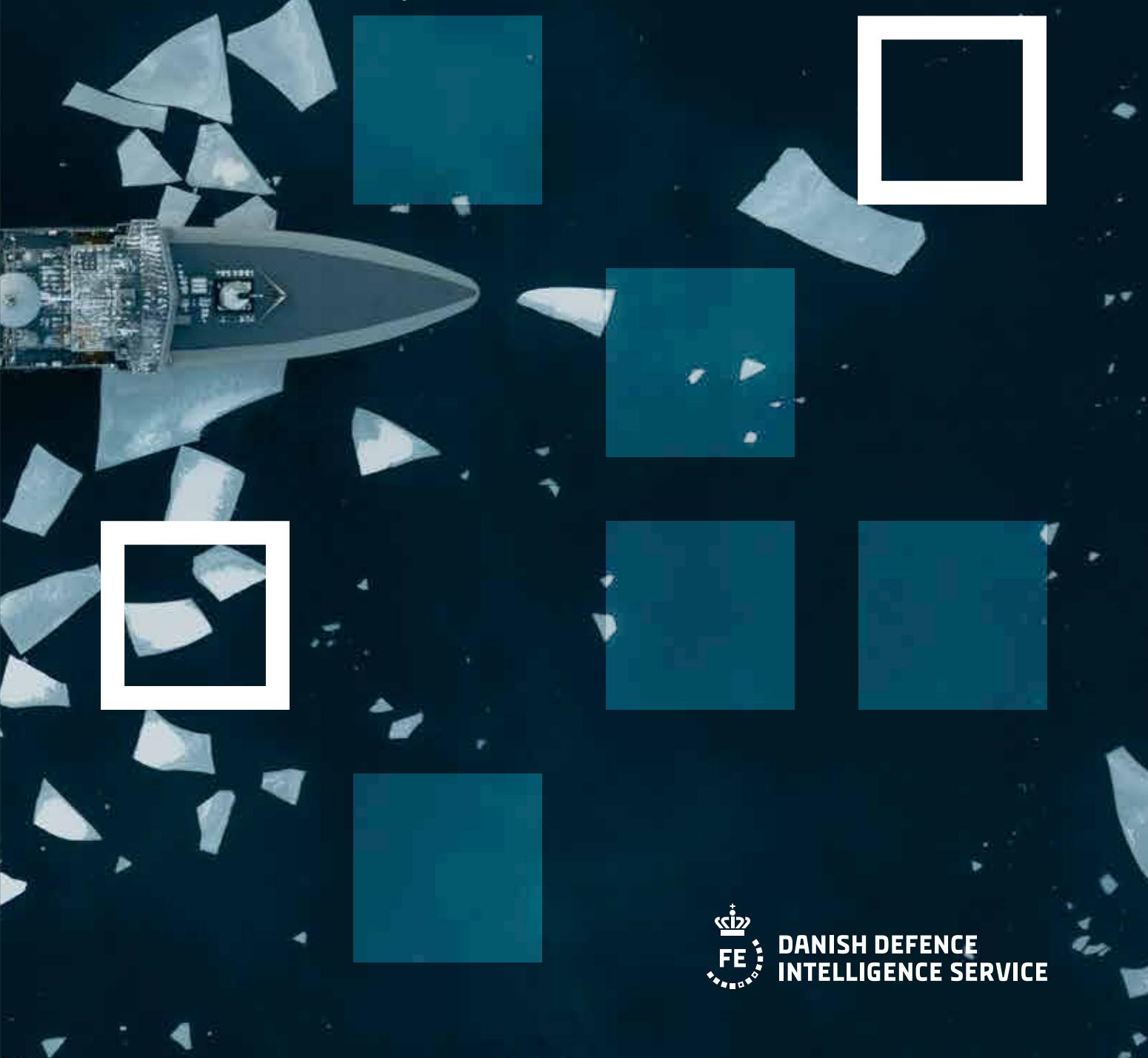


# INTELLIGENCE OUTLOOK 2023

An intelligence-based assessment of the external conditions  
for Danish national security and interests



DANISH DEFENCE  
INTELLIGENCE SERVICE

# INTRODUCTION

■ At the time of writing, Russia's war on Ukraine will soon enter its third year, and Russia is using its influence campaigns and other hybrid techniques to try to weaken the West and Western unity. The conflict between Israel and Hamas has now lasted for months, stirring up tensions in the Middle East. These tensions are a threat to Danish interests in the region, just as they have generally fuelled the terrorist threat against the West. Incidents involving defamation of the Quran in the summer of 2023 have also intensified the focus of militant Islamist groups on Sweden and Denmark. At the same time, the cyber threat posed by state actors such as Russia and China has not diminished. In sum, Denmark now faces the most complex threat landscape in years.

Russia is conducting espionage against targets such as critical infrastructure and is likely preparing plans for sabotage actions in Danish territory that can be activated in the event of an escalating conflict or war. This is in particular the result of Denmark's role as a transit country for NATO forces. If Russia were to decide on a more offensive strategy in the North Atlantic Ocean and the Arctic, military threats could also develop in these areas.

In addition, China aims for global influence and is very active in pursuing its interests, not only through generally accepted political and economic means but also through espionage, political leverage and illegal transfer of technology. This creates significant challenges for the West and Denmark, which wish to preserve economic and political cooperation with China. Tensions between China and the West also add a layer of pressure on international political and trade institutions that are vital to a small and open nation like Denmark.

In times like these, characterized by insecurity and increasing rivalry among great powers, Denmark's resilience against cyber attacks is more important than ever. While the primary concern is espionage, cyber attacks can also be used to influence decision-makers and public sentiment or to interrupt, and potentially destroy, critical infrastructure in the event of an intensified conflict.

Though Denmark has long been faced with a serious terrorist threat, the incidents involving defamation of the Quran and the consequences of the Hamas terrorist attack on Israel have aggravated the threat from Islamist terrorism to Denmark and several other European countries.

The instability seen in large parts of the Middle East and Africa, which could trigger renewed and uncontrolled migration flows towards Europe, also contributes to the terrorist threat.

In INTELLIGENCE OUTLOOK, we give you an overview of these external threats and the security challenges facing Denmark.

INTELLIGENCE OUTLOOK is the Danish Defence Intelligence Service's annual contribution to the public debate on Denmark's security policy. It is therefore written for the knowledge and benefit of interested citizens as well as politicians, journalists and researchers.

Information cut-off date is 22 November 2023.

Enjoy your reading.



Svend Larsen

Acting Director of the Danish Defence Intelligence Service

## THE ANNUAL ASSESSMENTS BY THE DANISH INTELLIGENCE SERVICES OF THE THREATS TO DENMARK

**Intelligence Outlook** outlines the external conditions impacting Danish security and Danish interests.

Intelligence Outlook is one of four annual assessments of the threats within and against Denmark. The other assessments are:

■ **Assessment of the terrorist threat to Denmark**, in which the Centre for Terror Analysis sets the national terrorist threat level and describes the terrorist threat to Denmark and Danish interests abroad.

■ **Assessment of the espionage threat to Denmark, the Faroe Islands and Greenland**, which is published by the Danish Security and Intelligence Service and describes the threat from foreign state intelligence activities targeting Denmark, in particular espionage, influence operations and attempts to illegally procure technology and knowledge.

■ **The cyber threat against Denmark**, in which the Centre for Cyber Security describes and sets the national threat levels for espionage, cyber crime, cyber activism, destructive cyber attacks and cyber terrorism.

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China continues to increase its global and regional political, military and economic power. At the same time, the situation regarding Taiwan is growing increasingly tense.

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# MAIN CONCLUSIONS

## TERMS AND DEFINITIONS

To provide a common framework of reference, we have prepared a brief outline of the special terms and definitions used in INTELLIGENCE OUTLOOK.

### Degree of certainty in assessments

Intelligence assessments almost always contain elements of doubt. Consequently, our analysts attempt to clarify for readers the degree of certainty that they attribute to their assessment, using standardized expressions and consistent use of probability terms to express the same degrees of certainty.



We use five degrees of probability to express the level of certainty in our assessments. The probabilities are estimates, not calculated statistical probabilities.

The estimation of probability depends on the strength of the available information and on the complexity of the subject.

We apply the probability scale shown below.

■ Regional and global great power competition and interstate conflict will set the stage for international politics. The US-China relationship will be the decisive factor that will shape the future of international politics. The rules and norms governing international trade, state sovereignty and security policy conduct are being challenged or falling apart, with the most evident example being Russia's war in Ukraine.

Russia will remain a long-term security threat to the West. In the years to come, relations between Russia and the West will be characterized by uncertainty unprecedented since the first years of the Cold War. Russia will retain its ambitions to enforce a fundamental change in the European security architecture and to challenge the rules-based world order. For a very long time to come, Denmark and Europe will have to navigate in a threat environment where it is likely that Russia will intensify its use of hybrid means such as influence campaigns and subversive operations. Also, Russia is likely preparing to be able to use destructive cyber attacks, for instance in connection with an escalating conflict with the Western countries. In addition, Russia will likely be willing to use military force against militarily inferior neighbouring countries in the post-Soviet space.

Though Russia would prefer to prevent security tensions with the West from spilling over into the Arctic, it is possible that the country will pursue a more confrontational course – rhetorically, diplomatically and militarily. The security climate in the region will become increasingly volatile resulting from a general increase in Russian and Western military activity in the region and Russia's perception of the United States and NATO as a growing threat. China's interests in the Arctic are long-term and revolve around securing access to the region's resources and exploiting its strategic potential. In addition, the war in Ukraine has forced Russia to gradually open the door for China in the Arctic, potentially paving the way for future Arctic military cooperation between the two countries.

China's diplomatic support for and close relationship with Russia exacerbate existing divisions between China and the West, including Denmark. At the same time, the situation regarding Taiwan is growing increasingly tense, and China is strengthening its military presence around the island. At home, China is tightening its grip on civil society and businesses and maintains a state-led approach to the economy. China continues to increase its global and regional political, military and economic power. China's status as the world's largest trading nation and a key link in many global supply chains has given it a position of great influence. China is also keenly focused on facilitating technology transfer as well as knowledge transfer from Denmark and other Western countries, including through cyber espionage.

The war between Israel and Hamas illustrates that unresolved conflicts in Europe's vicinity have the potential to escalate quickly and cause extensive regional instability. Deep structural problems in the Middle East and Africa will continue to give rise to conflicts and humanitarian crises, which create additional fertile ground for terrorism and incentivize migration. In addition, in wake of the Quran burnings, the terrorist threat to several European countries, including Denmark and Danish interests abroad, has intensified. The world order is changing and regional powers such as Türkiye, Saudi Arabia and Iran have increased room for manoeuvre. Europe's dwindling role in the Middle East and Africa leaves room for China and Russia to expand their influence in the regions.

## TIME FRAMES

- Few months:** Very short term
- 0-2 years:** Short term
- 2-5 years:** Medium term
- 5-10 years:** Long term
- Over 10 years:** Very long term



# DENMARK IN A CHANGING SECURITY POLICY REALITY

THE WAR IN UKRAINE AND THE US-CHINA RELATIONSHIP WILL SHAPE INTERNATIONAL POLITICS

Regional and global great power competition and interstate conflict will set the stage for international politics. The US-China relationship will be the decisive factor that will shape the future of international politics. The rules and norms governing international trade, state sovereignty and security policy conduct are being challenged or falling apart, with the most evident example being Russia's war in Ukraine.

US President Joe Biden and Chinese President Xi Jinping at a meeting in November 2023.  
Doug Mills/AP/Ritzau Scanpix

■ Russia poses a long-term security threat to Denmark and NATO and has brought war back to the European continent. This will set a guiding framework for Danish security in the years to come.

Yet, the US-China relationship will have the most decisive impact on global foreign and security policy. The direction of their bilateral relations will have great political, economic, technological and military implications for the rest of the world, including Denmark.

Several leading actors, including the EU, are pursuing a more independent role and increased influence on security issues within the framework set by the United States and China.

Many countries feel they have to choose sides between the great powers while others avoid choosing altogether to safeguard their own interests. The changing dynamics in international politics afford regional powers, such as the energy producing countries in the Middle East, room for manoeuvre which they seek to use to their advantage.

The rules-based international order, which has shaped international politics since the end of the Cold War, has encountered opposition. China and Russia, in particular, are the strongest opponents, but other countries, such as India and Brazil, would also like to see changes in the international rules and in the composition of international organizations. However, there is no alignment behind their ambition for change or abolition of rules of international politics, and they work towards their ambition through different means.

#### **The war has aggravated the threat landscape in Europe**

Over the last few years, the war in Ukraine has been the axis of the conflict between Russia and the West. In the first year, the war was a fundamental driver for increased food insecurity, for the adding of a security policy dimension to economic affairs, and the emergence of a global division of states in the international system between those that condemned Russia's invasion of Ukraine and those that did not choose sides.

These trends now follow their own course and are just as much affected by other factors such as broader great power competition, demographic developments in vulnerable regions, the consequences of climate change, and the general global economic development.

It is possible that Russia will increasingly pursue a campaign of destabilization that includes steps such as influence operations in the conflict with the West. Russia's goal with these destabilizing operations is to undermine the Western unity that is fundamental to the continued support to Ukraine. The new security situation in Europe has also made considerations concerning critical infrastructure more urgent, as has the threat of influence operations aimed at creating discord in Western communities and countries.

The security challenges facing the European countries also increasingly extend to the cyber realm. Countries such as Russia and China launch cyber attacks against foreign countries, including Denmark.

In a time characterized by insecurity and heightened rivalry, the role of cyber attacks and the capability of states to resist them will likely become even more prominent. Cyber attacks will come to play a more prominent role as they are difficult to attribute, making it complicated for states to retaliate against the attacks.

A distinctive characteristic of the cyber realm is that the efforts to build offensive and defensive cyber capabilities are not reserved exclusively for the biggest military powers. Though the main cyber threat to Denmark emanates from China and Russia, a number of other states also have these capabilities.

Cyber attacks will continue to be an attractive option for states and can be used to spy against foreign countries, to make attempts to influence decision-makers and public sentiment, or to disrupt, and potentially destroy, critical infrastructure in connection with a heightened conflict.

#### **Competition between China and the United States sets the global framework**

The United States is adjusting for a long-term great power competition with China, which is reflected in new legislation in support of strategically important industries, improvement of the resilience of US supply chains, and increased security focus on Asia. While great power competition is heating up, the consequences can be felt in other areas that have not been considered relevant in a security policy context since the Cold War, or only partially so.

The competition between the United States and China brings renewed attention to industrial policy issues. In some cases, national concerns will dictate increased support for industries that are deemed strategically important as well as more comprehensive investment screening and export controls in relation to these industries. Both countries are looking to reduce their mutual economic dependence and thus their vulnerability in the event of a conflict. In this context, China's economic model presents a big challenge to the rules-based Western model.



*While great power competition is heating up, the consequences can be felt in other areas that have not been considered relevant in a security policy context since the Cold War, or only partially so.*

Similarly, China and the United States are in competition over technological dominance, in particular over development of quantum technology, as quantum computers have the potential to revolutionize various industries, including the world of encryption. Both countries are also developing microchip production capabilities, for instance in order to reduce their dependence on global supply chains.

China and the United States are working to establish a framework for their internal competition to avoid an unintentional escalation of tensions and the risk of a confrontation between the two countries.

Fluctuations in US-China relations caused by various incidents, for instance when the Chinese spy balloon transited the United States, make it difficult for the two great powers to establish stable relations and crisis communication mechanisms.

The Taiwan issue gives rise to such fluctuations in US-China relations and is the single biggest risk factor that could trigger a war between the United States and China. China has stepped up its military activities near the island and has sharpened its rhetoric, while the United States has been more willing to provide military assistance to Taiwan, and prominent members of the US Congress have held meetings with Taiwanese leaders.

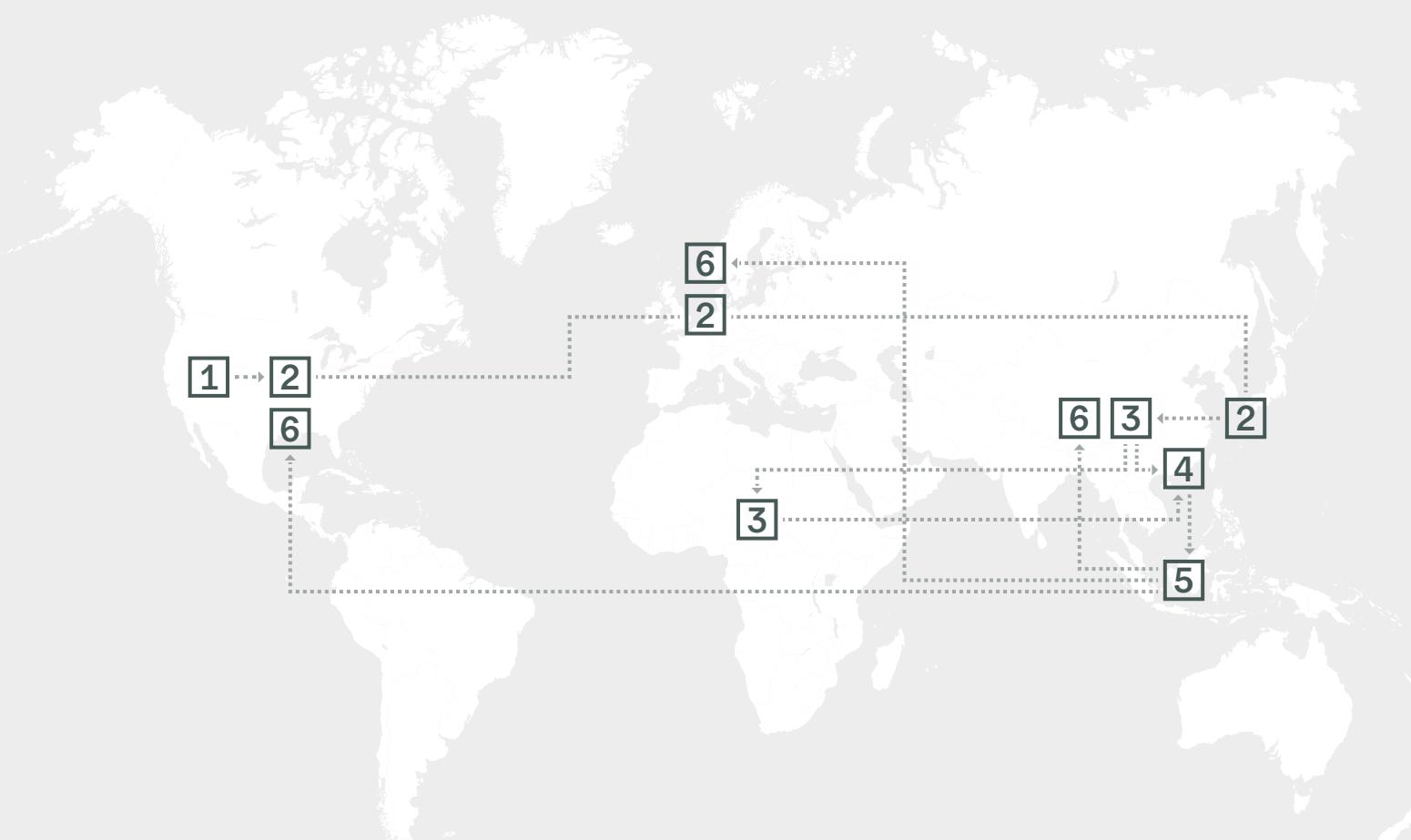
The competition between the two great powers also plays out in international institutions. China is seeking support from other countries to counteract Western influence in international organizations, for example when voting in forums such as the United Nations.

Great power competition has also given rise to new multilateral organizations or partnerships, with different states uniting over specific agendas or coordination and development areas. Examples in point are the BRICS cooperation, which was expanded in the summer of 2023, and the AUKUS partnership between the United States, the United Kingdom and Australia on development and sharing of arms technology. ▲

## THE MICROCHIP LIFE CYCLE

Production of microchips requires a complex supply chain in which the necessary materials and machines come from different parts of the world. Taiwan produces most of the world's most advanced microchips. The process is very complex, as the components and circuits are so small that

even the smallest grain of dust can ruin the process. Microchips are critical elements for making everything from cars to kitchen appliances, and disruptions in microchip supply chains will have a direct negative effect on other production chains.



1 The United States is a global market leader in development of microchip software and design.

2 The United States, the Netherlands and Japan dominate global production of advanced microchip-making equipment.

3 Rare earth elements, which are critical for making microchips, are mined in Africa and China, for instance, and are processed for further use.

4 Taiwan produces most of the world's modern microchips.

5 The microchips are tested and packed in South East Asian countries such as Singapore, Malaysia and Vietnam.

6 The finished microchips are shipped back to the United States, Europe, China, etc. where they are sold or used in a wide range of products, including mobile phones, coffee machines and F-35 fighters.

## The threat of nuclear weapons looms anew

Since invading Ukraine, Russia has made repeated threats to use nuclear weapons as a way of deterring Western support for Ukraine.

This has reignited the international debate on nuclear weapons, which has for years been centred on the nuclear weapons programmes of Iran and North Korea, among others. At the same time, the great powers have long dedicated massive resources to the development of more modern missiles for nuclear delivery and are in the process of modernizing existing capabilities. China is expanding its missile arsenal, which is much smaller than the arsenals of Russia and the United States. Russia and the United States are mainly focused on modernizing existing capabilities, many of which date back to the Cold War era.

However, a joint declaration from 22 January 2022 by the established nuclear powers – the United States, the United Kingdom, France, China and Russia – states that a nuclear war cannot be won and must thus never be fought.



The technological development of missiles, especially hypersonic missiles, plays a key role as they have the potential to threaten the capability of the great powers to respond to an attack with nuclear weapons.

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Since 2018, Iran has significantly expanded its nuclear programme with additional and new centrifuges. At the same time, Iran has increased its stock of enriched uranium, which can quickly be refined to weapons-grade uranium, bringing Iran close to becoming a nuclear threshold state.

While the great powers are once again increasingly focused on nuclear weapons as deterrence, the fundamental rules and agreements that have been in place since the Cold War are falling apart. The agreements between the United States and Russia on nuclear arms reduction and transparency will not be renewed, as the countries are unable to reach consensus on their content or simply do not want to renew the agreements.

It is highly unlikely that new, extensive international nuclear agreements will be forged in the years to come. The relationship between the United States and Russia is hampering negotiations on such agreements, and China has been reluctant to enter into agreements with the two other nuclear powers as long as their respective nuclear arsenals are larger than its own. ▲

## BRICS INVITES NEW MEMBERS

BRICS is an informal group of emerging national economies. The original members of the partnership are China, Russia, India, Brazil and South Africa. BRICS aims to increase trade and cooperation between countries as a counterweight to the West's political and economic role and significance. In August 2023, BRICS invited six new members to join: Saudi Arabia, the United Arab Emirates, Iran, Egypt, Ethiopia and Argentina. The BRICS countries now represent 46% of the world's population, 29% of the global GDP, and 43% of the world's total oil production.

## DIVERGING NATIONAL INTERESTS

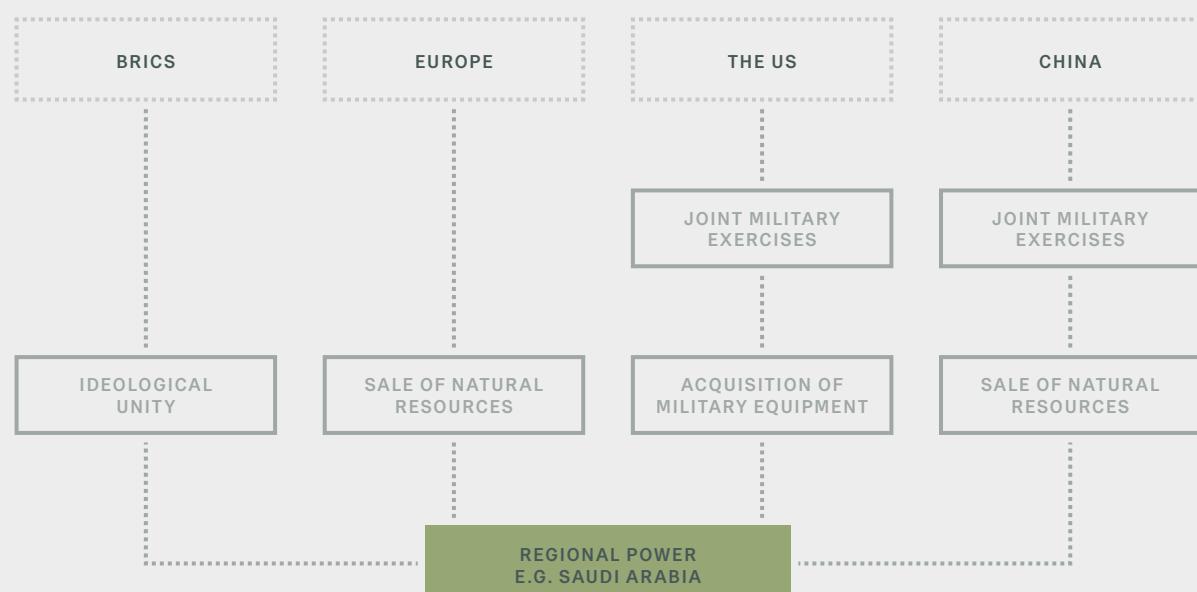
Many countries, such as Saudi Arabia or the United Arab Emirates, are reluctant to choose sides in the confrontation between the West and Russia or in the rocky relationship between the United States and China. Their reluctance is rooted in the improved opportunity for several countries to pursue their own political, economic and security interests in various directions, making them intent on balancing their relations with competing great powers.

These interests are not necessarily conflicting, but can complement each other to safeguard the positions or interests of the regional powers.

Countries could have territorial disputes with each other and be regional competitors, while both being members of the same multilateral organizations or the same grouping. They could be aligned on the ambition

to change the international rules and norms to better suit their interests and influence. A country could be working in close cooperation with the West in technological and economic fields and at the same time be engaged in military cooperation on exercises and acquisition with both the West and Russia.

Some regional powers, such as Iran, Saudi Arabia and Türkiye, have expanded their leeway internationally, becoming more assertive in their actions. They use their growing geopolitical relevance or favourable position on the international energy markets to pursue their own interests without having to follow one specific course in international relations. In this way, they try to increase their independence and flexibility in a world in which Western politics and economic influence are under pressure.



### Relations between China and Russia grow closer

China and Russia are aligned when it comes to opposing what they consider a US-led and Western-dictated world order that ignores what they perceive as their rightful position and influence.

Even though China and Russia both challenge the established world order, their approaches and means are different. Russia primarily uses security policy leverage with the purpose of undermining international cooperation. China, on its part, challenges Western influence mainly through political and economic initiatives and by influencing international organizations.

This mutual opposition prompted the two countries to release a joint statement ahead of Russia's invasion of Ukraine in February 2022, declaring that their cooperation would know no limits. Since then, relations between China and Russia have grown closer. At the same time, the war has shifted the balance of power in their relationship in China's favour.

While China has benefitted from declining Russian energy prices, it has been reluctant to enter into new, extensive energy agreements. Russia, on its part, has had the opportunity to sell its energy resources following the increasing disconnection of European

countries from Russian oil and gas. China has also delivered material to Russia which has both civilian and military applications.

Despite their shared opposition to the West, it is highly unlikely that relations between China and Russia will develop into a binding alliance. Consequently, their relationship will continue to be dictated by circumstances and guided by pragmatic considerations such as China's commercial interests in the West. Fundamentally, their relationship will be fraught with distrust, which will hamper any development into an actual alliance with mutual security guarantees.

In Central Asia, an area neighbouring both countries, they continue to have partly conflicting interests. Russia's influence in the region is weakened by the war in Ukraine, which has depleted the country's military resources, making room for China, which also has extensive interests in the region.

The Arctic is another area where Russia, despite its ambition to minimize the influence of non-Arctic states, has to accept increased Chinese access in return for Chinese financing of natural resource extraction projects. ■

Despite their shared opposition to the West, it is highly unlikely that relations between China and Russia will develop into a binding alliance.

## THEME: FINANCIAL ISSUES TAKE ON A SECURITY POLICY DIMENSION

In recent years, financial issues have increasingly become part of global foreign and security policy thinking.

Sanctions, energy supply, access to markets and critical infrastructure, and access to special technology and raw materials are examples of financial tools that are employed to achieve security goals.

### Great power rivalry is at the centre of international politics

The corona pandemic marked the start of increased attention on securing key supply chains.

Since then, Russia's invasion of Ukraine has strongly reinforced this attention. While the invasion laid bare the consequences of Europe's energy dependence on Russia, it also brought attention to the potential role of other elements of economic supply chains as foreign and security policy tools. Such elements could be the supply of microchips, rare earths, medicine, fuel for nuclear power plants, or access to international shipping lines.

Global economic rules have also become a key element in great power competition. On the one hand is the open and market-oriented model preferred by the EU, the United States and the OECD countries. On the other hand is China's economic model, in which the single-party state is increasingly meddling in individual companies' decisions and business conditions.

The competition between the great powers means that decisions other countries make about exactly where they and their own economic models fall on the spectrum between these two opposing poles will, to a greater extent, have security policy significance.

### Energy supply has turned into a security policy tool

For decades, great powers such as Russia, China and the United States have considered energy policy part of security policy. Europe is now heading in the same direction, and several other countries are also maintaining or heightening their focus on energy policy.

Over a short span of time, this has resulted in big changes in the global energy flows as well as changes to the power balance between a number of countries and actors.

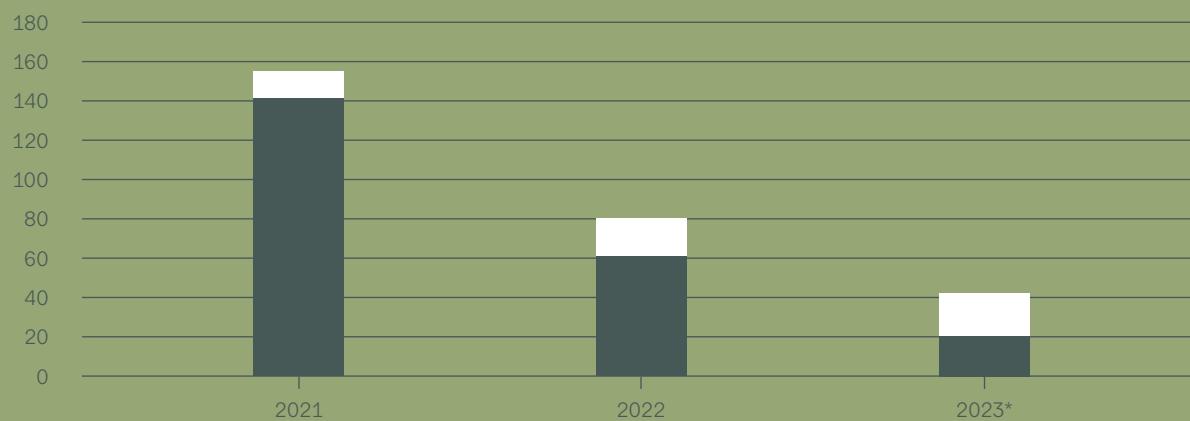
While the EU now only imports approx. 10% of its oil from Russia compared to approx. 30% in mid-2021, its imports of oil from the United States, the Middle East and West Africa have grown. Though the EU has generally succeeded in reducing Russia's scope for using oil supplies as political leverage, the union has become more vulnerable to potential political pressure from countries in the Middle East and North Africa.

Russia has resorted to exporting its surplus oil mainly to India, which means that India and China combined buy more than approx. 90% of Russian seaborne oil exports.

The EU is buying significantly less pipeline gas from Russia than it did prior to the invasion. However, the EU is buying more LNG gas from Russia than it did prior to the invasion (see figure). While the overall vulnerability in connection with gas deliveries from Russia to the EU has thus diminished, it has grown specifically for LNG gas. Half of Russia's LNG gas exported in 2023 has been sold to the EU. ■

IN TOTAL, THE EU IMPORTS LESS GAS BUT MORE LNG GAS FROM RUSSIA THAN IT DID PRIOR TO THE WAR IN UKRAINE

Billion cubic metres



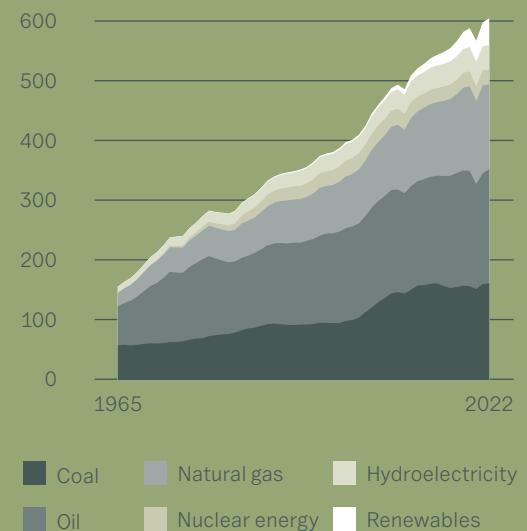
Source: The EU Commission and DDIS calculations.

Note: 2023 estimate is based on data from the first six months of 2023.

### OIL, COAL AND GAS MAKE UP MORE THAN 80% OF THE WORLD'S TOTAL ENERGY CONSUMPTION

In 2022, oil, coal and gas made up more than 80% of the world's aggregate energy consumption. Due to Russia's vast energy reserves of gas, in particular, but also of oil and coal, this large consumption provides Russia with a sound foundation for exporting large quantities of fossil fuels for many years to come. Consequently, Russia will highly likely be able to use its revenue from energy imports to support its economy and military industrial capability even in the very long term.

Source: "Statistical Review of World Energy 2023", The Energy Institute



# RUSSIA

**RUSSIA WILL CONTINUE  
THE WAR IN UKRAINE**



Russia will remain a long-term security threat to the West. In the years to come, relations between Russia and the West will be characterized by uncertainty unprecedented since the first years of the Cold War. Russia will retain its ambitions to enforce a fundamental change in the European security architecture and to challenge the rules-based world order. For a very long time to come, Denmark and Europe will have to navigate in a threat environment where it is likely that Russia will intensify its use of hybrid means such as influence campaigns and subversive operations. In addition, Russia will likely be willing to use military force against militarily inferior neighbouring countries in the post-Soviet space.

Russian President Putin seen on a screen set at the Red Square in Moscow in connection with an event marking the annexation of four Ukrainian regions.  
Alexander Nemenov/AFP/Ritzau Scanpix

■ The war in Ukraine will be protracted. The frontlines in the Russian-occupied areas will remain overall static, but with varying degrees of intensive combat. Ukraine will remain dependent on donations of military equipment and ammunition from Western countries in order to continue effective combat against Russia. Consequently, Russia will count on its strategic endurance being stronger than that of the Western countries and that Russia thus ultimately can achieve its strategic objectives in Ukraine.

The international situation surrounding the war in Ukraine will likely not change significantly in the short term, i.e. within the next 1-2 years. However, the outcome of the US presidential election in 2024 could create new dynamics to the international situation surrounding the war in Ukraine.

Irrespective of how the international situation develops, it is highly unlikely that Russia will abandon its strategic objectives in Ukraine and in the conflict with the West.

It is still Russia's intention to seize as much Ukrainian territory as possible. However, it is likely that Russia will be forced to adjust its war aims continuously, as its military forces are worn down. Consequently, it is less likely that Russia will be able to conduct a large-scale offensive and seize more Ukrainian territory.



**It is still Russia's intention to seize as much Ukrainian territory as possible. However, it is likely that Russia will be forced to adjust its war aims continuously, as its military forces are worn down.**

However, Russia will from occupied territories sustain a continued military pressure on Ukraine. It will be Russia's intention to force Ukraine to give Russia a decisive influence on its foreign and security policy and thus disrupt Ukraine's links to NATO and the EU.

As long as President Putin remains in power, it is highly unlikely that Russia will end its war in Ukraine and engage in sincere peace negotiations on any other terms than its own. These terms would include Ukraine's unconditional surrender and cession of all Russian occupied territory. However, Russia will publicly declare its interests in a peaceful solution. Russia will, in this way, present itself as willing to negotiate in order to create international pressure on Ukraine to negotiate on terms acceptable to Russia.

Russia will not relinquish its long-term ambition to firmly anchor post-Soviet countries in its sphere of influence. Thus, Russia will attempt to promote Russia-friendly forces in the post-Soviet countries in order to destabilize them. However, Russia will not be able to fully realize its strategic ambitions in the post-Soviet space due to its lack of resources and its diminished attraction to the countries in the post-Soviet space caused by its warfare in Ukraine.

## RUSSIA AND THE FROZEN CONFLICTS

Russia has exploited conflicts in countries in the post-Soviet space as tools of destabilization and to make breakout republics reliant on Russian military support and presence, for instance in the form of so-called peace-keeping forces. The most significant examples are the self-declared republics of Transnistria in Moldova, and Abkhazia and South Ossetia in Georgia. Russia has also played a role in the Nagorno-Karabakh conflict between Armenia and Azerbaijan. By exploiting regional conflicts, Russia has managed to hamper Moldova's, Armenia's and Georgia's rapprochement with the EU and NATO.

The war in Ukraine has drained Russia of sufficient military and economic resources to fully control the frozen conflicts, as witnessed by Russia's failure to intervene militarily when Azerbaijan recaptured Nagorno-Karabakh in the autumn of 2023. Russia's weakening could also cause other frozen conflicts to heat up.

It is highly unlikely that Russia will abandon its objective to keep Moldova, Armenia and Georgia in its sphere of interest. Russia will in all likelihood become increasingly focused on achieving its strategic objectives in these countries by using hybrid tactics.

Russia's weakening could, to some degree, also contribute to reigniting conflicts outside of the post-Soviet space. Russia's waning ability to support Serbia could thus prompt Kosovar Albanians and Bosnians to set up a showdown with Serbia and the Serbian republic of Bosnia and Herzegovina.

## Russia wants to upend the security order in Europe

The overall driving force behind Russia's foreign policy is the ambition of President Putin and the Russian regime to strengthen Russia as a global power that can challenge the United States and the rules-based world order. Russia sees the war in Ukraine and its confrontation with the West as an inherent part of its struggle to strengthen its great power role. Thus, Russia sees its war objectives in Ukraine as important steps in its protracted effort to undermine the central role of NATO and the EU for the security of the European countries and the role of the United States in European security. However, it is highly unlikely that Russia will be able to achieve its strategic objectives.

Russia will confront the West primarily with a harsh anti-Western rhetoric. Russia will, in this way, attempt to intimidate the Western countries and thus weaken their cohesion and will to support Ukraine. In addition, it is possible that Russia will increase its use of its hybrid means, including offensive intelligence operations and influence campaigns against Western countries, in order to create fear and insecurity. Russia has the capacity to escalate its use of hybrid means to the threshold of open military conflict.

Russia will remain militarily and economically inferior to the United States and the rest of the West, and Russia's international room for manoeuvre will be limited to non-Western countries. Russia has reacted to this by maintaining only a minimum of political and diplomatic contacts with the West. However, Russia will maintain lines of communication with the United States and larger European countries in order to be able to prevent the situation surrounding the war in Ukraine from escalating out of control.

It is highly unlikely that Russia and the West will be able to initiate a substantial dialogue on security issues, including the war in Ukraine, the future of the arms control agreements and confidence and security building measures. Most of these agreements have either expired or will expire within a few years. In the long term, this will add additional elements of insecurity to the relations between Russia and the West. ▲

Russia will highly likely continue its confrontational policy towards the West. Russia regards the conflict with the West as a quintessential element of its struggle to maintain its great power role. Consequently, the Putin regime is inciting strong patriotic and anti-Western sentiments among the Russian population to justify a protracted war with Ukraine and conflict with the West. This will radicalize Russia's perception of the West and could thus have long-term and negative consequences for Russia's relationship with the West and make dialogue on a solution to the war in Ukraine extremely difficult.

#### **Russia is strategically weakened in the Baltic Sea region, but the level of tensions in the region could increase**

Russia's conflict with the West and the war in Ukraine have a significant impact on the security in the Baltic Sea region. Russia considers the Baltic countries, including Denmark, hostile countries.

Finland's NATO membership and Sweden's expected membership have weakened Russia's strategic position in the Baltic Sea region. Russia's reaction has so far been restrained, and Russia has focused on criticizing the two countries for abandoning their long-held neutrality. Russia's restrained response is highly likely caused by the fact that the war in Ukraine has left Russia with no useable political and military options to prevent Sweden and Finland from joining NATO. However, it is likely that Russia will increase its rhetoric against the two countries and occasionally threaten them with nuclear weapons.

In Russia's perception, NATO presents a growing threat to Russia's position in the Baltic Sea region. Consequently, Russia will use its military activities in the region to deter NATO member states from conducting military activities close to Russian territory. It is likely that Russia will become even more sensitive to NATO's military activities, in particular US activities. Thus, Russia's military activities will likely take on a more unpredictable nature with occasional threatening behaviour in the form of more frequent Russian military activities against NATO vessels and aircraft in the Baltic Sea.



#### **It is possible that Russia will intensify its use of hybrid means, in particular influence campaigns, against the Baltic Sea countries.**

Russian naval vessels and aircraft will have a similar assertive behaviour in Denmark's other territorial waters and in the Northern Atlantic. It is highly unlikely that this behaviour reflects a deliberate intention to use military force against units from NATO member states and thus risk a direct military conflict with NATO. However, there is a low but genuine risk that lower levels in Russia's military command structure or individual units might take decisions based on an incomplete situational picture and misinterpret or overreact to military activities by NATO member states.

Russia still possesses a significant military capacity in the Baltic Sea region, including long-range missile systems. However, it will not be possible for Russia in the short term to deploy military forces and equipment to the Baltic Sea region to an extent that could restore Russia's superiority on the ground to its pre-invasion level.

It is possible that Russia will intensify its use of hybrid means, in particular influence campaigns, against the Baltic Sea countries. Such campaigns will first and foremost target the Baltic states, but Denmark could also fall victim to influence campaigns. Russia will highly likely still be careful to avoid that its military and hybrid activities in the Baltic Sea region trigger NATO's article 5 on collective defence.

#### **Russia will give priority to rebuilding its conventional military forces, including in the Baltic Sea region**

Russia still has significant military resources, including offensive military capabilities such as long-range missile systems and drones, that can be launched from Russian territory against targets deep into European territory.

Russia's armed forces will remain its primary tool to achieve its strategic objectives. Consequently, Russia will give strong priority to restoring its conventional military forces. It will be Russia's intention that its conventional forces should be capable with short preparation time to engage in combat operations against NATO forces in Russia's western border areas and to be deployed against militarily inferior neighbouring states. Russia will, in this way, try to create military conditions that will enable Russia to anchor, in political opportune situations, post-Soviet countries in its sphere of interest.

The restoration of Russia's conventional forces will include new units in the Baltic Sea region and the north-western part of Russia in response to Finland's NATO membership and Sweden's expected membership. The new units are intended to improve Russia's defence capability but will likely also be capable of conducting offensive operations and have long-range missile systems once fully established. The new units will mainly comprise older but useable equipment and conscripts or mobilized troops.

Russia is aware that the rebuilding of its conventional forces will take a number of years. It will thus be a challenge for Russia to replace equipment lost in the war in Ukraine. It will, in particular, be a challenge for Russia to supply the newly established units with equipment in sufficient quantities. Russia will also face the same challenge in terms of staffing the new units with an adequate number of professional and qualified soldiers.

Despite these challenges, the new units will provide Russia with sufficient capabilities to pose a military threat to the Baltic countries in the medium term. The Putin regime will provide Russia's armed forces

and defence industry with the resources required to continue the war in Ukraine and to rebuild the country's conventional forces. Even though Western sanctions have hampered Russia's military production, Russia is still able to produce sufficient military equipment to continue its war in Ukraine. However, it is likely that the Putin regime will have to introduce additional initiatives to increase production capacity to satisfy the country's increasing demand for military equipment.

Russia's deployment of tactical nuclear weapons to Belarus only has limited impact on the security of the Baltic Sea region, as Russia already has tactical nuclear weapons deployed in the Kaliningrad region, from where it can strike targets in large parts of Europe. The deployment is mainly politically motivated aimed at increasing Belarus' dependence on Russia and at deterring the West. ▲



#### **Russia is aware that the rebuilding of its conventional forces will take a number of years. It will thus be a challenge for Russia to replace equipment lost in the war in Ukraine.**



**Russia has become increasingly reliant on its nuclear weapons**

Russia will increasingly rely on its nuclear weapons as a deterrence against the West due to the attrition of its conventional forces.

According to Russia's official nuclear doctrine, Russia can deploy nuclear weapons against a conventional military threat if the existence of the Russian state is threatened. In Russia's top-down decision-making process, it is Putin alone who decides when the existence of the Russian state is under threat and how to respond to such a threat. This makes it possible for Putin to interpret or overrule Russia's official nuclear doctrine and thus to escalate a conflict to the nuclear level in an attempt to force a negotiated solution to the conflict that would be acceptable to Russia.

Since the start of the invasion of Ukraine, Putin and other key Russian actors have made thinly veiled nuclear threats, just as threats of nuclear strikes against the West and rhetoric about an imminent World War III have become frequent features in Russian media outlets. In this way, Russia is trying to portray itself as a terrifying great power in order to intimidate Western decision-makers and spread uncertainty. Consequently, Russia will occasionally continue to threaten the West with its nuclear weapons.

Russia has likely concluded that it is not necessary to use nuclear weapons in Ukraine, as Russia can prevail through its strategic endurance. Russia likely also fears that nuclear strikes against Ukraine would produce unpredictable international reactions which would further damage its international position.

Russia will likely still prefer to withdraw from occupied territories that it is unable to defend with conventional military means. Still, there is a risk that Russia would use tactical nuclear weapons against targets in Ukraine if Russia assesses that substantial parts of its forces in Ukraine are threatened with destruction. There is also a risk that Russia would use tactical nuclear weapons against targets in Ukraine to deter NATO if Russia were to conclude that NATO member states were preparing to engage in direct combat against Russia on Ukrainian territory.



Russia has likely concluded that it is not necessary to use nuclear weapons in Ukraine, as Russia can prevail through its strategic endurance.

**Russia will be willing to use military force against militarily inferior neighbouring countries**

Russia has a low threshold for using military force to achieve its strategic objectives. Russia will likely be willing to use military force in situations in which it concludes that it can achieve strategic objectives without risking a direct military conflict with NATO and the United States. This will especially be the case against militarily inferior countries in the post-Soviet space, except the Baltic NATO member states.

Russia has for several years included military threats in its rhetoric against the West. Since the start of the invasion of Ukraine, Russia has continued and increased this rhetoric in order to deter the West from continuing its arms supplies to Ukraine.

However, Russia has not reacted militarily against NATO member states. Russia's reluctance to do so is highly likely caused by an intention to avoid triggering NATO's article 5 on collective defence and thus a direct military conflict with NATO, as long as the Alliance stands together and is militarily superior to Russia.

### Russia's reactions can be difficult to predict

It is difficult to predict precisely how Russia would react in very critical situations and crises in the war in Ukraine and the conflict with the West, as Putin alone would be the final decision-maker.

Putin's decisions will likely be influenced by the increasing importance of Russia's military leadership and the intelligence and security services for Putin's policy and exercise of power. This could give Putin an even stronger inclination to react to perceived challenges and threats with risk-taking and threatening behaviour. The increasingly stronger patriotic and anti-Western sentiments in Russia could also affect Putin's strategic decisions.

Consequently, there is a risk that Russia could respond more aggressively than anticipated by the West and also of unexpected military escalation. There is also a risk that lower levels in Russia's military decision-making hierarchy could misinterpret and overreact to NATO member states' military activities close to Russian territory, unintentionally provoking an escalating crisis.



**The Putin regime will tightly control the upcoming presidential election campaign and the March 2024 election, and Putin will in all likelihood be re-elected with a comfortable majority.**

### The Putin regime is becoming increasingly authoritarian

The war in Ukraine and the conflict with the West have given a strong impetus to Russia's development into an authoritarian regime, in which all power is concentrated in the hands of Putin and his regime.

The Putin regime will tightly control the upcoming presidential election campaign and the March 2024 election, and Putin will in all likelihood be re-elected with a comfortable majority. Consequently, in the years to come, it will still be Putin who makes all the important political decisions. The military leadership and the leaderships of the intelligence and security services, the so-called "siloviki", are the backbone of Putin's regime. However, the regime is underpinned by a wider power elite that controls the institutions and economic sectors of the Russian society. It is highly unlikely that a civilian opposition that is strong enough to threaten the Putin regime will emerge outside the elites.

It is possible that a protracted war in Ukraine and continued heavy military losses could trigger cracks in Putin's regime and the elites. Similarly, it is possible that significantly increased economic and social consequences of the war for the Russian elites and society could weaken the Putin regime's grip on power. However, actors within the regime and the elites will likely be reluctant to undermine Putin if no viable successor is waiting in the wings who, like Putin, is able to guarantee the security of the system and the actors as well as their economic privileges and existence.

It is highly unlikely that Putin will lose his grip on power altogether. Still, even in the unlikely event that Putin were to lose power, his successor would likely come from the security structures. While Putin's potential successor would likely also share his patriotic and anti-Western views, the question remains as to how a potential successor would exercise his powers. Russia's political course, however, would in all likelihood continue unchanged in the years to come. ▲

## IF RUSSIA'S MILITARY INDUSTRY GETS INTO SERIOUS TROUBLE

The Russian production capacity is fundamental to the country's ability to continue the war.

Russian spokespersons have repeatedly claimed that, since the start of the war, Russia has dramatically increased production of ammunition and military equipment and that it will be able to continue the war at the current intensity for many years to come.

Russia has ramped up its military production since the start of the war, especially its production of ammunition, for example by introducing work in round-the-clock shifts. In addition, Russia is importing equipment and ammunition from other countries, which has played a key role in Russia's attacks on, in particular, Ukrainian infrastructure.

Overall, it is likely that Russia's military industry will be able to sustain Russia's war effort in the next couple of years, though there is still a chance that it will not be able to do so.

Even if it is less likely, the military industry could thus still encounter very significant problems meeting the demands of the armed forces for new equipment and ammunition in the short term.

Even though Russia's leadership favours the military industry at the expense of other sectors, the military industry is already facing several problems, such as lack of specialized workers and rampant corruption. In addition, many of the tanks, infantry fighting vehicles and armoured personnel carriers which Russia claims to be producing are in fact old refurbished models which are becoming fewer and fewer by the numbers.

Another significant problem is the lack of electronics for Russia's most advanced military equipment, which Russia has only partly managed to remedy by circumventing Western sanctions via third party countries.

If Russia's military industry encounters serious problems, it would significantly undermine the country's ability to defend itself against the Western weapons systems donated to Ukraine. It is highly unlikely that problems in Russia's military industry by themselves will enable Ukraine to make the Russian forces withdraw from the country. However, such problems would increase the likelihood of Russia being forced to retreat in several regions.

Such a scenario would contribute to undermining Putin's narrative that time is on Russia's side and that Russia will be able to impose its will at some point. Still, it is likely that even in this scenario, Putin would stick to his conviction that Russia just has to persevere to be able to achieve its war objectives.

At the same time, problems in Russia's military industry could affect the leadership's plans to not only rebuild but also increase Russia's military forces in the western part of Russia. Such a build-up will require the formation and equipping of many new units. In any case, the military industry would struggle to support this build-up as long as the war in Ukraine continues. Even at the current production level, it is likely that new units in the western part of Russia will primarily be armed with older equipment.

### Patriotic and militaristic forces present a challenge to the Putin regime

The Wagner Group rebellion against Russia's senior military leadership in June 2023 challenged Putin's authority in an unprecedented way. While the rebellion did expose weaknesses in the regime, it did not trigger serious cracks in the power structure and the elites, and Putin was thus able to regain his authority quickly.

Still, the Wagner Group rebellion was a warning that the Putin regime will become increasingly challenged by extremist patriotic and militaristic forces. These forces are particularly active on social media and share the patriotic views of the Putin regime and the same objectives in the war in Ukraine. However, the extremist patriotic and militaristic forces strongly criticize Russia's senior military leadership for its incompetence and its conduct of the war in Ukraine and call for extensive mobilization of Russia's resources in the war.

The Putin regime is pursuing a balancing approach towards these forces where it is clamping down on the most activist forces while at the same time accommodating the views of the patriotic and militaristic forces. Consequently, the activities of the patriotic and militaristic forces will likely contribute to further radicalization of the Putin regime and of public opinion. This radicalization will be accompanied by increased militarization of the Russian society, with military education programmes and propaganda being introduced in educational institutions and private companies.

### The Putin regime will prioritize the war in Ukraine over the national economy

The Putin regime will remain willing to accept heavy costs to civil society to be able to continue the war in Ukraine and to rebuild Russia's conventional military forces. In 2024, Russia's military spending will increase significantly, the main reasons likely being that Russia has to increase salaries to be able to attract new volunteers for the war and the growth of industrial production costs. Russia plans for its defence spending to peak in 2024 and that it will be able to let defence spending decrease in the

following years. It is highly likely that Russia will have to revise its plan as 2024 progresses, even though it will be to the detriment of Russia's civil society.

So far, there are no indications that economic developments will trigger political and social unrest to an extent that could threaten the Putin regime. However, it is likely that the continued war in Ukraine, and the toll it will take on civil society, will lead to increasing scepticism and dissatisfaction with the regime among parts of the Russian population. Consequently, on this side of the 2024 presidential election, the Putin regime will be careful not to take further initiatives that would directly involve large parts of the population, such as initiating new mobilization waves, unless Russia's military position in Ukraine is seriously threatened.

Russia keeps many of its key economic figures secret, making it difficult to assess Russia's economic situation. It is likely that key figures that are still made public are twisted and thus provide a misleading picture of the state of the Russian economy.

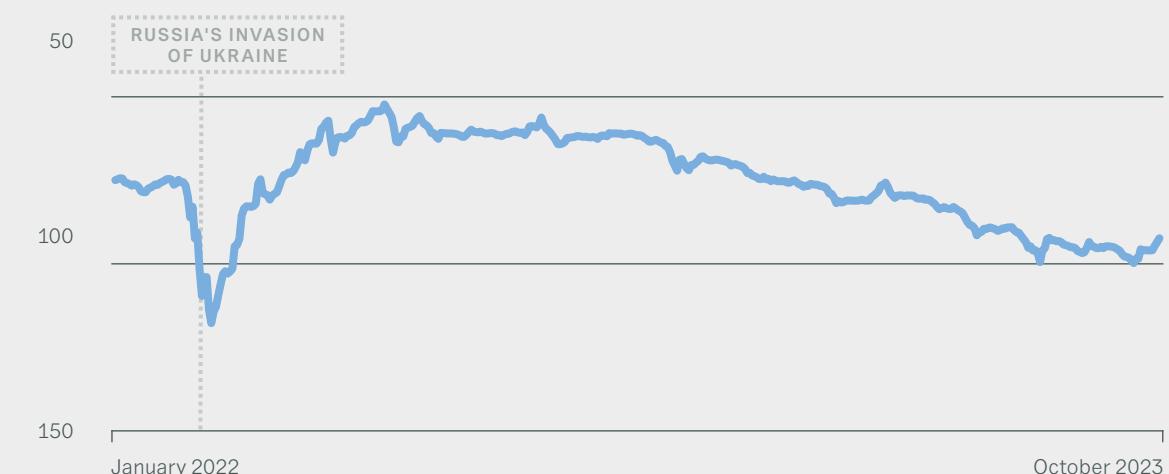
However, the Russian economy is highly likely under significant and growing pressure, burdened by the costs of the war in Ukraine and the sanctions. The significant decline of the Russian rouble during the course of 2023 is one of many examples that Russia's leadership is increasingly struggling to keep control of the economy.

To some degree, Russia is able to bypass the sanctions by importing sanctioned goods, for instance electronics, via third party countries. This helps alleviate the impact of the sanctions on Russia. Russia's export of oil, especially to China and India, is key in terms of keeping the Russian economy stable.

However, the Putin regime will still be forced to find alternative ways to finance the war and its other expenses, for instance by cutting non-essential expenses and imposing extra taxes on companies. It is likely that Russia's economy will increasingly work like a wartime economy.

### RUSSIA IS STRUGGLING TO KEEP THE ROUBLE STABLE

Roubles per USD

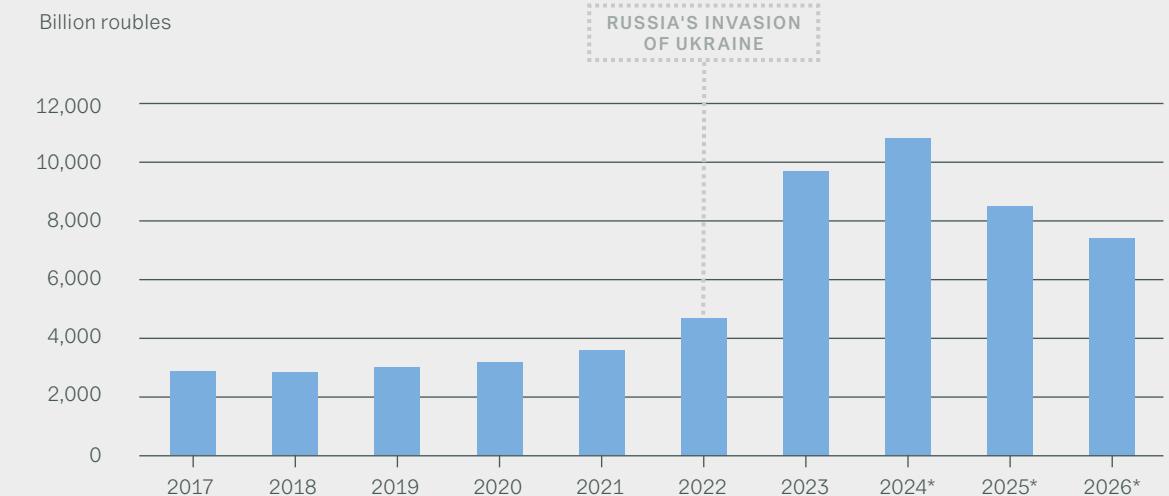


Source: Russia's Central Bank.

Following a rapid weakening immediately after the breakout of the war, the rouble recovered in the months that followed. Since the beginning of 2023, the rouble has gradually decreased in value. A weak rouble increases the risk of higher inflation and economic instability in Russia.

### RUSSIA PLANS PEAK IN DEFENCE SPENDING IN 2024

Billion roubles



Source: The Russian Ministry of Finance, the Russian government's proposed budget for 2024-2026 and open sources.

The figures for 2024-2026 are marked with \*, as they represent budgeted expenses.

The bars show spending allocated for the "national defence" budget category in Russia's federal budget alone.

The figures are in current prices and do thus not take inflation into account.

## THEME ESPIONAGE

### Russia and China pose the primary espionage threats

Russia and China are actively conducting espionage against Denmark and Danish targets. Russia's intention behind the espionage is to gain insight into Danish domestic, security and defence policies, Danish military capabilities and Danish critical infrastructure. China's espionage activities are mainly conducted in pursuit of access to knowledge and technology.

The two states aim to collect information on strategic issues such as Denmark's international partnerships and technological investments but also on issues that would have operational or tactical relevance in a potential military conflict. Danish knowledge and

### ASSESSMENT OF THE ESPIONAGE THREAT TO DENMARK, THE FAROE ISLANDS AND GREENLAND

The threat from foreign intelligence activities aimed at the Danish Realm is described in *Assessment of the espionage threat to Denmark, the Faroe Islands and Greenland*, which is published by the Danish Security and Intelligence Service (PET).

In its 2023 assessment, PET writes that:

"Intelligence activities in Denmark performed by foreign states constitute a significant, multifaceted and persistent threat to Denmark. The threat primarily emanates from Russia and China".

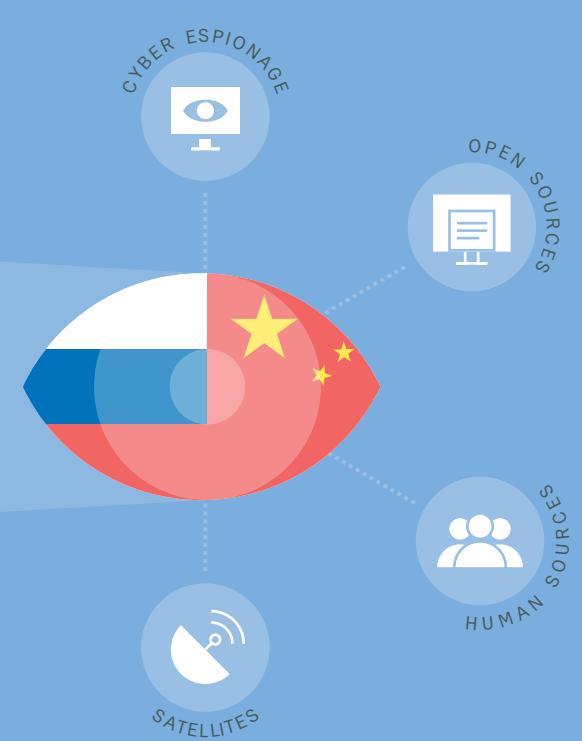
*Assessment of the espionage threat to Denmark, the Faroe Islands and Greenland* is available at the PET website: [pet.dk](http://pet.dk)

### GREENLAND HIT BY CYBER ESPIONAGE

Naalakkersuisut's (Greenland Home Rule's) Digitization Agency detected a security breach in the central administration on 25 March 2022. To mitigate the breach, authorities shut down communication going in and out of Greenland via the administration's servers. Speaking to Greenland media, Head of Naalakkersuisut Múte B. Egede said that the incident resulted from a cyber espionage attack.

### ESPIONAGE CAN BE CARRIED OUT THROUGH VARIOUS MEANS

Russia and China employ a number of espionage techniques.



technology that can be used in the build-up of the Chinese military capabilities are also targets of Chinese espionage.

The purposes of Russian espionage against critical infrastructure, such as energy and communications, likely include preparations for physical sabotage and destructive cyber attacks that the Russian state can employ in case of an escalating conflict.

Russian and Chinese hacker groups affiliated with civilian and military intelligence services both hold major cyber capabilities, which they use to compromise targets in other countries – including in Denmark. Cyber espionage can be launched through advanced attacks, for example exploitation of unknown vulnerabilities to gain access to multiple victim systems through a single breach in the supply chain. Other and simpler means for cyber espionage include phishing emails that lure company staff into unknowingly letting malicious actors into company IT systems.

With great power competition heating up and geopolitical and economic interests in the Arctic and the North Atlantic Ocean taking centre stage, the Kingdom of Denmark has become an intelligence target for Russian and Chinese intelligence services. Mutual relations between Denmark, the Faroe Islands and Greenland are also targets of espionage.

#### Russia and China employ a host of espionage techniques against Denmark

In addition to traditional intelligence tradecraft capabilities, Russia and China mobilize large segments of the civilian community in foreign espionage activities. Russia, on its part, uses means such as civilian ships and aircraft to collect information about Denmark and Danish interests. As one approach, China tries to exploit Chinese communities and organizations abroad. These methods make it hard to distinguish between legitimate and illegitimate activities and blur the boundaries between military and civilian activities.

#### War in Ukraine creates new espionage targets for Russia

Denmark is providing political, economic, humanitarian and military support for Ukraine.

Russia likely conducts espionage against Danish donations of military equipment and training support to Ukraine – against the donations themselves, their transport and the preceding decision-making processes. Russia also has insight into the industries facilitating the donations such as producers and transporters, some of which are civilian companies.

Russia can use knowledge gained through espionage for multiple purposes, including in preparation of countermeasures at the frontline in Ukraine. If the conflict between the West and Russia were to escalate to the point where Russia would want to conduct sabotage against Danish donations, espionage would be a precondition for such operations.

Just as companies in sectors such as transportation and logistics are potential targets of espionage as their activities indirectly form part of the support for Ukraine, other critical sectors are also targets of espionage. As an example, the energy sector has, for a number of years, been the target of a serious threat from cyber espionage, a threat that will likely persist. This is in part due to the key role of energy supply and green transition in the tense political situation between Russia and the West. ■

## THEME HYBRID MEANS

Many countries have hybrid capabilities they can use against foreign countries to gain strategic advantages and achieve strategic objectives. Hybrid means used in coordination with overt military means are often referred to as hybrid warfare. More than any other country, Russia uses hybrid means actively and aggressively as a tool to undermine Western unity and resilience. Russia also uses its hybrid means against countries in the post-Soviet space in order to destabilize them.

Russia expects to gain strategic advantages from using coordinated hybrid means without employing conventional military power. In Russian thinking, though, the country's military forces can be deployed directly against a target country if deemed opportune, not least in the post-Soviet space. The war in Ukraine is the most recent example of this. Hybrid means can also be used as part of a direct military conflict.

**It is possible that Russia will intensify its use of hybrid means against Western countries**  
 Russia's hybrid activities illustrate its hybrid strategy, which is to put stress on decision-makers and populations in the target countries as a way of creating insecurity and confusion. In most cases, Russia tries to conceal its role in hybrid activities in order to complicate the response of the target countries.

Russia has a wide range of hybrid means at its disposal, such as information operations, influence agents and offensive intelligence operations, including sabotage activities. Instruments such as destructive cyber attacks are potentially important, not least as their origin and intention can be hard to determine. Russia occasionally also follows up on its hybrid means by making military threats against its neighbours and the Western countries.

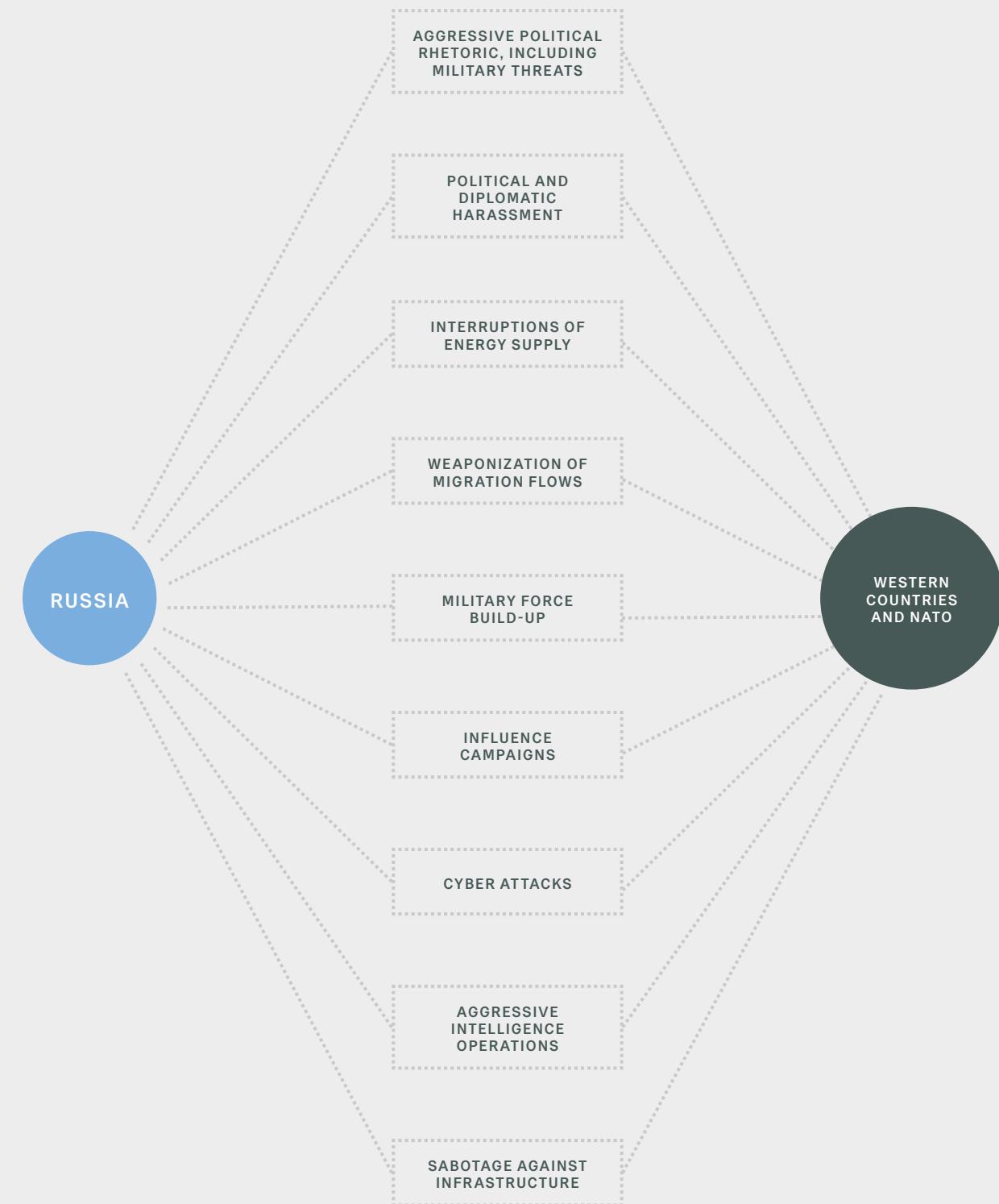
Russia's intelligence services play a key role in the use of the most high-risk hybrid means. As the Russian state needs to conceal its involvement in the activities, their planning and execution often rest with the intelligence services. Though Russia has so far been careful not to escalate the use of hybrid means against the Western countries, Russia's intelligence services do hold the capability to intensify the use of hybrid means against the West.

As long as Russia wants to avoid a direct military conflict with NATO, hybrid means are, in fact, its only way of putting pressure on the Western countries. It is thus possible that the threat posed by Russia's hybrid means against Western countries, including Denmark, will increase from its current level. However, Russia will highly likely try to keep activities at a level below the threshold for what could trigger an armed conflict with NATO.

**Influence campaigns will retain a key role**  
 Influence campaigns will continue to play a key role in Russia's arsenal of hybrid means. Cyber attacks are a possible component of influence campaigns. The campaigns are under central coordination by the Putin regime, and besides the intelligence services, other authorities, media outlets and private companies also participate in the campaigns.

Russia's invasion of Ukraine has limited Russia's ability to conduct influence campaigns in the Western countries because the Western countries have isolated Russia politically and economically and expelled Russian intelligence officers working under diplomatic cover. However, Russia is now focusing on finding new ways to conduct influence campaigns in an attempt to break its isolation and to promote its foreign policy interests. ▶

ACTOR	MEANS	TARGET
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## MARITIME INFRASTRUCTURE

Russia is working to influence political processes and public opinion in Western countries through Western politicians and public opinion makers sympathetic to Russia. Russia is trying to establish contacts to Western politicians on both sides of the political spectrum, in particular at the extreme ends of the spectrum.

Some Russian influence campaigns are intended to weaken support for the Western sanctions. Others are designed to sow division and insecurity in Western countries as a way of undermining their cohesion against Russia. Such campaigns use social media outlets to spread narratives to weaken the trust people have in political processes and established media outlets.

In addition, Russia will likely work to put topics such as peace negotiations, criticism of weapons donations to Ukraine, and energy security on the political agenda in an attempt to break Western cohesion and support for Ukraine.

Russia will be able to use its influence campaigns against a number of Western countries, with Denmark, the Faroe Islands and Greenland being no exception.

China is also increasingly using influence campaigns to promote the Chinese Communist Party's narrative on China and other countries, to deflect criticism of China, and to prevent Western countries from forming a united front against China.



As many of Russia's state organs are involved in its sabotage capabilities, the sabotage threat emanates broadly from Russia's armed forces, intelligence services and civilian authorities.

### Russia is preparing plans for sabotage

Russia has the capabilities required for sabotage operations against critical infrastructure in Western countries, including traffic hubs, energy infrastructure, and telecommunications and IT infrastructure. These capabilities include the ability to launch destructive cyber attacks in connection with an escalating conflict with the Western countries.

As many of Russia's state organs are involved in its sabotage capabilities, the sabotage threat emanates broadly from Russia's armed forces, intelligence services and civilian authorities. An example in point is Russia's Main Directorate of Deep-Sea Research, which, despite its civilian-sounding name, is organized under the ministry of defence and is de facto used as an elite unit for special operations in the event of war.

Russia likely has a sabotage strategy in place against critical military and civilian subsea infrastructure in Western territory that can be activated in the event of an escalating conflict or war. ■

### TELECOMMUNICATIONS AND INTERNET

Thousands of kilometres of submarine cables create global connectivity.

### OIL RIGS

Oil and gas are transported from the offshore location to the shore and between countries through subsea pipelines.

### ELECTRICITY

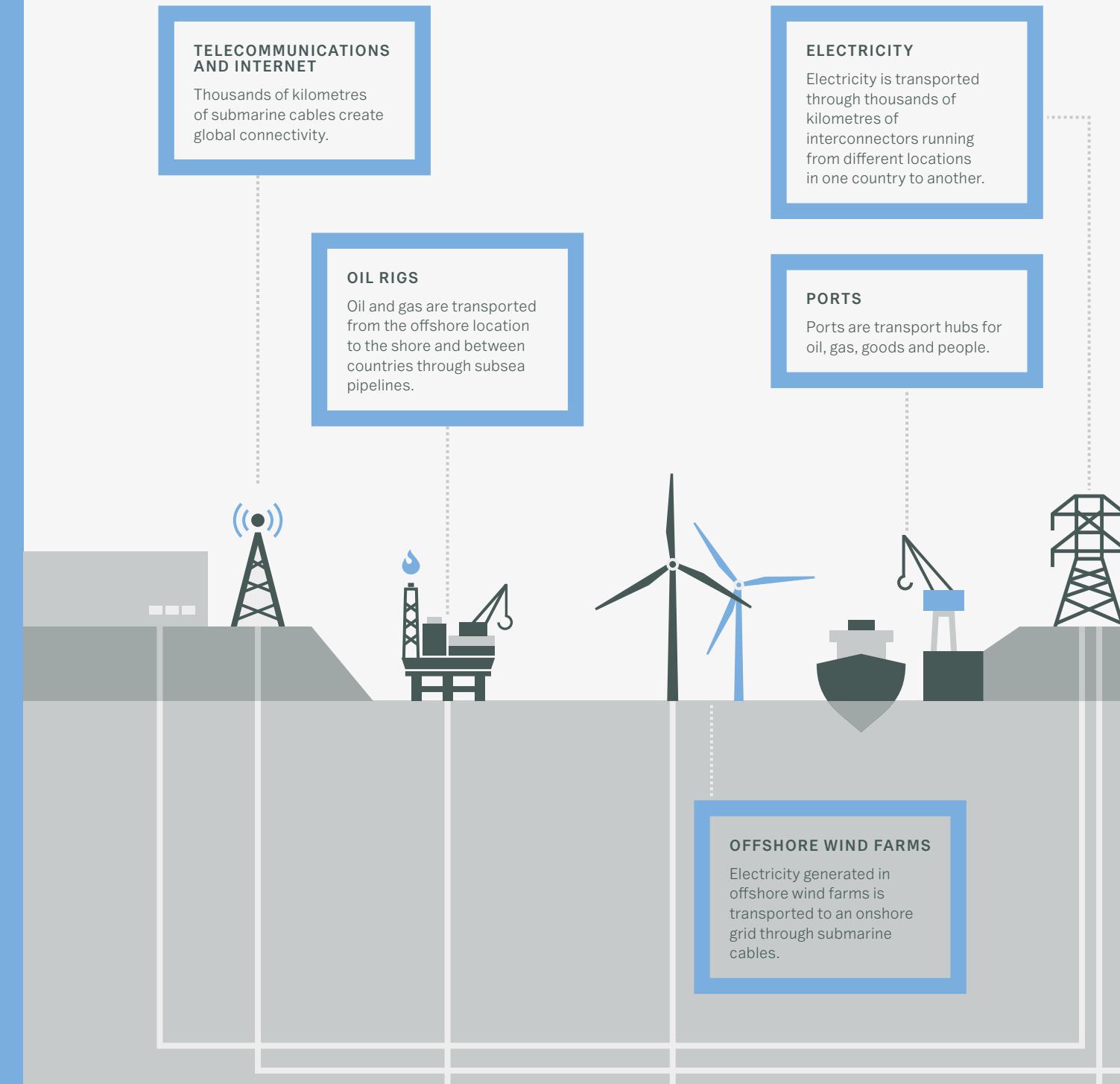
Electricity is transported through thousands of kilometres of interconnectors running from different locations in one country to another.

### PORTS

Ports are transport hubs for oil, gas, goods and people.

### OFFSHORE WIND FARMS

Electricity generated in offshore wind farms is transported to an onshore grid through submarine cables.



## THEME THE CYBER THREAT

The cyber threat to Denmark remains serious and complex. In some respects, the threat is heightened as a result of Russia's invasion of Ukraine.

### **Russia prepares to be able to launch destructive cyber attacks**

Even though the war in Ukraine has strongly deteriorated relations between the West and Russia, it is less likely that Russia currently intends to conduct destructive cyber attacks against Denmark.

However, when Russia gains access to IT systems belonging to foreign authorities and companies, the aim extends beyond merely stealing secrets. State-sponsored hackers, in particular Russian ones, are likely building up capabilities for destructive cyber attacks against Denmark and Danish critical infrastructure.

If Russia's intentions were to shift, such preparations mean that the threat of destructive cyber attacks against Danish critical infrastructure targets can rise with little warning.

A common feature of all types of destructive cyber attacks is their ability to do serious damage – either to data systems or to physical units such as machines and constituent parts of, for instance, production companies. Though the likelihood of a destructive cyber attack against Denmark remains low, its consequences could be far-reaching.

### **The threat from activism will endure as long as the war in Ukraine continues**

The war in Ukraine has strongly increased the threat from cyber activism. Activist attacks are intended to attract attention to or show support for a cause, and the threat posed by, in particular, pro-Russian hackers will likely endure as long as the war continues.

Prior to the conflict, the threat from cyber activists against Denmark was low, but both pro-Russian and pro-Ukrainian hackers were quick to step up their activities after the war broke out. Pro-Russian hackers now constitute the primary threat to Danish companies and authorities, which have been regular targets of DDoS attacks, i.e. overload attacks, in 2023. Hackers often single out symbolic targets in countries that support Ukraine against Russia.

Since the onset of the conflict, pro-Russian cyber activists have continuously perfected their techniques and expanded their capacities for DDoS attacks as more have joined them in their cause. However, the type of DDoS attacks launched by the activists still have limited impact on the individual victims and society as a whole.

**New types of cyber activism could be on the horizon**  
The cyber activist tool kit extends beyond frequent DDoS attacks. Cyber activists also leak stolen information online or conduct so-called "defacement attacks" that involve replacing the original content on websites with political messages. Such attacks have mainly taken place against Ukrainian and Russian victims.

Some hackers have combined their DDoS attacks with subsequent ransom demands in exchange for ending the attack. However, the effect of adding such a criminal element to an activist cyber attack is limited by the fact that many victims will be able to prevent the DDoS attack by relatively simple precautionary measures.

There are signs that in the future cyber activists will not hold back from attempting more serious attacks to draw attention to their cause or to influence it directly.

In this vein, activists have alleged to have attacked operational systems in, for example, the energy and telecommunications sectors in Ukraine and Russia. According to activists, the attacks impacted the physical world in the form of power outages, signal deviations, etc. Regardless of whether the destructive activist cyber attacks did in fact take place, the mere mention of such attacks marks a new development.

In addition, it is possible that future DDoS attacks could be launched against targets that are more vulnerable or with such force that their consequences will be more disruptive or destructive.

### **State-sponsored cyber attacks run parallel to activism and crime**

It can be hard to determine whether cyber attacks are attributable to independent or state actors. Pro-Russian cyber activists choose targets that could potentially also be of interest to the Russian state. Indeed, cyber activists are motivated by the desire to take action in support of Russia's acts of war. Such actors are highly likely receptive to the messages communicated by the Russian state, trying to hit targets they imagine align with the regime's priorities.

In parallel with activist groups, state-sponsored hacker groups launch actions in the West with the purpose of influencing public opinion. Both groups often use the same methods, making it harder to distinguish between activist and state-sponsored hackers.

Ransomware attacks against suppliers of critical infrastructure are another example of how it can be hard for the public to determine whether the attacks are the work of cyber criminals or serve as smoke screen for Russia's hybrid activities. Ransomware attacks encrypt systems and often steal data from the victim too.

The uncertainty as to the perpetrators behind ransomware attacks has been deepened by a few instances abroad of so-called "fake ransomware", i.e. destructive cyber attacks masked as crime.

Recent years have also seen examples of state-sponsored hackers having more or less formalized links to criminals, just as the Russian state likely, as a matter of routine, shops for capabilities in the cyber criminal market place.

However, the vast majority of cyber criminals are motivated by financial gain. Their targeting of critical infrastructure operators, such as energy sector companies, mainly reflects the strong attraction of such companies as targets due to their often high

turnover rates and need to stay operational 24-7. The threat from ransomware attacks still dominates the cyber crime threat landscape. Well-organized criminal groups are skilled at developing their techniques, making them capable of continuously evading the security precautions taken by private citizens and companies. ■

### **ANNUAL ASSESSMENT OF THE CYBER THREAT TO DENMARK**

The threat from cyber attacks is outlined by the Centre for Cyber Security (CFCS) in its annual national threat assessment, *The cyber threat against Denmark*. This assessment provides a more in-depth analysis of the threat from cyber attacks that serve a wide range of purposes and describes the nuances of the different threats.

In the 2023 assessment, the CFCS sets the threat from cyber espionage and cyber crime at the highest threat level: **VERY HIGH**. These two threats are the most active cyber threats against Denmark.

The threat from cyber activism is set at the threat level **HIGH**. Pro-Russian activists are at the core of this threat to Denmark. The threat from destructive cyber attacks is set at the threat level **LOW**, while the threat from cyber terrorism is set at the lowest level possible: **NONE**.

*The cyber threat against Denmark* is available at the CFCS website: [cfcs.dk](http://cfcs.dk)

# THE ARCTIC

AT A CROSSROADS BETWEEN COOPERATION  
AND CONFRONTATION



Though Russia would prefer to prevent security tensions with the West from spilling over into the Arctic, it is possible that the country will pursue a more confrontational course – rhetorically, diplomatically and militarily. The security climate in the region will become increasingly volatile resulting from a general increase in Russian and Western military activity in the region and Russia's perception of the United States and NATO as a growing threat. In addition, the war in Ukraine has forced Russia to gradually open the door for China in the Arctic, potentially paving the way for future Arctic military cooperation between the two countries.

Russian research vessel Severny Polyus in the Arctic, June 2023.  
Sysselmesteren Svalbard/AFP//Ritzau

## RUSSIA'S KEY CAPABILITIES IN THE ARCTIC

The war in Ukraine has not changed Russia's strategic goals and interests in the Arctic. In fact, Russia's increased perception of threat and the general economic pressure facing the country have increased the importance of the Arctic to Russia security-wise, militarily and economically.

The updated Russian maritime doctrine published in the summer of 2022 is a testament to just how important the Arctic has become to Russia. The doctrine names the Arctic as the number one priority due to the region's geopolitical, economic and military strategic significance to Russia. In addition, the doctrine defines several areas of Arctic waters as so important that Russia is within its rights to use every means possible in defence of its interests, including military force.

Russia's policy in the Arctic has two overall and highly prioritised goals. The first is to protect Russia against what it considers as the threat posed by the United States and NATO from the north. The second is to exploit the natural resources of the Arctic and unlock the region's economic potential. Russia's efforts to achieve these goals are the main drivers of security developments in the region.

In Russia's view, a low level of tension in the Arctic will serve its interests best. However, a precondition for keeping tensions low in the Arctic is that Russia perceives itself as being in a position of strength in the region. Russia's perception of the threat will also determine its view of just how superior to NATO it has to be.

Russia's perception of threat in the Arctic was already elevated before the war in Ukraine, fuelled by Russia's expectation of increased Western military activity in the region.

The derived consequences of the war in Ukraine have extended to areas such as the balance of ground military power in the region, especially as a result of the formal admission of Finland into NATO and the prospective admission of Sweden. In addition, Russia is still wary of NATO's potential future role in the region. As a result, the level of tension in the Arctic is changing.

Russia is in a dilemma in which considerations of national security in the Arctic have to be

counterbalanced with the interest in keeping the Arctic as an area of lower tension than is the case between Russia and the West generally.

As an example of the dilemma, Russia wants to maintain, expand and demonstrate its regional military position of strength, while at the same time avoid triggering an Arctic arms race with the West. Russia will thus show restraint in regards to actions that could provoke increased Western military activity in the region.

Should Russia opt for a more self-assertive course, it would be more inclined to respond aggressively to Western exercise activity near the Russian Arctic and possibly also in the North Atlantic. Russia's reactions could be unpredictable and, in addition to aggressive military conduct, include a wide spectrum of its hybrid means, including cyber attacks, influence campaigns and offensive intelligence operations.

Russia's strategy will be dictated by the evolution of how it perceives the threat in the region and, to a lesser degree, by its assessment of the prospects for re-entering Arctic cooperation. Internally in Russia, there is likely some division as to how Russia should pursue its interests in the region, making it difficult to predict Russia's future course in the Arctic.

### Russia is still militarily powerful in the Arctic

Russia is giving high priority to its military presence in the Arctic and will continue working to expand its military capabilities in the region, including improving its forward Arctic bases and expanding its bases along the border with Finland. As long as Russia continues its war efforts in Ukraine, its capability to pursue a major military build-up in the Arctic will be limited, though.

Despite its military setbacks in Ukraine, Russia retains its position of strength in the Arctic, and Russia's key military capabilities in the region remain largely unaffected by the war. Russia thus still conducts ballistic missile submarine and warship patrols and strategic bomber patrol flights. However, the war has left Russia short of qualified personnel. In addition, Finland's accession to NATO has, in Russia's view, significantly increased the threat to the naval base in Murmansk. ▲



### MIG-31K

Mig-31K is the latest version of the MIG-31 fighter and is capable of carrying the hypersonic Kinzhal missile. Armed with this missile, the fighter aircraft could be deployed from air bases in the Russian Arctic at short notice against Western naval units in large parts of the Arctic Ocean and the North Atlantic, including against targets in Greenland.



### FORWARD BASES

Russia's Arctic bases make up a forward defence line, allowing Russia to better protect its coastal installations, including the Northern Sea Route, and warn of and counter Western military activities from the north.



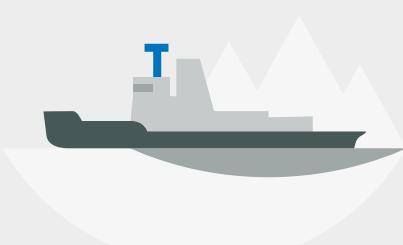
### STRATEGIC MISSILE SUBMARINES

Russia's strategic missile submarines are part of the country's nuclear retaliatory capabilities, and protecting them is a key priority for Russia. The submarines are designed to operate independently of other military capabilities and to retaliate against nuclear attacks.



### STRATEGIC BOMBERS

Russian strategic bombers carry out routine patrol flights in the Arctic region. The bombers are capable of carrying cruise missiles armed with conventional and nuclear warheads. The patrol flights have mainly served to cement Russia's role as the dominant military power in the Arctic. The bombers are able to launch long-range air strikes against targets in the entire Arctic region, including targets in Greenland.



### ICEBREAKERS

Russia has a fleet of powerful nuclear-powered icebreakers, ensuring year-round navigation in the Arctic for both civilian and military vessels.

The Arctic area plays a critical role in Russia's nuclear deterrence, as most of Russia's nuclear ballistic missile submarines are based in Murmansk. The weakening of Russia's conventional military forces will cause Russia to assign more weight to its nuclear deterrence.

Russia's military presence in the North Atlantic is generally challenged by the lack of capabilities and the distance to Russia's military bases, limiting the ability of the Russian Navy to maintain a continuous naval presence in the area. The Russian Navy and Air Force, however, will remain capable of combining Russia's hybrid activities with unpredictable military conduct against NATO units.

#### **A new Russian approach to the Arctic and North Atlantic will have consequences for the Kingdom of Denmark**

A more self-assertive security policy in the Arctic and the North Atlantic on Russia's part would in all likelihood increase the country's diplomatic and rhetorical unpredictability. Unpredictable Russian military conduct towards Danish military vessels and aircraft would only occur if they are located close to particularly sensitive military locations and capacities. Russia's perception of what it considers as particularly sensitive in the Arctic could be somewhat fluid, depending on Russia's threat perception in the region.

Diplomatically and rhetorically, a more unpredictable and confrontational course taken by Russia could have serious consequences for Russia's relations with and conduct towards the Faroe Islands and Greenland.

■ ■

**The Arctic area plays a critical role in Russia's nuclear deterrence, as most of Russia's nuclear ballistic missile submarines are based in Murmansk.**

#### **THE NEW LAW ON THE NORTHERN SEA ROUTE**

The new Russian law on the navigation of foreign warships along the Northern Sea Route (NSR) is an example of Russia's elevated perception of threat in the Arctic. Russia wants to deter Western countries from conducting a so-called Freedom of Navigation Operation in the area. Such an operation is designed to affirm the right of innocent passage and entails the risk of clashes between Western and Russian military vessels and thus the risk of conflict.

In 2022, Russia passed a new law limiting the right of innocent passage for foreign warships through the Northern Sea Route.

- Foreign warships are required to give a 90-day notice before they enter the NSR
- No more than one foreign warship is allowed to be in the waters at a time
- Russia reserves the right to suspend navigation permits

Since the unannounced transit of the NSR by the French warship Rhône in 2018, no foreign vessels have navigated through the NSR or in parts of the NSR. However, in 2019, the United States announced its intention to conduct a Freedom of Navigation Operation in the waters.

Even though the law only applies to Russia's internal waters, the ice cover and navigation conditions make it very hard to avoid the straits that Russia regards as internal waters. Consequently, by introducing the law, Russia is thus claiming jurisdiction to regulate navigation along the NSR.

#### **THE NORTHERN SEA ROUTE**



- The outer limits of the Northern Sea Route
- - - The main shipping lane
- Russia's Exclusive Economic Zone

Unlike Denmark, the Faroe Islands and Greenland do still not feature on Russia's list of unfriendly countries. Consequently, it is possible that Russia wants to adopt a more neutral and less confrontational approach to the Faroe Islands and Greenland. The Faroe Islands' approach to the fisheries agreement with Russia could, however, play into Russia's view of the Faroe Islands. If the fisheries agreement is not renewed, Russia could opt for diplomatic as well as rhetoric responses.

The war in Ukraine has put a halt to almost all international cooperation in the Arctic involving Russia. Russia's reactions to the suspensions have been remarkably muted and hesitant compared to Russia's general rhetoric towards the West. Russia ceded the chair of the Arctic Council to Norway during an online meeting in May 2023, and the transition of the chairship went smoothly.

While Russia decided to withdraw from the Barents Council in September 2023, the move was highly likely not indicative of a change in Russia's policy in the Arctic. However, it is possible that Russia's withdrawal

from the Barents Council was meant as a signal to the members of the Arctic Council that Russia will not hesitate to withdraw from the Council if cooperation in this forum is deemed pointless.

Russia likely hopes for some resumption of cooperation in existing forums in the short term, especially in the Arctic Council. However, Russia will likely keep probing for opportunities for limited bilateral cooperation with one or more Arctic countries.

If Russia toughens its policy towards the other Arctic countries, the risk of Russian influence campaigns targeting the Kingdom of Denmark in the Arctic will also increase. Russia may attempt to sow division between Denmark, the Faroe Islands and Greenland and exploit potential disputes between the Western Arctic countries to promote its own Arctic agenda. Russia could, for instance, push the narrative that the West's refusal to cooperate with Russia is contributing to the militarization of the region and harming the Arctic environment and living conditions for the indigenous people in the Arctic. ▲



**China is eyeing the great strategic potential of the Arctic in terms of both commercial and geopolitical opportunities. Commercially, China wants to secure future access to shipping routes that could reduce its dependence on shipping through the Suez Canal and the Strait of Malacca.**

#### **China's interests in Greenland are long-term**

China has long pursued investment and exploration opportunities in Greenland, particularly within raw material extraction and infrastructure. However, none of these enterprises have yet been realized, and the involvement of Chinese enterprises in Greenland is still limited. While the increasing security policy focus on Greenland by the United States may have curbed China's scope for action in Greenland, China's interests in the Arctic, and thus also in Greenland, are long-term, and China will likely continue to look for possibilities in Greenland.

As a result of the interconnection between Chinese companies and China's political system, large-scale Chinese investments in Greenland come with certain risks due to the effect that such investments would have on a society the size of Greenland's.

In addition, investments linked to strategic resources or sensitive infrastructure increase the risk of political interference and pressure.

#### **Russia needs external financing and technology**

Russia has long-term plans to tap into the economic potential of the Arctic but is unable to do so without external assistance. Russia is still under a heavy sanctions regime, which is limiting its opportunities to obtain loans and attract foreign investments as well as foreign expertise and technology.

Consequently, Russia will look for new partners – for instance in the Middle East – which do not observe the sanctions against Russia for both existing and new resource extraction projects.

Russia's official plans for economic development in the Arctic have only been subject to minor adjustments following the invasion of Ukraine, and many of Russia's ambitious goals were very difficult to realize even before the invasion. Russia will struggle to realize new large-scale projects and will find it increasingly difficult to maintain existing projects.

Russia will come to rely more extensively on its export of natural resources from the Arctic due to the strain on the Russian economy from the war in Ukraine and its secondary consequences. Russia thus has to prioritize its economic development in the Arctic region, including making efforts to attract the required foreign financing. In this context, Chinese investments are at the forefront, putting China in a stronger negotiation position vis-à-vis Russia.

#### **Russia reluctantly allows China access to the Russian Arctic**

Russia does not want non-Arctic states to have any influence in the Arctic. However, the economic, political and military consequences of the war in Ukraine will increasingly force Russia to let China assume a larger role in the Arctic and to accept compromises that would have been anathema prior to the war in Ukraine. Consequently, as the pressure mounts on Russia, it will be forced to inch the door more open for Chinese presence in the Russian Arctic.

At the same time, the continued efforts of the Western Arctic states to restrict China's access to their share of the Arctic will prompt China to increasingly turn towards Russia as a partner in the Arctic.

Despite Russia's attempts to secure investments from as many foreign countries as possible, China will remain the single most important economic partner country for Russia in the Arctic. This will further strengthen China's negotiation position vis-à-vis Russia and increasingly force Russia to compromise on its national interests in the region.

#### **China will use the Arctic to strengthen its global position**

China's ambitions to enhance its Arctic influence and position itself as a global superpower with a presence at the two poles are important drivers of the security policy evolution in the Arctic. In this connection, China likely also wants to build the capability in the long term, i.e. a 10-year perspective, for military operations in the Arctic.

China's interests in the Arctic are long-term and revolve around securing access to the region's resources and exploiting its strategic potential. China is vying for access to the Arctic's oil and natural gas reserves, including Liquified Natural Gas (LNG). Since 2016, China's Silk Road Fund and state-owned oil company CNPC have invested in two LNG projects in the Yamal Peninsula in the Russian Arctic.

China is eyeing the great strategic potential of the Arctic in terms of both commercial and geopolitical opportunities. Commercially, China wants to secure future access to shipping routes that could reduce its dependence on shipping through the Suez Canal and the Strait of Malacca, and shorten transport time for goods to and from Europe. Chinese activities in the Arctic are relatively limited, though, and China generally depends on bilateral cooperation with Arctic coastal states when it comes to securing access to the region.

Geopolitically, China wants access to the Arctic Ocean and the Arctic region as part of its overall strategy of asserting itself as a superpower with a worldwide political and military reach. ▲

## **IF RUSSIA'S DEPENDENCE ON CHINA INCREASES**

If Russia's already significant economic and diplomatic dependence on China keeps on growing, extending into the military sphere, there is a possibility that Russia will open the door for greater Chinese access to the Russian part of the Arctic. One such way to do so could be for Russia to allow Chinese warships to operate in the Russian Arctic and to share Russian expertise on and experience with Arctic military operations.

Increased Chinese access to the Russian Arctic could make it easier for China to assert its global presence. In addition, it would complicate the Arctic security landscape for the other Arctic states, as such

presence could pose potential threats from both Russia and China.

Russia and China have already taken small steps in this direction. In April 2023, they signed a memorandum on establishing Arctic coast guard cooperation. In connection with the signing, Chinese observers participated in a Russian coastal exercise in the Barents Sea that included maritime security operations, which, to some degree, involved the use of military force. In recent years, Russia and China have conducted several joint naval exercises and patrol flights south of the Bering Strait.

## TERRITORIAL CLAIMS

The map shows the extent of the territorial claims by the Arctic coastal states in the Arctic Ocean.

Legend:  
Denmark (white with dots)  
Russia (dark grey)  
Canada (blue)  
Norway (light blue)  
Borders of Exclusive Economic Zones (dotted line)

USA

CANADA

GREENLAND  
(DENMARK)

NORWAY

RUSSIA

THE GAKKEL RIDGE

China is thus working to gain greater influence on Arctic matters in order to promote its own interests. China is aware that none of the Western Arctic states want to see it increase its influence on Arctic matters. Consequently, China has, so far, tried to present itself as an attractive partner to the Western countries in the Arctic by offering technical expertise and financing of both commercial projects and research cooperation activities – however, to no avail in the past few years.

In order to strengthen its familiarity with the Arctic region, China conducts annual Arctic expeditions with one of its two research icebreakers.

The annual Arctic expeditions collect massive amounts of data on subjects such as the region's climate, ice and seabed conditions. This data could likely be used in support of China's ambition for operation of surface vessels as well as submarines in the Arctic in the long term, i.e. in a ten-year perspective. China's research expeditions show that its interests in the region are not exclusively commercial but also have a military-strategic dimension. So far, China's military activities in the Arctic are limited to the collection of militarily applicable data in connection with civilian-led research expeditions. ■



In order to strengthen its familiarity with the Arctic region, China conducts annual Arctic expeditions with one of its two research icebreakers.

## DELIMITATION OF THE CONTINENTAL SHELF IN THE ARCTIC OCEAN

The five Arctic coastal states – Canada, the Kingdom of Denmark, Norway, Russia and the United States – agree that regional delimitations must be based on international maritime law.

In 2001, Russia became the first nation to submit its claim, revising it once in 2015 and making two additions in 2021. There are significant overlaps between the claims made by Russia and the Kingdom of Denmark.

The UN Commission on the Limits of the Continental Shelf approved most of Russia's claim during its 57th session in January-March 2023. In this connection, Russia submitted a new claim to a smaller area close to the Gakkel Ridge, which was approved by the 58th session of the Commission in July 2023.

Recommendations have thus been made on Russia's claim to the Arctic Ocean. However, it is still possible for Russia to submit further claims to other areas.

Such claims would still be processed before the Danish claim, as claims are processed in the original order of submission. It will likely be another 6-8 years before the Danish claim is processed.

The Kingdom of Denmark submitted its claim in 2014, followed by Canada's partial submission in 2019. It is possible that the United States will also submit a claim.

The UN Commission on the Limits of the Continental Shelf delivers recommendations based on the scientific data submitted, and recommendations may overlap. Once recommendations have been made, it is left to the countries whose claims overlap to negotiate a solution.

# CHINA

## DEEPENING DIVISIONS BETWEEN CHINA AND WESTERN COUNTRIES

China's diplomatic support for and close relationship with Russia exacerbate existing divisions between China and the West, including Denmark. At the same time, the situation regarding Taiwan is growing increasingly tense, and China is strengthening its military presence around the island. At home, China is tightening its grip on civil society and businesses and maintains a state-led approach to the economy. China continues to increase its global and regional political, military and economic power. China's status as the world's largest trading nation and a key link in many global supply chains has given it a position of great influence. China is also keenly focused on facilitating technology transfer as well as knowledge transfer from Denmark and other Western countries, including through cyber espionage.



Chinese President Xi Jinping.  
Wang Zhao/AFP/Ritzau Scanpix



MAP OF THE WESTERN PACIFIC AND THE MEDIAN LINE BETWEEN TAIWAN AND MAINLAND CHINA

■ China supports Russia but puts its own interests first

China continues its diplomatic support for Russia and even has ambitions for further deepening of their strategic bilateral cooperation. China has chosen to pursue this strategy even though Russia's invasion of Ukraine violates principles of international law regarding national sovereignty and territorial integrity that China normally holds very high. This is in part because China sees itself as being in a long-term strategic competition with the United States, with Russia as China's most significant partner in this competition. China's support for Russia is a source of rising tensions in China's relationship with Denmark and other Western countries.

China is first and foremost, however, looking out for its own interests. China is trying to strike a balance between its support for Russia and avoiding damage to its trade and diplomatic relations with Western countries. In terms of the economy, Western countries are far more important to China than is Russia. China has therefore refrained from complying with all of Russia's requests related to the war in Ukraine, having, for instance, held back on providing military equipment. China has also called on Russia to re-enter the Ukraine grain deal, which allows export of grain from designated ports in Ukraine, after Russia refused to extend the agreement in the summer of 2023.

China is also exploiting Russia's growing dependence on China, which is rooted in Russia's increasing international isolation, for instance by buying large quantities of Russian oil at considerable discounts. Chinese exports to Russia also far exceed pre-Ukraine war levels. In addition, there are signs that China has seized on the shift in the balance of power between the two countries to increase its influence in their common neighbouring region of Central Asia and to gain greater access to the Russian Arctic.



China's main military objectives are to establish itself as the dominant regional power in East Asia and the Western Pacific and to become able to invade Taiwan.

China is increasing its military presence around Taiwan and in the South China Sea

China's main military objectives are to establish itself as the dominant regional power in East Asia and the Western Pacific and to become able to invade Taiwan. These ambitions are a source of tension in China's relationship with the United States and with regional powers such as Japan, India, South Korea and Australia. Over the past decade, China has strongly expanded its navy, and the Chinese armed forces are likely already capable of matching those of the United States in China's neighbouring region. These capabilities also serve to bolster China's global military power projection capabilities. In the years to come, the balance of power in the region will shift even further in China's favour unless the United States and allied countries start expanding their navies far beyond their current plans.

In the autumn of 2022 and the spring of 2023, China conducted its most extensive military exercises to date in the waters around Taiwan. The exercises were conducted in connection with the August 2022 visit to Taiwan by Nancy Pelosi in her then capacity as Speaker of the House of Representatives, and the April 2023 meeting in the United States between then Speaker of the House Kevin McCarthy and the president of Taiwan.

China perceives the visits as a break with the One China policy, which is at the core of China's foreign diplomatic relations. The large exercises were intended as a signal that China does not accept challenges to the One China policy. They also presented an opportunity for China to train military scenarios. Both visits were followed by an increase in China's military presence, gradually creating a new normal in the area. The expanded military presence increases the risk of misunderstandings or accidents that could potentially heighten tensions. In addition, the large exercises make it harder to warn about actual acts of war. ▶

CHINA'S MONTHLY FLIGHTS OVER THE MEDIAN LINE



Source: Taiwan's Ministry of National Defense.

Chart of monthly Chinese flights over the median line between China and Taiwan. China started crossing the median line in the autumn of 2022 in connection with

Pelosi's visit. The spike in April 2023 coincided with the meeting between the Taiwanese president and McCarthy on US soil.

The South China Sea is also among China's top military strategic priorities. China has deployed forces to the artificial islands it has established there. In the long term, China's ambition is to be able to control and monitor the entire South China Sea. In response, the United States and several European countries conduct routine patrols to demonstrate the right to freedom of navigation in the area and to assert that the Chinese territorial claims are not legitimate under the law of the sea. This also impacts Denmark as a seafaring and trading nation. As the Chinese navy grows stronger relative to the navies of the other regional powers, China's ability to prevent foreign ships from sailing the area will expand proportionally.

#### War over Taiwan unlikely in the short term, but the risk increases

The Communist Party and the majority of the Chinese population regard Taiwan as an indisputable part of China and reunification with Taiwan as intrinsically linked to the party's legitimacy. Conversely, most Taiwanese and the Taiwan government reject the idea of reunification with Mainland China. While China still wants peaceful reunification, it does not rule out a military solution. China has proved its willingness to use political, economic and military pressure. In addition, China employs a number of strategies including influence operations in its efforts to influence Taiwanese opinion and democratic processes.

Chinese leader Xi Jinping has stated that reunification must take place before 2049, which marks the 100th anniversary of the People's Republic of China. In addition, Xi Jinping has set 2027 as the deadline for when the Chinese military must have built sufficient capability to be able to take control of Taiwan.

2024 is election year in both Taiwan and the United States. Predominant themes in the Taiwanese election campaign are Taiwanese nationalism and opposition to the regime in Beijing. This could increase tensions in the Taiwan Strait. Any shifts in the position of the United States on its military support for Taiwan following the 2024 election could also have a major impact on the situation in the area. China's assessment of the credibility of the US commitment towards Taiwan is highly likely a strong factor in its decisions on Taiwan, including any decision to invade.

Despite escalating tensions, it is highly unlikely in the short term that China will start a war with Taiwan. If Taiwan were to formally declare its independence, or if China ceased to regard US deterrence as credible, the risk of war would increase. A war would likely carry major economic consequences for China. Also, China would not be certain of winning and a defeat could erode the Communist Party's grip on power. Although war is not the most likely scenario, it does constitute a real risk that Western countries and companies are taking increasingly seriously.

#### Relations between China and Europe grow increasingly strained

China's economic conduct, more heavy-handed diplomatic course, extensive use of cyber espionage, close relationship with Russia, and increasingly aggressive conduct towards Taiwan have put a damper on its relations with European countries. Xi Jinping's increasingly authoritarian style of governance, particularly in areas such as the Xinjiang region and Hong Kong, has fuelled opposition towards China. China's growing political and economic significance in the EU's neighbouring areas is also a challenge, especially in relation to issues where the EU's and China's interests diverge. At the same time, China cannot be left out when addressing global issues, especially climate change, as China emits more greenhouse gases than the EU and the United States combined.

China is concerned about the potential consequences of the EU's attempts at minimizing the risks of cooperation with China, and is working to make EU member states more susceptible to Chinese viewpoints. China also regards the support shown by Danish and European parliamentarians for Taiwan and their visits to the island as provocations.

In certain situations, China tries to drive a wedge between the European countries in an attempt to disrupt their unity towards China, for instance by economic and diplomatic favouritism towards countries that support key Chinese standpoints, such as Hungary. Finally, China is working to weaken Europe's partnership with the United States, in particular on issues that are relevant to China, such as sanctions and international trade.

## IF CHINA WERE TO INVADE TAIWAN, THE CONSEQUENCES WOULD BE IMMENSE

If the situation, despite the low probability, were to develop into extensive armed fighting over Taiwan involving the United States, this would mark a fundamental shift in the security landscape that Denmark usually navigates. One of the implications of such a war would be a narrowing of the US scope for contributing to Europe's security. The increased tensions in the Taiwan Strait and the risk of war contribute to shifting the regional security dynamics in East Asia, including pushing South Korea and Japan closer together.

If China were to invade Taiwan and if Western countries were to respond by imposing sanctions on trade with China similar to the sanctions levied on Russia in connection with the war in Ukraine, the consequences would be huge. As China is one of the key links in the global production chains, sanctions would entail an extensive shortage of the goods on which Western countries depend. It would take Western countries years to find alternative suppliers and to develop the products that are currently manufactured wholly or mainly in China. As an example, China mines and processes most of the rare earth elements that are essential to, for instance,

the production of wind turbines. China is also the main manufacturer of solar panels and electric car batteries. Sanctions could also have an impact on the Faroe Islands and Greenland, as many of their exports go to China and other East Asian countries.

In addition, Taiwan produces many of the world's most advanced microchips, and a war would likely interrupt the supply of microchips. Yet another factor is the role of the Taiwan Strait and Chinese waters as main maritime freight routes, and a conflict would thus, in addition to its severe implications for the global economy, also impact strongly on Denmark as a global seafaring and trading nation.

China could also opt to take less comprehensive military steps such as a blockade against Taiwan or the capture of one or more of the Taiwan-controlled islands in the Taiwan Strait. Capturing one of the small islands could be a way for China to inch its way towards reunification and to test the reaction of the United States and the other Western nations. Such military steps would in all probability impact negatively on world trade. Also, there is a significant risk that even less extensive military steps could lead to war.

#### China increases its weight in international organizations and creates new ones

China is focused on strengthening its influence in existing international institutions as a way of promoting its strategic interests. This poses a challenge to Danish and Western interests and reduces the scope for consensus on key issues. China has, for instance, on more occasions successfully rallied countries in the UN against criticism of China's atrocities in the Xinjiang region, capitalizing on the fact that many countries benefit from Chinese investments, for instance through the Belt and Road Initiative (BRI).

At the same time, China is promoting new international organizations in which China plays a leading role. One such institution is the Shanghai Cooperation Organisation (SCO), whose members are Russia, India, Pakistan, Central Asian countries and, soon, Iran and Belarus. Another such framework is the BRICS organization, whose original members Brazil, Russia, India, China and South Africa in 2023 decided to welcome six new countries (Saudi Arabia, Iran, Egypt, Ethiopia, the United Arab Emirates and Argentina). ▲

## CHINA'S APPROACH TO MULTILATERAL COOPERATION RESTS ON FOUR PILLARS

The Global Civilization Initiative, the Global Development Initiative, and the Global Security Initiative outline China's international ambitions. Combined, they form the framework for China's engagement in international organizations and initiatives. To promote its interests internationally, China mainly works through four types of multilateral cooperation:



China will likely try to increase the role of these organizations by expanding into new fields of cooperation and adding members with the aim of strengthening China's global power.

The BRI is focused on investments in strategic infrastructure such as ports, roads, energy, tele-communications and raw materials. Many of the infrastructure projects provide energy and raw materials for the Chinese economy, and Chinese companies are involved in the construction of the projects. Most of the projects are long-term, and loans for the projects are often provided in advance. As a result, the BRI cooperation will, despite declining investment levels in recent years, likely remain a key priority to China.

The final pillar of China's approach to multilateral cooperation is a series of forums that act as platforms for meetings between China and groups of regional countries, including in Eastern Europe, Africa, South America, the Middle East and the Pacific. The forums vary in importance and success. A less successful example was the format known as the 17+1 cooperation with Eastern European countries that was reduced to 14+1 when the Baltic countries chose to withdraw in response to China's punishment of Lithuania for allowing Taiwan to establish a Taiwanese Representative Office in the country. In China's view, this usage of the word "Taiwan" constitutes a break with the One China policy and goes against the established norm of using the word "Taipei" (the capital of Taiwan) for this type of office.

In order to create a coordinating framework for its global political efforts, China has launched three global declarations of intent: Global Civilization Initiative (GCI), Global Development Initiative (GDI) and Global Security Initiative (GSI). The initiatives are intended as a basis for policy coordination with the Global South and as drivers to influence international security and foreign policy agendas in a direction that is more closely aligned with the values and interests of the Communist Party. China thus uses the GDI and GSI to promote a view of economic development that puts security over human rights concerns.

China is also cautiously assuming a stronger role in regional conflicts. As an example, China brokered an

agreement to normalize diplomatic relations between archrivals Iran and Saudi Arabia in the summer of 2023.

### China's economic model and strength present a challenge to Western countries

China is the world's leading trading nation and ranks as the biggest trading partner for most countries in the world, giving China a strong influence in many parts of the world. In addition, China has an economic model in which the state, and ultimately the Communist Party, plays a much larger role than is the case in Western countries. The Chinese state plays a strong role in the allocation of investments to different sectors, with its main focus being on industries that are predicted to play pivotal roles in the future of the global economy.

Internationally, the state supports Chinese companies, providing economic, political and diplomatic assistance in order to help them gain advantages and contracts. China has also shown that it does not hesitate to wield its economic power to put pressure on other countries, institutions and companies. For example, China punished Lithuania for allowing Taiwan to establish a representation in the country. China also imposed economic sanctions on Norway for the awarding of the Nobel Peace Prize to Chinese dissident Liu Xiaobo.

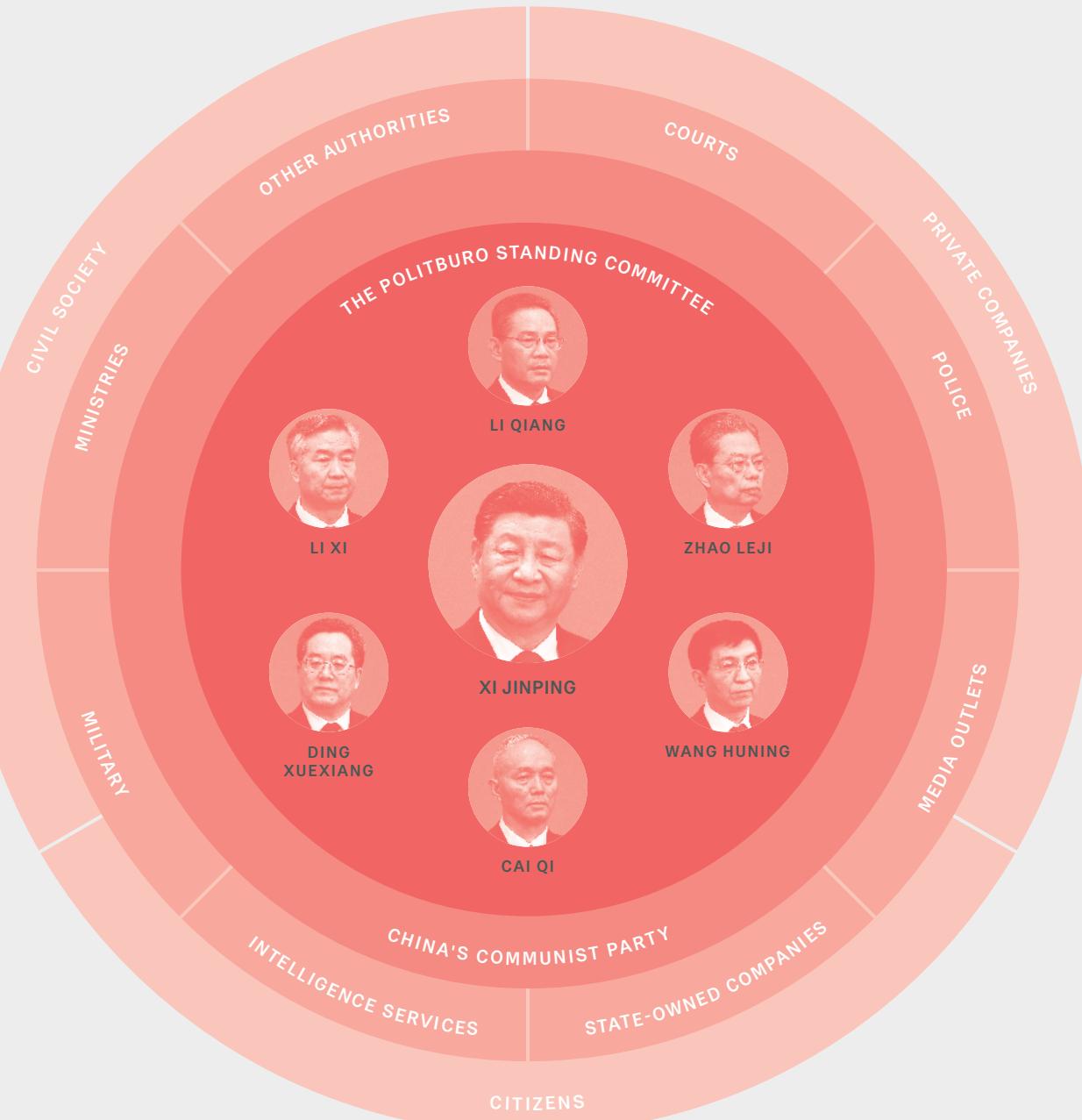
China's growth rates will slow down in the longer term, due, in part, to the fact that China's labour force will shrink in the coming decades. China's former one-child policy and the general demographic development will lead to strong growth in the ageing population. Formerly a strong driver of China's economic growth, the property sector has lost steam and will not be able to maintain this role, having instead become a source of financial instability in the past few years.



**China is the world's leading trading nation and ranks as the biggest trading partner for most countries in the world.**

## CHINA'S COMMUNIST PARTY WIELDS BOTH THE EXECUTIVE, LEGISLATIVE AND JUDICIARY POWER IN CHINA

The circle illustrates that the Politburo Standing Committee is the highest and most central political organ in the Chinese Communist Party and thus in China. Unlike parties in Western countries, China's Communist Party wields the executive, legislative and judiciary power and also has a tight grip on the Chinese economy and civil society.



US sanctions and the increasing reluctance of Western companies to invest in China are also factors that weigh on the Chinese economy. The Communist Party's increased control of private companies likely also contributes negatively to economic growth.

Despite its many challenges, the Chinese economy will likely continue to grow faster than the economies of Europe and the United States over the next decade, increasing China's global economic weight and influence. Among the reasons for this are China's success in setting up a highly competitive industrial sector and its success in advancing scientifically and technologically.

### China poised to become a technological superpower

China is determined to become a leading nation in technology and science in both the civilian and the military realms. Since the turn of the millennium, China has thus strongly increased its investments in research and development and is already a global leader in a number of scientific fields that China has designated as strategically important. China is making great strides in emerging technologies such as green technology, information and communication technologies, artificial intelligence and quantum technology.

At the same time, China is set on reducing its dependence on other countries, and the tough Western sanctions on Russia and China itself have only served to amplify this ambition. China is thus increasingly focusing on developing technologies that it currently has to import, including microchips. In the long term, China's technological development can become a source of major strategic, economic and military advantage, making it harder for Western countries to set the agenda. ■

### XI JINPING AND THE COMMUNIST PARTY TIGHTEN THEIR GRIP ON POWER

Unlike Western countries where power is separated in three branches of government – executive, legislative and judiciary – the Chinese Communist Party dominates all three branches. In October 2022, the party congress confirmed Xi Jinping as the leader of the party and thereby of China for a third five-year term. This marks a break with the precedent in China since the death of Mao in 1976. Xi Jinping holds the three most important posts in the Chinese political system: chairman of the Communist Party (the most important post); president of China; and chairman of the central military commission.

Most members of the top party leadership have worked closely with Xi Jinping and proved their loyalty to him. The growing centralization of power around Xi Jinping makes China less predictable and increases the risk that China acts on an incomplete picture of realities on the ground.

Under Xi Jinping, the Communist Party has tightened its grip on the state and civil society, and party presence is expanding in private companies. To protect its position of power, the party is also increasingly using censorship, surveillance and oppression of critical voices. This is particularly the case in the Xinjiang province, where China's system of oppression and surveillance has reached extreme levels.

China also makes great efforts to control Chinese citizens living abroad and to use them as instruments for promoting Chinese interests. Both China's intelligence services and Communist Party bodies are used for this task. These efforts potentially threaten the rights of individuals of Chinese origin residing in Denmark and other countries. As an example, the Communist Party seeks to control many Chinese diaspora organizations, including organizations for students and researchers. China is also buying up Chinese-language media outlets and is using social media platforms to promote the Communist Party narrative.

## THEME TRANSFER OF TECHNOLOGY POSES THREAT TO THE WEST

China has a very comprehensive programme for mapping and transferring foreign technology. This effort poses the most severe threat to the knowledge and intellectual property of universities and companies in Denmark and other Western countries. At the same time research cooperation with China also comes with major advantages.

China employs an extensive array of strategies to transfer technology, including research partnerships, talent programmes, and investments in established and start-up tech companies. China also utilises illegal means, including espionage and, in particular, cyber espionage.

Russia's military-industrial complex relies heavily on Western components, including for its drone and missile systems. The sanctions have made it harder for Russia to procure all necessary components, and Russia's efforts to bypass the sanctions are not sufficient to fulfil its demand. Russia is thus also focusing on developing and producing components nationally to replace foreign technology.

Industrial espionage is a key way to fulfil this objective, and Danish companies and knowledge institutions make for interesting targets.

Iran has an extensive infrastructure in place to handle secret import of foreign components, just as Iran's military industry has been known to copy or imitate Western and Russian military technology. Iran will likely also be able to assist Russia by sharing its playbook on how to evade sanctions and import technology for military production.



**China employs an extensive array of strategies to transfer technology, including research partnerships, talent programmes, and investments in established and start-up tech companies.**

### METHODS FOR TRANSFER OF TECHNOLOGY

#### EXCHANGE AND ATTRACTION OF SCIENTIFIC TALENTS

Countries such as China, Russia and Iran all use exchange of students and scientists as a way of transferring knowledge. Chinese students and scientists, in particular, are heavily represented in Western countries, not least within natural science and technical fields. China awards scholarships mainly to students in sectors of strategic priority, and scholarships from the China Scholarship Council, for example, come with the proviso that the recipients return to China. China also uses talent programmes to attract scientists with Chinese as well as foreign backgrounds.

#### INVESTMENTS IN ESTABLISHED AND START-UP COMPANIES

China in particular has long been known to use its investments strategically to obtain technology and information, not least within sectors that are deemed strategically important. Investing in foreign countries is a way for states to gain access to technology and expertise that is otherwise subject to restrictions, such as sanctions or export control regimes. Indications suggest that China is increasingly turning its attention to start-ups that are not always subject to sufficient foreign investment screening mechanisms.

#### CYBER ESPIONAGE

Cyber espionage is used by China, in particular, but also Iran and Russia to steal sensitive technology. US authorities have for example accused the Chinese state of being responsible for some of the cyber attacks attributed to the Hafnium hacker group in 2021. These attacks compromised research institutions, think tanks, NGOs and the US defence industry.

#### RESEARCH PARTNERSHIPS

To China, research partnerships are key instruments in the transfer of knowledge. China is thus actively engaged in a large number of research projects, including mega projects such as the fusion energy project International Thermonuclear Experimental Reactor (ITER), and the Large Hadron Collider (LHC), a nuclear physics project.

#### HUMAN SOURCES

Transfer of knowledge and transfer of technology also take place through classic espionage tradecraft. One such method employed by foreign intelligence services is using staff employed with companies and universities to help steal knowledge that can be used to set up research environments and industries in the home country of the intelligence service.

#### CHINA'S STRATEGY FOR MILITARY-CIVILIAN FUSION CREATES FURTHER RISKS

China has a strategy for military-civil fusion, which aims to harness civilian scientific and technological progress for military purposes. As a result, civilian research cooperation with China and Chinese investments could ultimately end up contributing to China's military technological development.

#### DEMANDS ON FOREIGN COMPANIES TO TRANSFER TECHNOLOGY FOR MARKET ACCESS

Historically, China's key instrument to facilitate transfer of technology has been its requirement that foreign companies enter into joint ventures with Chinese companies in order to be allowed to invest in China. In recent years, this has become a less important mechanism for transferring technology.

# TERRORISM, MIGRATION AND INSTABILITY

## EUROPE'S CONFLICT-RIDDEN NEIGHBOURING REGIONS

The war between Israel and Hamas illustrates that unresolved conflicts in Europe's vicinity have the potential to escalate quickly and cause extensive regional instability. Deep structural problems in the Middle East and Africa will continue to give rise to conflicts and humanitarian crises, which create additional fertile ground for terrorism and incentivize migration. In addition, in wake of the Quran burnings, the terrorist threat to several European countries, including Denmark and Danish interests abroad, has intensified. The world order is changing and regional powers such as Türkiye, Saudi Arabia and Iran have increased room for manoeuvre. Europe's dwindling role in the Middle East and Africa leaves room for China and Russia to expand their influence in the regions.

Israeli missile defence system intercepts rockets fired by the Hamas movement in Gaza.  
Anas Baba/AFP/Ritzau Scanpix

### ■ Unresolved conflicts and structural problems are sources of continued instability

The 7 October 2023 terrorist attack by Hamas in Israel and Israel's massive military response in Gaza are clear examples that unresolved conflicts in Europe's vicinity have the potential to escalate quickly and cause extensive regional instability. Israel's military response has caused widespread anger in the Middle East, and there is a general conception that the West unambiguously sides with Israel in the conflict. A protracted Israeli military campaign and presence in Gaza, combined with anti-Western sentiments, will increase the threat to Western, including Danish, interests in the region. In addition to the threats emanating from terrorist groups, civilian unrest, such as assaults and armed attacks on diplomatic representations and companies, could also occur. The previously contained conflict between Israel and Palestine has the potential to spread regionally.

In the coming years, Europe will have to handle the fallout of the war and the many inter-connected conflicts in its neighbouring regions. Syria, for example, could once again become the scene of intensified fighting. In addition to Russia and Türkiye, Iran and the United States are competing for influence in the country, just as Israel frequently conducts air raids in Syria against militias affiliated with Iran. The threshold for using military force is already low in Syria, and the intensified regional tensions resulting from the war between Israel and Hamas make the war-ridden country an obvious arena of increased escalation.

The unresolved conflict in Syria is of particular importance to the threat of terrorism, as it enables Islamic State and other terrorist organizations to retain their foothold in the country's peripheral areas. Counter terrorism efforts in Syria are weakened by diverging interests among the external parties to the conflict, the lack of coordination and the absence of state authority. In the years to come, Islamic State will continue to exploit the fragile security situation in Syria to preserve its room for manoeuvre and support terrorist attacks outside Syria, including in the West.

Countries such as Lebanon, Iraq and Libya will also struggle with serious internal divisions, violence and economic crisis. These factors continue to create favourable conditions for terrorist organizations and

militias that undermine state authority from within and weaken the states' ability to govern. In Lebanon, the power wielded by the Hezbollah militia has the potential to draw the country into a new conflict with Israel.

In Africa, instability has also become the norm, and the fallout of the war in Ukraine, the COVID-19 pandemic, and climate change has been disproportionately hard on fragile states. This has fed into the already extensive structural problems that will continue to constitute a main driver for terrorism, migration and other security challenges.

Problems such as increasing food insecurity and water shortage, extensive drought, high inflation rates and massive youth unemployment transcend regions. In addition, high energy and food prices, extensive corruption and poor governance erode the ability of fragile states to deliver essential services to their own populations. The drivers that push people to seek a better life in other countries thus still exist. As a result, the migratory pressure towards Europe will remain high.

The root causes of the 2011 uprisings in the Middle East and North Africa, including poor life conditions and oppression, are still present and have, in some cases, even worsened. There is thus still a risk of recurring political and societal unrest. At the same time, many autocratic regimes have been strengthened, and their scope for oppressing social and political movements has widened, due, in part, to their acquisition of new surveillance technologies and their ability to block social media platforms to hinder mass mobilization through social media. In addition, if the West were to lessen its insistence on respect for basic human rights, this could leave the regimes with a wider opportunity for oppressing opposition groups and political activists.

The conflict in Sudan and the series of coups d'état in Mali, Burkina Faso and Niger in the Sahel region show that political and social upheaval on the African continent can arise with little warning as well. The instability affecting many African states is caused by a combination of water and food shortages, poor governance, low education levels, lack of infrastructure, severe indebtedness and few foreign investments. Climate change and desertification will only exacerbate these problems in the future.

### Regional powers are expanding their room for manoeuvre

The world order is changing, and the West's political and economic influence is under pressure. These factors are the main drivers behind the growing strategic importance and influence of Europe's neighbours to the South, including countries such as Türkiye and Saudi Arabia.

The decision to expand the BRICS group to include states such as Saudi Arabia, the United Arab Emirates, Iran and Egypt is indicative of a shared ambition among Middle Eastern regional powers to broaden their diplomatic ties, trade relations and security partnerships. Thereby, they seek to increase their autonomy and flexibility in an uncertain and changing international system. Regional powers already have the will and ability to shape the political, economic and security environment in their vicinity. Despite their diverging views on a range of issues, they increasingly share the ambition to shape global development and international institutions to better suit their own interests.

In the Middle East and North Africa, regional powers such as Türkiye, Saudi Arabia and Iran are rethinking their mutual, and often contentious, relationships. This is, in part, a result of the United States' focus on the strategic competition with China, which has reduced the traditional US role as a regional security guarantor. Consequently, several Gulf states are looking for new ways to safeguard their influence and interests, including through the resumption of diplomatic contacts with states such as Iran and Syria.

The increased regional focus on diplomacy has also made states less inclined to support popular movements and opposition groups in other countries. While this development contributes to stability, it also strengthens the autocratic trends in the regions. Despite the fragility of this process, the regional powers are actively engaged in shaping and defining new regional rules that are intended to improve their ability to future-proof and enhance their influence in and outside their own neighbouring areas. This could make it increasingly difficult for Europe to exert its influence in its relations with the more assertive and influential regional powers. ▲

## IF REGIONAL POWERS IN THE MIDDLE EAST ONCE AGAIN FIND THEMSELVES ON A COLLISION COURSE

Despite the enhanced focus on diplomacy, the violent escalation of the conflict between Israel and Palestine in the autumn of 2023 serves as a reminder that regional tensions in the Middle East can escalate virtually overnight.

If the conflict level between regional powers such as Iran, Türkiye and Saudi Arabia were to increase again, so would the likelihood of new proxy wars breaking out in already fragile or conflict-ridden states where regional powers have competing interests.

The risk of armed conflicts erupting between states would increase, as would the frequency of contained, but impactful, attacks against strategic targets, such as oil infrastructure and shipping. Such attacks would impact significantly on, for instance, energy security and shipping in the waters around the Arabian Peninsula.

## SHADOW WAR BETWEEN ISRAEL AND IRAN HAS PLAYED OUT IN MANY PARTS OF THE MIDDLE EAST IN RECENT YEARS

Türkiye, for instance, has translated its increasing geopolitical relevance into increased influence. The country is a central partner for the EU and a vital member of NATO. Moreover, Türkiye's strategic orientation is closely tied to Europe's core interests. The war in Ukraine has only served to deepen Türkiye's importance due to its location between the Mediterranean, the Black Sea, Europe and the Middle East. Türkiye will capitalize on this favourable position to increase its role as an independent regional power factor. Türkiye's ambitions are reflected in its attempts to strengthen its role as a preferred mediator in international conflicts, including the war in Ukraine.

However, conflicts of interests between Türkiye and its Western partners will endure. These include Türkiye's maritime claims in the eastern Mediterranean and the EU's criticism of the rule of law in Türkiye, which pose obstacles to the improvement of relations with the EU. In addition, Türkiye's close political, energy and economic ties to Russia will continue to be a source of discord in its relations with the United States and the other NATO countries, as will its fight against the Western-supported Kurdish YPG militia in Syria, which, in Türkiye's view, is identical with the PKK terrorist movement.

Saudi Arabia has also grown into a leading power that is increasingly pursuing its own interests with limited regard for old allegiances. Saudi Arabia has worked determinedly to carve a role for itself as a partner not only to the West but also to China and Russia in an attempt to increase its strategic autonomy.

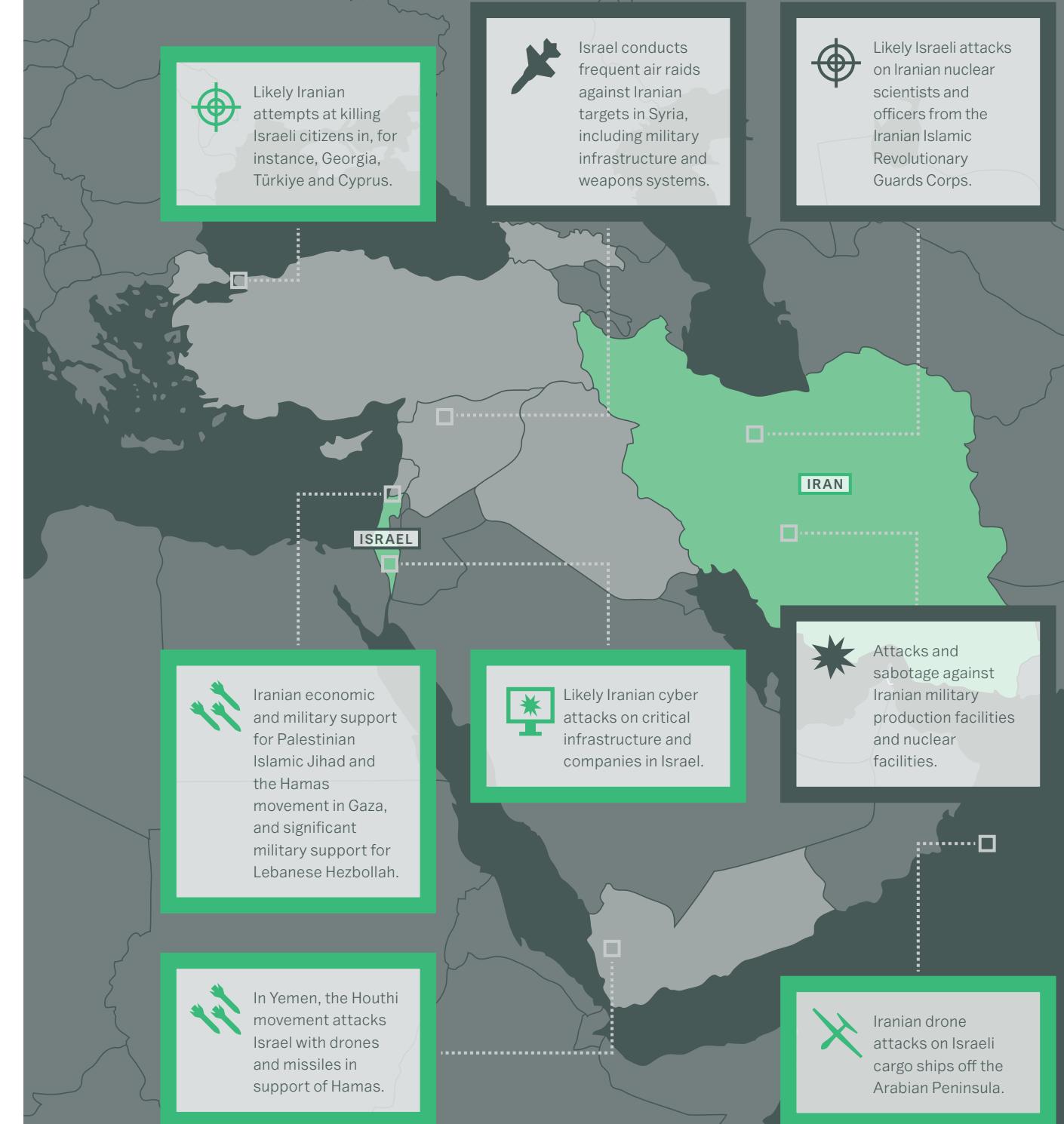
Saudi Arabia is deeply involved in several initiatives aimed at reducing the conflict level in the Middle East, as it sees continued regional instability as detrimental to its ability to attract foreign investments. As an example, Saudi Arabia entered a normalization agreement with Iran in March 2023 brokered by China. This agreement could serve as a basis for peace between Saudi Arabia and Iranian-backed Ansarullah, also known as the Houthi movement, in Yemen.

In this way, Saudi Arabia has given China political co-responsibility in securing regional stability. Saudi Arabia's extensive social and economic reform programme, Saudi Vision 2030, is aimed at attracting international companies and technology investments and aiding the transition from fossil fuels to green energy.

Iran's relations with the West are growing increasingly tense due to factors such as Iran's role in the conflict between Israel and Hamas and other Iranian-backed groups, its military support for Russia's war in Ukraine, human rights violations, and continued breaches of the nuclear agreement. To cushion the consequences of those strained relations, Iran is seeking to expand and strengthen its international and regional relations.

Iran and Israel are locked in a shadow war that could escalate at any time. Tensions have surged due to the outbreak of the war between Israel and Hamas, and further escalation would have major implications for the stability in the region. Iran is expanding its ability to operate militarily in the entire region, including through its support for the Hamas movement in Gaza, Hezbollah in Lebanon, Shiite militias in Iraq, and the Houthi movement in Yemen. At the same time, Iran needs to balance further escalation against the potential consequences for its regional political ambitions.

There are no signs that Iran and the United States are nearing a new nuclear agreement. Iran is broadening its political influence in the region and joining international forums such as BRICS to make itself independent of whether a new agreement will be forged. In addition, Iran continues to expand its stockpile of enriched uranium that can be used in the production of nuclear warheads. The religious ban by Iran's supreme leader on the development of nuclear weapons is still in effect, though, and so far, Iran has exclusively used the development of its nuclear programme as a bargaining chip vis-à-vis the United States. 



## Western influence is waning, while the strategic importance of Europe's neighbours to the South is on the rise

The war in Ukraine has laid bare the West's declining ability to garner support for its strategic priorities among states in Europe's southern neighbouring regions. This is, in part, a reflection of the view held by many Middle Eastern and African countries that their problems have often been overlooked and under-prioritized, and that, over the past decade, Europe has been pursuing its own and increasingly narrower regional interests, such as countering terrorism and controlling migration. The West's colonial past and the perception that the West is turning a blind eye to structural challenges, crises and conflicts are making it increasingly difficult for Europe to maintain and establish new regional partnerships.

The series of coups d'état in the Sahel region serve as an illustration that anti-Western trends can quickly spread geographically and have the potential to undermine Europe's influence in its neighbouring region within a short timeframe. There is a real risk that the weakening of partnerships with countries in North and West Africa will make it increasingly difficult for Europe to control migration, fight terrorism and promote democratic conditions in the regions.

A large number of less influential countries in the Middle East and Africa are also increasingly turning towards cooperation forums such as BRICS and the Chinese-led Shanghai Cooperation Organisation. This reflects a widespread ambition to change the global framework of rules to allow countries in the Middle East and Africa to pursue interests that are separate from those prioritized by Western states. The countries want increased strategic autonomy, just as they are increasingly rallying their influence in an attempt to shape the international system and its institutions.

This development creates new opportunities for great powers such as China and Russia, which are increasing their room for manoeuvre in Europe's neighbouring regions to the South and are challenging Europe's ability to protect its strategic interests. While the motivations for entering strategic partnerships with these great powers vary from one country to another, cross-cutting themes include the possibility for states to take out loans without having to meet demands for democratic reforms, to receive support for the expansion of critical infrastructure, and to enter new security partnerships to protect weak and autocratic regimes. To Europe's southern neighbours, partnerships with China and Russia can thus be used to counterbalance Western dominance and as a tool to help shield the countries from international sanctions.

## INCREASED GREAT POWER COMPETITION IN EUROPE'S NEIGHBOURING REGIONS TO THE SOUTH

### RUSSIA WANTS TO COUNTER WESTERN INFLUENCE IN THE MIDDLE EAST AND AFRICA

Since its invasion of Ukraine, Russia has been very active in trying to expand its relations with states in the Middle East and Africa. However, Russia only has limited economic resources to support its engagement in the regions, making it highly unlikely that Russia will succeed in establishing comprehensive cooperation partnerships and alliances with countries in the Middle East and Africa outside its existing partnerships with, for instance, Syria and Iran. Instead, Russia will use its links to the countries to offset attempts by Western countries at pushing Russia into political and economic isolation.

Russia will also project itself as a leading power, which, together with China, is capable of uniting non-Western countries in a global anti-Western coalition.

On the African continent, Russia exploits the need that some weak regimes have for military and diplomatic support.

Russia is also engaged in influence campaigns aimed at exploiting anti-Western trends in former European colonies as part of its ambition to weaken Europe's influence in Africa.

### SYRIA

Syria is pivotal to Russia's military presence in the region and is also an arena for strategic competition in the region between Russia, the United States and the regional powers.

### IRAN/SAUDI ARABIA

China's mediation between Iran and Saudi Arabia is rooted in its ambition to strengthen its energy security and to find new partners in the global competition with the United States and the West.

### THE SAHEL REGION

By supporting the coup instigators in the Sahel region, Russia has succeeded in weakening the influence of Western countries in the region. Russia is using private military companies as instruments to bolster its influence and to gain access to regional mining industries and military infrastructure.

### THE GULF

Russia is trying to sustain the relative neutrality of Arab states in relation to the war in Ukraine. Russia will try to keep energy prices high by coordinating with the OPEC countries.

### DR CONGO

One of China's roles in DR Congo has been as a major loan provider and massive investor in return for increased access to the country's vast deposits of copper and cobalt. These metals are key components in the green transition and new technologies.

### DJIBOUTI

China has a military base in Djibouti on the Red Sea coast, and China is likely considering its options of setting up more military bases in Africa, including coastline bases facing the Atlantic Ocean.

### CHINA HAS BECOME A POWER FACTOR IN THE MIDDLE EAST AND AFRICA

Access to raw materials and fossil energy is the main driver behind China's engagement in the Middle East and Africa. This is a dominant theme in China's investments in the regions and, as a result, China, unlike Russia, shares the West's interest in keeping the regions politically and economically stable.

China's engagement in Africa is increasing in the economic, military and political realms, and the country has positioned itself as a credible alternative to the West. Despite the stagnation in Chinese investments since 2018, China continues to invest heavily in Africa. China is also working to form closer political bonds with African states as a gateway to expanding its support base in international organizations such as the UN. China is aiming for growing trade partnerships and exploitation of the economic potential in Africa offered by the continent's expanding population and growing middle class.

China is a major contributor to the UN peacekeeping forces in Africa. China is particularly interested in deploying force contributions to countries that are rich in natural resources and that are already recipients of Chinese investments.

## THEME TERRORISM

### Quran burnings increase the terrorist threat to Denmark

The Quran burnings in 2023 have increased the terrorist threat to several European countries, including Denmark, and to Danish interests abroad.

In their propaganda, both Islamic State and al-Qaida call on sympathizers to avenge Quran burnings in, for instance, Sweden and Denmark. In addition, Islamic State highly likely planned revenge attacks against targets in Europe in 2023.

The primary terrorist threat to Denmark still emanates from single individuals and small groups of militant Islamists in and near Europe inspired by militant Islamist propaganda. The perpetrator behind the 16 October 2023 terrorist attack in Brussels that killed two Swedish nationals highly likely acted to avenge the Quran burnings.

The escalation of the conflict in Gaza triggered by the 7 October Hamas terrorist attack on Israel has also resulted in targeted threats against Europe in propaganda by Islamic State and al-Qaida. This has contributed to aggravate the terrorist threat.

Due to the Quran burnings, Scandinavia – in particular Sweden and Denmark – will likely remain a fixed theme in militant Islamist anti-Western propaganda in the long term, i.e. a 10-year perspective.

However, the capability Islamic State and al-Qaida have for large coordinated attacks in Europe is likely very limited, among other things as the result of international counter-terrorism efforts that exert continuous pressure on terrorist groups and networks in and outside the West. According to Europol statistics, militant Islamists and right-wing extremists only conducted four terrorist attacks inside the EU in 2022, while twice that number were foiled. The number of launched attacks has been dwindling since the mid-2010s.

### Political sore points will continue to dictate terrorist target selection

Perceived insults to Islam, gender identity questions, and migration policy will continue to be guiding issues in the terrorist target selection. Waves of terrorist threats can form virtually overnight. The rapid spread of news through social media enables terrorists in and outside Europe to quickly pick up on perceived insults and potential high-value targets.

Perceived insults will be a driver in terrorist attack planning, propaganda and recruitment in the years to come, not least in relation to issues which terrorist groups deem suitable for mobilization of a large number of sympathizers. Islamic State and al-Qaida are capable of responding quickly to media events and stories, tailoring their propaganda and threats to match them.

The Quran burnings were an example of how such events can make terrorist groups label entire nations as "violators of Islam". A repeat of such events could increase the terrorist threat with little warning.

Anti-LGBTQ+ rhetoric often features strongly in extremist propaganda, and in the West LGBTQ+ communities are targets of terrorist attacks by both right-wing extremists and militant Islamists. In October 2022, two people were killed in a shooting at a LGBTQ+ bar in Bratislava, Slovakia. The perpetrator's manifesto, which was shared online just prior to the attack, expressed homophobic as well as anti-Semitic sentiments. In June 2023, Austrian authorities foiled an attack on a Pride parade in Vienna. The attack was planned by a group of Islamic State sympathizers.

In addition to religious and sexual minorities, ethnic minorities are perceived as enemies by right-wing extremists. The hostility of right-wing extremists to the influx of immigrants to Western countries is based on a harsh and nationalist worldview, which, pushed to the extreme, justifies the use of violence.

### ASSESSMENT OF THE TERRORIST THREAT TO DENMARK

The terrorist threat to Denmark and Danish interests abroad is assessed by the Centre for Terrorism Analysis (CTA) in its annual publication *Assessment of the Terrorist Threat to Denmark*.

In its 2023 assessment, CTA assesses that the terrorist threat to Denmark is at the level of **significant**. Transnational militant Islamist groups still intend to commit terrorist attacks in the West despite a weakening of their capability to pose a threat to Western countries. In addition, CTA assesses that sympathizers in Denmark may take inspiration from militant Islamist propaganda.

In addition, CTA assesses that the threat from right-wing extremists is at the level of **general**.

*Assessment of the Terrorist Threat to Denmark* is available at [pet.dk](http://pet.dk)

### Established terrorist groups have a decisive impact on the terrorist threat

Even though the most immediate terrorist threat is still posed by single individuals and small sympathizer networks, terrorist groups with a higher level of organization still play a key role in driving the terrorist threat against Europe and European interests abroad.

Despite having lost a number of high-ranking leaders in 2023, Islamic State has proved capable of supporting and directing successful and attempted attacks across the group's global organization. In recent years, Islamic State has worked to establish a formal structure tasked with controlling, guiding and supporting its subgroups outside of Syria and Iraq. Islamic State has in recent years managed to distribute resources across the organization, including resources earmarked for attack planning.

Islamic State and al-Qaida will also seek other types of support from their sympathizer networks in and outside Europe, including for the preparation of propaganda. According to Europol statistics, the number of terrorism-related arrests has been constant in recent years. An increasing number of the arrests are made on the grounds of support given to, for instance, Islamic State rather than for terrorist planning.

Borderless online platforms act as communities for right-wing extremists and militant Islamists alike, as it is easier to find like-minded persons globally than locally. In this way, ideological convictions or adherence to conspiracy theories, rather than shared national traits such as language and culture, act as uniting factors.

However, right-wing extremists still unite in physical groups. While there have been no examples of large attacks in the West organized by physical right-wing groups, some of the single individuals who have in fact perpetrated attacks have had a preceding or peripheral affiliation with a physical right-wing group. Physical right-wing groups still play a role in the radicalization of single individuals and in the dissemination of propaganda, just as they constitute platforms for networks and personal relationships. ▲



Perceived insults will be a driver in terrorist attack planning, propaganda and recruitment in the years to come.

#### Terrorists capitalize on technological developments

Online access to propaganda, manifestos, bomb manuals, etc. will continue to play a decisive role for radical networks. The increasing censorship on social media platforms seen in recent years has made it harder to use the platforms as gateways for setting up extremist groups and disseminating propaganda. The hunt for safe online forums where extremists are free to draw inspiration and interact has resulted in a shift to lesser-known platforms that do not regulate their contents to the same extent as mainstream media platforms.

The limited accessibility to firearms in Europe has forced terrorists to find alternative methods of attack. For many years, terrorists have weaponized simpler means such as knives and vehicles. It is possible that, in the next few years, technological developments, for instance within 3D printing, drone technology and homemade weapons, will increasingly give terrorists access to more deadly methods.

#### War and conflict in Europe's neighbouring regions increase the terrorist threat

Local conflicts will continue to be the main drivers of the terrorist threat. The conflicts create settings for extremist groups to build up capabilities to launch or support terrorist attacks. Such settings include increased operational leeway and the possibility that a regional conflict between great powers could hamper counter-terrorist efforts against groups such as al-Qaida and Islamic State.

The Islamic State subgroup in Afghanistan, ISKP, was particularly active in late 2022 in exploiting the Taliban's inability to control the country to launch a number of terrorist attacks in Afghanistan, Pakistan and Iran. The likely purpose of the attacks was to undermine the Taliban's attempt at reaching out to international partners.

In 2023, Belgian, Dutch and German authorities cracked down on a network of Central Asian Islamic State sympathizers with contacts to ISKP. ISKP has strongly expanded its propaganda activities and is now disseminating propaganda in several languages. This has likely broadened the group's recruitment among Central Asian communities. ■



In Africa, terrorist groups affiliated with Islamic State and al-Qaida will continue to exploit vacuums in the fringe areas of fragile states to sow instability.

In Africa, terrorist groups affiliated with Islamic State and al-Qaida will continue to exploit vacuums in the fringe areas of fragile states to sow instability and attempt to introduce some degree of local autonomy. This is particularly the case in the Sahel region in West Africa. Though Islamic State subgroups in Nigeria, Mali and DR Congo have stepped up their activities over the past year, this is less likely to reflect in a more severe terrorist threat to Europe and Denmark in the coming years.

In north-eastern Syria, the approx. 10,000 Islamic State members as well as the tens of thousands of their relatives held in Kurdish-controlled prisons and camps will remain potential sources of regional instability. The future of the US presence in the area, which is vital to upholding security around the prisoners, is still undecided. In addition, Islamic State likely regards the release of fighters and their families as decisive for its ability to regain its former strength. The group likely continues its attack planning against prisons and camps in order to achieve this goal.

Right-wing extremists from several European countries have participated on both sides of the Ukraine war, albeit in a limited number. It is possible that the access to transnational networks and relations across right-wing groupings have the potential to increase the radicalization of right-wing extremists traveling to Ukraine. Similarly, access to and use of weapons in a war zone could increase the readiness for violence among right-wing extremists after they return home. ■

#### PERCEIVED INSULTS ARE A DRIVER FOR THE TERRORIST THREAT

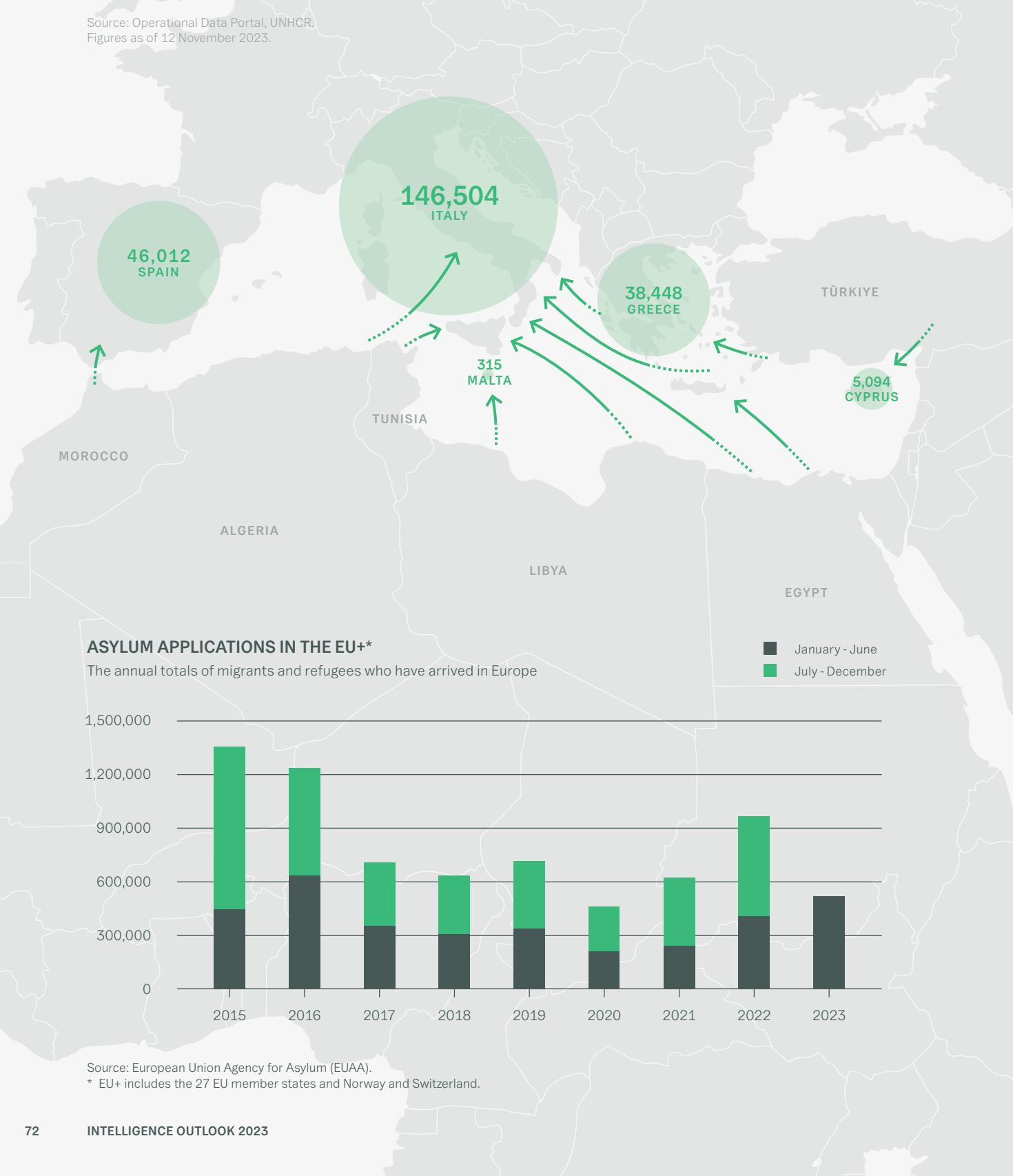
Terrorist groups exploit governmental and popular reactions to perceived insults and see violence as the only viable response. Photos and videos of the perceived insults are regularly featured in the groups' propaganda and contribute to keeping specific countries in the terrorist spotlight.



## MIGRANTS CROSSING THE MEDITERRANEAN IN 2023

Number of migrants and refugees crossing the Mediterranean from 1 January to 12 November 2023. During this period, a total of 230,060 migrants/refugees arrived in Europe via sea, while 6,313 arrived via land.

Source: Operational Data Portal, UNHCR.  
Figures as of 12 November 2023.



## THEME MIGRATION

Migration is increasing globally, and an unprecedented number of people are migrating – involuntarily or voluntarily. Migration will always be part of global reality. However, growing and unregulated migration flows come with challenges, such as growing international crime, overwhelmed migration systems in host countries, economic problems, and deepening political divisions among communities that are affected by major inflows of migrants.

More and more people want to migrate from the EU's neighbouring regions towards Europe, and in 2023, the number of migrants perishing during their journey to Europe reached an unprecedented high. According to the UN High Commissioner for Refugees (UNHCR), more than 2,300 people have lost their lives in the Mediterranean this year, up to and including August 2023, and the number of deaths is forecasted to reach the highest level since 2016. The asylum and migration systems in a number of European countries have been pushed beyond capacity, in particular as a result of irregular migration that involves migrants travelling outside the laws governing the entry into or stay in the host country. Such migrants are often forced to travel by extremely dangerous routes facilitated by people smugglers.

Migrants choose the EU for economic and security reasons, with key drivers including food insecurity, unemployment, lack of future prospects, extreme weather conditions, war and conflict. In recent years, climate change has resulted in critical food shortages, including in countries in the Middle East and Africa.

The war in Ukraine has exacerbated the food supply crisis, pushing up food prices in many countries, not least in northern and eastern Africa, which depend heavily on wheat and fertilizer imports from Ukraine and Russia.

Migrant flows often develop suddenly and unexpectedly. In 2023, countries such as Sudan and Niger have been characterized by internal struggles for government power. Both countries are hubs for

migration towards Europe. So far, though, the ongoing conflicts have not been a source of increased migration towards Europe.

Professionalization of people smuggling will likely be a contributing factor in expanding and refining methods of people smuggling as a lucrative business for international criminal networks in the EU's neighbouring regions.

Agreements with countries in the EU's neighbouring regions, including Libya and Türkiye, on coast guard cooperation and border security have helped curb the influx of migrants. However, new migrant routes are quick to form in response to such agreements.

In addition, governments, including authoritarian ones, in countries whose cooperation the EU has come to rely on to manage and control migration flows will try to use migratory movements to assert diplomatic and political pressure on Europe to obtain specific political concessions. This places Denmark and like-minded countries on the horns of a dilemma, having to balance their ambition to curb irregular migration with the ambition to promote core values such as democracy and constitutionalism.

### HYBRIDIZATION OF MIGRATION

Migrant flows are one among several hybrid means that states can employ to put pressure on Europe.

Belarus, for example, used migrants from the Middle East who tried to cross Belarus's border into Poland, Lithuania and Latvia in 2021 as political leverage against the EU.

The tense situation near the Belarusian borders resulting from the war in Ukraine makes Belarus less likely to once again play the refugee card as political leverage against the EU in the short term.

## THEME THREATS TO MARITIME TRAFFIC

### Conflicts around the Arabian Peninsula pose threat to merchant ships

The maritime trading routes around the Arabian Peninsula are crucial entry points for Europe's energy imports from the Gulf region and Europe's access to the growing economic hubs in South and East Asia. For this reason, changes to the threat picture in and along these routes will have a strategic impact on European interests. The conflict-ridden relationship between Iran and the West and armed conflicts in weak coastal states along the trading routes pose particular threats to maritime traffic.

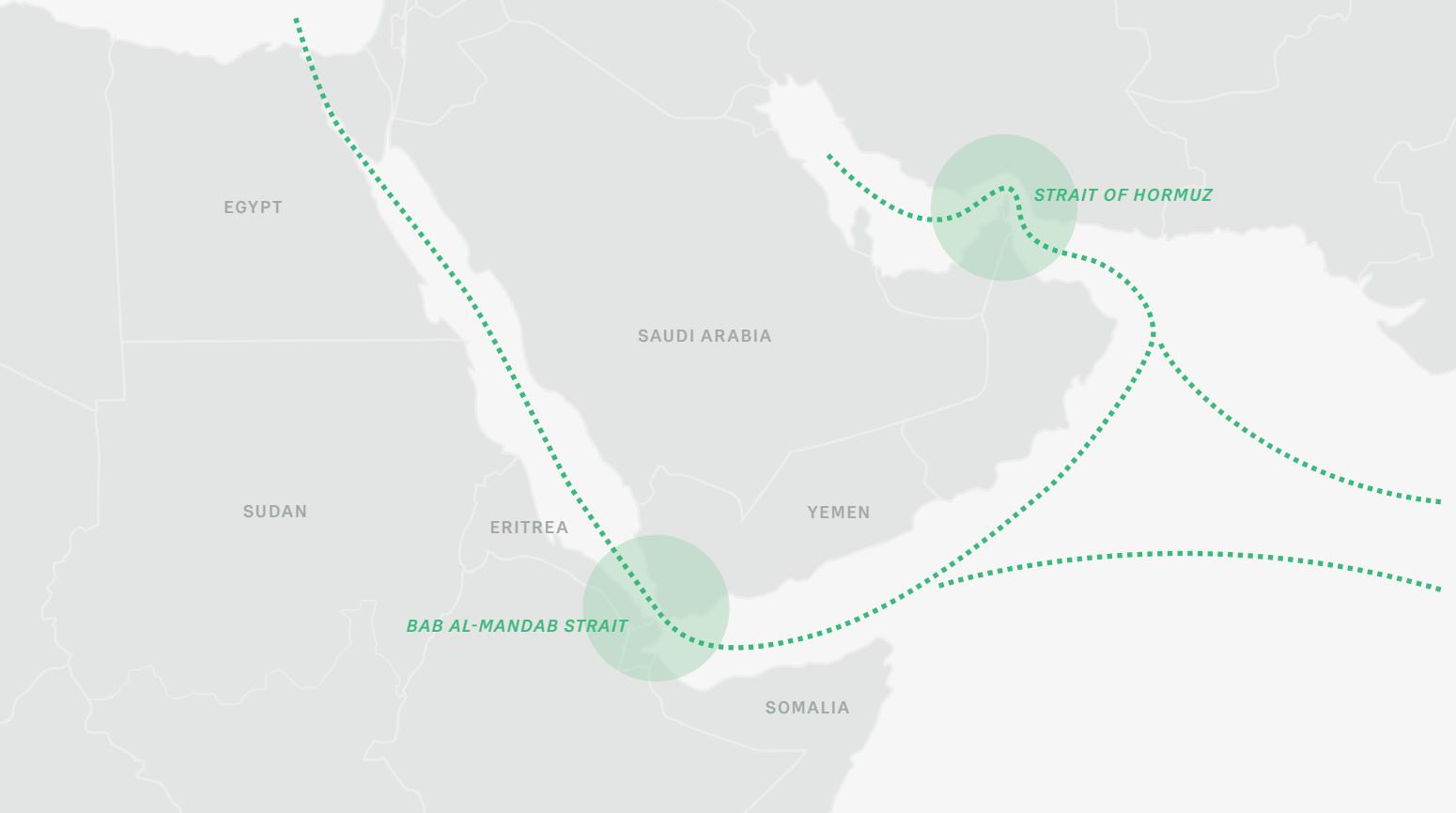
Iran uses its military capabilities to upset shipping around the Arabian Peninsula as political leverage in conflicts with foreign states, in particular Israel and the United States. Contrary to international conventions, Iran occasionally seizes and detains foreign merchant ships in and around the Strait of Hormuz in retaliation for US sanctions against Iran and to deter states with maritime interests in the region from assisting the United States in enforcing these sanctions.

The dwindling influence of the West in the Gulf region and increasing support for Iran shown by, among

others, China and Russia, could result in Iran lowering its threshold for using military force against foreign merchant ships to serve its political purposes.

As part of its ongoing shadow war with Israel, Iran attacks Israeli merchant ships over wide expanses of the Indian Ocean, including through the use of drones. Iran is continuously upgrading its military capabilities, and the expansion of its military inventory with more advanced ships, drones and missiles with extended ranges improves Iran's ability to conduct operations and attacks across the region.

If the civil war in Yemen were to flare up again or if armed conflicts were to break out in other weak coastal states around the Red Sea and the Bab al-Mandab Strait, the effects could spill over into the maritime realm, leading to attacks on merchant ships affiliated with the conflicting parties. In such a scenario, third party ships could become collateral damage of attacks, in particular in congested waters or in waters where the capabilities of attackers to identify or strike their targets are limited.



### The threat from piracy off West Africa develops despite decline in attacks

Piracy in the Gulf of Guinea was at a low level in 2023, with only very few attacks on commercial shipping. The frequency of attacks since 2021 has been only one fifth of the levels observed during the previous decade. Many of the criminal actors that were engaged in piracy prior to 2022 are now likely involved in oil crime, which has become a more lucrative business due to the increase in global oil prices.

Despite the decline in attacks, pirates have shown that they are capable of attacking targets at increasingly

greater distances from the Niger Delta. In addition, pirates have reverted to hijacking oil tankers carrying fuel with the purpose of stripping the vessels of their cargo and selling it on the black market. This method peaked prior to the plunge in oil prices in 2014 and again in 2016.

Pirates from the Niger Delta will likely continue their activities in the short term, i.e. in a 1-2 year perspective. They retain the intent and capability to carry out attacks with the purpose of kidnapping crews or hijacking vessels. ■

Danish navy patrol vessel Hvidbjørnen in the Arctic.  
Søren Dreijer and Christian Thøgersen/1st squadron



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