
DANISH DEFENCE
INTELLIGENCE SERVICE
Intelligence Risk Assessment 2018
An assessment of developments abroad impacting on Danish security
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Danish Defence Intelligence Service

Intelligence Risk Assessment

2018

Introduction

The Danish Defence Intelligence Service is Denmark's foreign and military intelligence service and Denmark's national IT Security Authority and Network Security Service.

Our mission is to collect intelligence in support of Danish foreign, security and defence policy decisions and to help navigate risks to our national security interests. We also play a prominent role in protecting Denmark against cyber threats.

Global threats and threats to Denmark have grown increasingly complex, serious and diverse, and today's threats stem from a wide spectrum of state as well as non-state actors.

The rapid technological development has transformed the threat landscape and the conditions under which we operate.

This development involves a surge in digitalization, an exponential growth in data volume, increased use of encryption, and a change in the way we think of networks and computers. Add to this an increasing concentration in the tech sector and of commercial operators that base and develop their business models on transnational digital IT and communications platforms.

These are all development trends that hold the potential to fundamentally change traditional power structures.

It is our aim to keep developing dynamically and to enhance our operational capabilities to be able to identify and respond to whichever threats present themselves.

We strongly believe that, in a democratic and open society, the ability to inspire confidence and to remain accessible and ready for dialogue in the widest sense of the word must be the hallmarks of modern intelligence work, while always keeping in mind the overriding need to remain true to central traditional intelligence practices of protecting capabilities and sources.

Reflecting one aspect of our ambition for transparency and dialogue, this annual Intelligence Risk Assessment sets out to provide an extract of the most serious current threats and developments abroad impacting on Danish security.

This year's Risk Assessment falls into two key sections. The first section reflects our role as Denmark's national Network Security Service.

The second section reflects that we are Denmark's foreign and military intelligence service and focuses on the capabilities of state as well as non-state actors and their intentions towards Denmark and Danish allies, but also on a host of conditions abroad that may influence Danish foreign and security policy.

The cyber threat, Russia's political and military activities, and the terrorist threat against the West are, once again, the main points of emphasis of our Risk Assessment.

This year, though, more emphasis has been put on Russia and the Arctic, especially Russia's influence campaigns and its military expansion in the western part of the country and in the Arctic. Also, China has been given more focus.

In addition, some areas of the world will continue to pose foreign and security policy challenges to Denmark, including the Middle East, parts of Africa, and Afghanistan, which are dealt with in their own separate chapters.

Information Cut-Off Date is 23 November.

Enjoy your reading.

Lars Findsen
Director of the Danish Defence Intelligence Service

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Main conclusions

The very high threat of cyber attacks has become an everyday reality. Potential future cyber attacks against Danish public authorities or private companies may have serious political or economic consequences. Espionage and the prospect of financial gains will remain key motivations behind cyber attacks. A number of countries continue to develop destructive cyber attack capabilities that could be used as political leverage against other countries.

Russia's primary strategic objective is to be a great power on equal terms with the United States and to strengthen its regional security in the post-Soviet space. The armed forces will continue to be Russia's most important instrument to sustain its role as a great power, and the current strong force build-up in western Russia will increase Russia's local military superiority in the post-Soviet space, especially over Ukraine.

Russia launches influence campaigns with the purpose of influencing internal political conditions in Western countries, and the threat from Russia's influence campaigns will grow, also against Denmark. The Baltic Sea region remains characterized by tension between NATO and Russia. It is highly unlikely that Russia would deliberately initiate military actions that would carry a high risk of direct military conflict with NATO that stands united. Russia will continue to pose a significant security challenge to the West and Denmark.

The threat of Islamist terrorism against the West remains serious, and ISIL and al-Qaida remain focused on launching terrorist attacks. Today, the main terrorist threat to the West emanates from lone wolf terrorists and smaller networks that have never spent time with a terrorist group. Foreign terrorist fighter returnees still pose a special threat, in part as a result of their interaction with terrorist groups like ISIL or al-Qaida. The loss of most of its self-proclaimed caliphate in Syria and Iraq has left ISIL significantly weakened and with a diminished ability to plan and execute large-scale attacks against the West.

The Arctic coastal states still follow a cooperative path on regional issues. However, the military build-up in the Arctic and increased military focus in adjacent regions entail an increased risk of tension. The Arctic has major security policy and economic significance for Russia, and this will only increase as global warming causes the ice cap to melt. Moreover, the Arctic is closely linked to Russia's national identity. China's interests and its desire for more influence in the Arctic, including Greenland, will likely grow in the future.

Under Xi Jinping, China is increasing its international influence. The aim of China's Belt and Road Initiative is to promote China's economic and strategic interests, both regionally and globally. China is guiding its foreign investments at acquiring foreign technology to supplement and enhance the innovation of Chinese firms. The United States perceives China as its main strategic rival. China continues to strengthen its authority in the South China Sea.

As Europe's neighbour, the Middle East will continue to pose a challenge for years to come, mainly due to the instability, terrorism and refugees generated in the region. Russia, Turkey and Iran are strengthening their influence in the region, not least in Syria and Iraq. Tensions between Iran and the United States have intensified following the United States' decision to withdraw from the nuclear agreement, strengthening Iranian conservative forces and exacerbating the already precarious situation in Iraq. Though the US sanctions will not destabilize the Iranian regime, they will serve to further weaken the Iranian economy and create a climate for civil protests.

Instability and weak state structures in a number of African countries will continue to fuel migration to Europe in the medium term. Lack of effective governance provides an enabling environment for terrorist groups to spread and grow in influence. The flow of migrants from sub-Saharan Africa and an increased terrorist threat in Sahel, for instance, constitute a growing foreign and security policy challenge.

The conflict in Afghanistan will drag on for years, in part due to the military support provided for the Taliban by Pakistan, Iran and Russia. The division in the Afghan government hampers the fight against the Taliban and the ability to initiate peace negotiations. Over the next few years, the Taliban will challenge the government's control over the densely populated areas. The Afghan security forces have lost some of their combat power and will rely on support from the NATO-led coalition force even in the long term.

North Korea has declared itself a nuclear weapons state and has strengthened its relations with the international community. In the short to medium term, the prospects of North Korea completely abandoning its nuclear and missile programmes remain less likely.

CYBER SECURITY

THE CYBER THREAT

The very high threat of cyber attacks has become an everyday reality. Potential future cyber attacks against Danish public authorities or private companies may have serious political or economic consequences. Cyber attacks pose a threat to critical infrastructure and citizens alike, and hackers use a wide range of cyber attack methods.

The four Russian intelligence officers who were expelled from the Netherlands for allegedly preparing a cyber attack against the Organisation for the Prohibition of Chemical Weapons (OPCW)

The very high threat of cyber attacks has become an everyday reality. Future cyber attacks against Danish public authorities or private companies are to be expected, and can potentially have serious political or economic consequences. Cyber attacks pose a threat to critical infrastructure and citizens alike, and hackers use a wide range of cyber attack methods.

The cyber threat against Denmark is very high. Danish public authorities, businesses and citizens are all exposed to cyber threats. The threat of cyber attacks has become a long-term reality. In addition to their possible political and economic consequences to Denmark and Danish interests, cyber attacks can also potentially disturb the availability of critical public services and undermine citizens' trust in the digitalization of the Danish society.

As the digitalization of the Danish society continues, an increasing number of actors are trying to exploit vulnerabilities in the systems we use. Foreign states,

Hacking attempt against the OPCW

At a press conference held on 4 October 2018, the Dutch minister of defence announced that four individuals had been expelled on 13 April 2018 following the attempts to hack into the Organisation for the Prohibition of Chemical Weapons (OPCW) in the Hague. According to the Dutch authorities, the four persons were affiliated with Russia's military intelligence service, GRU, and were in possession of equipment capable of compromising the OPCW's Wi-Fi network.

groups and individuals that pose a persistent threat to Danish public authorities and private businesses are using a wide range of different attack methods to achieve their goals. Hence, Danish public authorities and business are constantly faced with new challenges of how to meet the cyber threat.

Cyber attack objectives

Espionage and the prospect of financial gains will remain the key motivations behind cyber attacks. A number of countries continue to develop destructive cyber attack capabilities that could be used as political leverage against other countries.

Cyber espionage will remain one of the most serious threats to Denmark and Danish interests in the years to come, as well as one of the most efficient ways for foreign states to steal sensitive information from public authorities and private businesses in Denmark. Hackers affiliated with foreign intelligence services are often behind cyber espionage campaigns aimed at promoting the strategic, security policy, and economic interests of foreign states.

Danish public authorities, private businesses and international organizations relevant to Denmark's foreign and security policy are continuously exposed to cyber attacks in which hackers try to gain access to network systems. The aim of these attacks is to steal sensitive information from Denmark. The Danish Ministry of Foreign Affairs and the Danish Ministry of Defence and their affiliated services will remain high-priority cyber espionage targets.

Over the past few years, authorities and companies outside Denmark working in the defence and foreign policy field have repeatedly been targets of successful attacks. On 28 February 2018, it became public that hackers had breached into parts of the German Foreign Ministry's network systems. The German Foreign Ministry has subsequently stated that Russian hackers were likely responsible for the cyber attack.

Russia
Russia is still a leading and highly active actor in the cyber realm. Russia uses considerable resources to promote its interests in the West and employs cyber attacks, among other tools, to reach its end goals. The Russian state has extensive cyber espionage and destructive cyber attack capabilities that can support its strategic and security policy interests and military operations.

The cyber espionage threat is also directed at public authorities and private businesses within sectors that are critical to the functioning of the Danish society. In 2017, there were several targeted attempts at gaining unauthorized access to organizations in the Danish energy sector. These attacks were likely motivated by cyber espionage goals and launched by hackers affiliated with a foreign intelligence service.

Cyber espionage against critical sectors may be both politically and financially motivated. Foreign states may use cyber espionage to obtain new technologies or to ensure that their national companies gain a competitive edge on international markets. For instance, research data and intellectual property from the Danish healthcare sector can be exploited by foreign states to strengthen their national healthcare industry and research, or to improve their national healthcare system.

China
China has sophisticated cyber capabilities which are being used for defensive and offensive purposes. A few years ago, China reorganized its military cyber capabilities. Consequently, Chinese actors will likely conduct increasingly sophisticated cyber attacks that are difficult to detect. Other countries have repeatedly accused Chinese intelligence services of orchestrating extensive cyber espionage campaigns against public authorities and private businesses around the world.

Collection of information on critical infrastructure can be used to prepare destructive attacks, either through cyber or physical means. Thus, cyber espionage against critical sectors not only poses a political and economic threat but also a potential threat to the stability and welfare of the Danish society.

Foreign states exploit IT infrastructure such as servers and routers across state borders to launch cyber attacks. Foreign states also use Danish IT infrastructure to launch cyber attacks against Danish and foreign targets. Hacker groups may purchase access to IT infrastructure located in Denmark or compromise Danish networks and use them as platforms for cyber attacks.

Cyber attacks are used as political leverage tools
For a number of states, cyber attacks have become a political tool that can be used as a supplement or alternative to more traditional power tools and methods to influence the political agenda. Foreign states are developing cyber attack capabilities that can be used for purposes other than cyber espionage and to strengthen their own influence and position vis-à-vis other countries.

Iran
Over the past few years, Iran has improved its cyber attack capabilities. In addition to cyber espionage campaigns, Iranian hacker groups may have launched simple data destruction attacks targeting the chemical, oil and gas industry in Saudi Arabia and Qatar.

North Korea
For years, North Korea has been focused on developing a significant capability to launch different types of cyber attacks, including simple data destruction attacks. These attacks have, in particular, targeted South Korea, but North Korea is likely also willing and able to launch large-scale cyber attacks against targets in other countries. In addition, there are indications that North Korea is engaged in financially motivated cyber crime against foreign countries.

A number of countries are developing destructive cyber attack capabilities that can be used in connection with a military or heightened political conflict. One element in this developing process is the mapping of critical infrastructure. Hackers, for instance, target critical infrastructure companies and monitor their networks in order to gain access to industrial control systems.

However, in the short term, it is less likely that foreign states will launch destructive cyber attacks against critical infrastructure in Denmark. It is likely that states that possess destructive cyber attack capabilities currently have no interest in executing such attacks. However, it is possible that Danish public authorities and private businesses can become collateral victims of destructive attacks against targets outside of Denmark.

Sophisticated hacker groups are developing offensive cyber attack capabilities that go beyond simply targeting critical infrastructure. Thus, hacker groups launch extensive operations aimed at establishing permanent access to thousands of networks worldwide, including Danish networks. Not all of these networks necessarily belong to critical public authorities or private businesses.

In 2018, a single actor infected over 500,000 networks across the world with a malware known as VPNFilter. The campaign targeted smaller units connected to the Internet, such as private routers, allowing the actor to monitor network traffic and change network communication to and from the network. The malware used in the operation had several functions, allowing the hacker multiple choices such as shutdown of Internet access for the affected units. VPNFilter shares some similarities with the malware that was used in the 2015 cyber attack against Ukrainian electricity companies that caused temporary blackouts in parts of the country.

Cyber crime can disturb important public services
Where cyber espionage is directed against specific parts of society the threat of cyber crime is very high across all parts of the society. Cyber crime can lead to significant financial losses for public authorities, private businesses, and citizens and may at worst disturb the availability of important public services. In addition, cyber crime may hurt public faith in the continued digitalization of important public services.

Cyber crime is cyber attacks motivated by financial gain. Cyber crime, for instance, include theft of money or financial information such as credit card information, and extortion. Cyber criminals range from single individuals or networks launching simple attacks against multiple targets to organized networks with significant capabilities that target specific businesses or authorities. Some of the cyber criminal activity hitting Denmark is increasingly sophisticated and targeted. The threat landscape becomes more complex, as some state-sponsored hackers likely also launch financially motivated cyber attacks.

Cyber criminals launch many different types of attacks against Danish public authorities, private businesses and citizens. Ransomware attacks that render the victim's data or systems unavailable are particularly problematic, as they may potentially disturb important public functions or services. Following a surge in ransomware attacks in recent years, the number of attacks is declining. However, it is possible that ransomware attacks will become increasingly targeted and sophisticated, which in the future can entail that they pose a threat to companies' infrastructure or production lines. Add to this the spread of malware that hijacks the targets' processing power and generate digital currency, so called cryptocurrency. This newer type of malware may impair system performance.

In some cases, cyber criminals steal data from public authorities or private businesses in order to sell the information or extort the victims by threatening to publish the data. Hackers may use certain types of information, such as credit card information, to steal money. Sophisticated actors outside Denmark have stolen directly from financial institutions by compromising their systems. Such cyber attacks may undermine public faith in the ability of public authorities and private businesses to ensure confidentiality of information, while the attacks may additionally cause significant financial losses.

Attack techniques

Hackers often use the same hacking methods they have used for years, as many organizations remain vulnerable to these. At the same time, the cyber threat is constantly evolving as hackers are quick to exploit new attack methods.

State-sponsored and criminal hacker groups use the same methods they have used for years, as many public authorities and private businesses remain vulnerable to these attack methods. A business's cyber security measures and the security awareness of its staff will to a large extent determine what type of attack the hacker will launch and ultimately how successful the attack will be. Many cyber attacks can be avoided by improving IT security measures and heightening the security awareness of employees.

Phishing and spear phishing emails are still among the most effective methods for hackers to gain unauthorized access to information, networks, or systems. Consequently, employees have a central role in protecting an organization against cyber attacks. Hackers will often try to steal login credentials by manipulating employees into entering username and password into a network controlled by the hacker. In other cases, the hacker may try to lure the employee into opening attached files or clicking on links that will install malware on the user's computer, thereby enabling the hacker to access it. Serious compromises of sensitive information have occurred, exactly because an employee has received an email, which has lured the person into providing the hackers access to company information or systems.

Another popular method among hackers is trying to crack or guess simple passwords or passwords reused across various systems. Danish public authorities and private businesses are targeted with this sort of attack, also by advanced actors. In September 2018, hackers tried to guess the passwords to a communications system used by a Danish government authority.

The method can be exploited by most hackers, using very simple tools. Standard passwords in the supplier-provided software or hardware are an often overlooked problem. The passwords can, in many instances, easily be found online, potentially giving hackers easy access to sensitive information or IT systems in critical sectors if the authorities or companies neglect to change them.

Old vulnerabilities also provide hackers with easy access to the networks of companies or public authorities, as systems are not replaced or updated in due time. Private businesses or public authorities that use non-updated software will often be easy for hackers to compromise using simple tools, which are easily accessible. Systems employing non-updated software may subsequently be used as a launchpad for cyber attacks against other and better protected parts of the organization.

In 2018, weaknesses in the Drupal, Apache and SonicWall software left various systems across the world, including in Denmark, vulnerable to attacks. Despite security updates from the Drupal company, IT security experts used simple website scans to

determine that, months after the security updates were made available, many public authorities and universities had still neglected to update their systems.

A number of countries have officially accused specific countries and actors of conducting cyber espionage. For instance, in 2018, the US Justice Department named specific units and employees of Russia's military intelligence service as the perpetrators behind the compromise of the Democratic National Committee in connection with the 2016 US presidential election. Such disclosures have prompted several sophisticated actors to use extra resources to conceal their activities.

The more sophisticated actors are to a great extent trying to anonymise and completely conceal their activities. Several of these actors use publicly available tools, as they allow the actors to hide in plain sight since other hackers use the same tools. Although most publicly available tools are often detected by antivirus software, it is possible for certain actors to bypass security measures for example by using encryption.

In order to operate under the radar, advanced hacker groups also use a technique known as "living off the land". Rather than using malware and tools that can be detected by antivirus software, hackers make use of the tools, passwords, and network connections that already exist on the compromised systems.

The threat continues to evolve

While many of the attack methods are quite simple and well-known, the growing digitalization and technological development serves as a constant source of new cyber tools and new attack angles available to hackers. Therefore, Danish public authorities and private businesses constantly have to adapt to new cyber security challenges.

Several actors have become quicker and more skilled at exploiting previosly unknown vulnerabilities, so-called zero-day vulnerabilities, and at developing tools and malware for very specific purposes. Future technological breakthroughs within machine learning and artificial intelligence may potentially also be exploited by hackers that target Danish victims. In the years to come, technological developments, including the explosive spread of Internet-of-Things (IoT) units, will also provide new angles from which hackers can attack public authorities and private businesses. While specific units and solutions such as cloud computing can have a high degree of security, the spread and digitalization of organizations' systems and components provide hackers with more potential ways to launch attacks. Responsible risk owners have to factor this in in their risk analyses, including situations in which main suppliers use third party suppliers.

Terms

Machine learning: IT-systems that process new data based on their analyses of previous data-sets (learning) rather than being explicitly programmed to carry out a task (instructions).

Artificial intelligence: Technologies that mimic human intelligence, including language, sight, learning, and the ability to generalize across contexts.

Internet of Things: The Internet of Things, abbreviated IoT, is made up of everyday devices, such as refrigerators or cameras, connected to the Internet, enabling these devices to send and receive data.

Cloud computing: Cloud computing is IT which is provided through Internet technologies and is characterized by being scalable and flexible. Cloud computing may consist of virtual infrastructure, software platforms, applications, or services, which are rented as needed.

Attacks through software vendors, so-called software supply chain attacks, have proven to be a highly effective method for hackers to gain access to well-protected high-priority targets. In a supply chain attack, hackers will compromise a sub-supplier, such as a software company, which provides the software used by the end target. The hackers will then use the compromised software to hack into the systems belonging to the end target, for instance by installing malware via software updates or by exploiting the sub-supplier's access to the target's network and data. Some organizations share IT networks with their sub-suppliers. Others store sensitive information on the sub-suppliers' systems. Hackers can, therefore, gain access to these networks and data by compromising the sub-supplier.

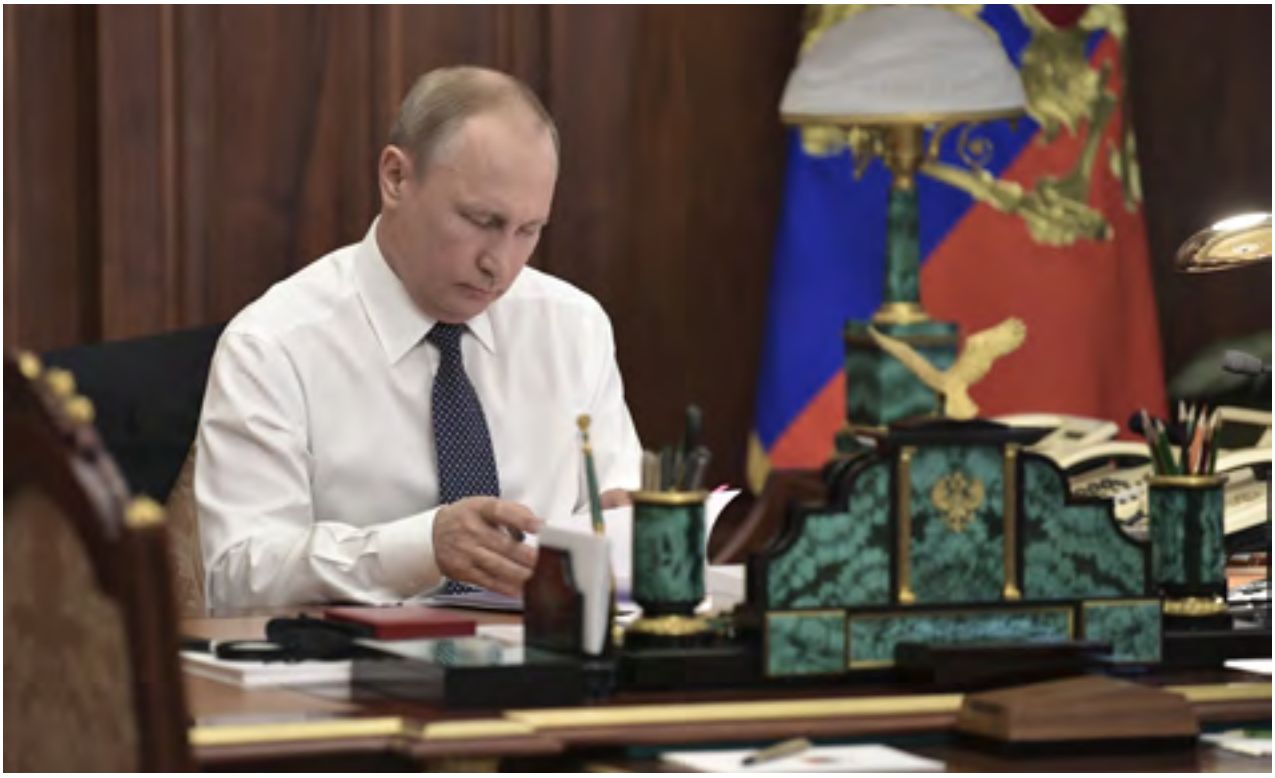
The June 2017 NotPetya attack is one of the best known

examples of a recent software supply chain attack. The attack originated from a compromised Ukrainian software company that developed the software M.E.Doc. The NotPetya malware was initially delivered to the company's customers through a software update to the tax programme M.E.Doc and hereafter spread to other companies, allowing the attackers to affect multiple targets at once. The cyber attacks against the software products Netsarang and CCleaner are examples of other recent software supply chain attacks in which the actors managed to compromise thousands of systems and companies worldwide.

DEVELOPMENTS ABROAD IMPACTING ON DANISH SECURITY

RUSSIA

Russia's primary strategic objective is to be a great power on equal terms with the United States and to maintain spheres of influence in the post-Soviet space in order to strengthen its regional security. The armed forces will continue to be Russia's most important instrument to sustain its role as a great power, and the current strong force build-up in western Russia will increase Russia's local military superiority in the post-Soviet space, especially over Ukraine. It is highly unlikely that Russia would deliberately initiate military actions that would carry a high risk of direct military confrontation with NATO that stands united. Russia will continue to pose a significant security challenge to the West and Denmark.



President Putin at his desk preparing for the 7 May 2018 inauguration ceremony

Following his re-election in March 2018, Putin will remain Russia's undisputed leader for the next six years, and Russia's leadership will broadly remain stable. Russia's leadership consists of an elite of varying backgrounds in the Russian state and power structures, including the security and intelligence services. The elite forms a network controlling the state and government structures, the security and intelligence services, and the key economic sectors.

The overarching goal of Russia's leadership is to maintain its authority over the Russian society in order to secure continued control over the political situation and to ensure that the leadership will be able to manage the transfer of power when Putin's term expires in 2024. Russia's leadership will likely not be confronted with strong opposition, as the Russian political culture widely accepts that strong state power is essential to the safety, cohesion and development of the Russian society. Russia's leadership and elite will likely only be confronted by a weak and scattered political opposition.

Russia's leadership will continue to let traditional Russian national and conservative principles,

which have deep roots in large parts of the Russian society, influence its policies. This will contribute to the leadership's legitimacy but also contribute to authoritarian trends in Russia's political system and to Russia's distrust of the West's intentions.

Due to the rising oil and gas prices, Russia's economic situation is improving at the beginning of Putin's fourth term in office. Still, the Russian economy will not be able to grow much more than at the current rate without implementing extensive reforms that reduce state control over key economic sectors. However, Russia's leadership will not relinquish the state's control over the economy, as it believes that a solid economic foundation is a prerequisite for a strong state.

Russia's leadership will continue to give high priority to defence spending. However, the 2015–2016 economic crisis in Russia forced the regime to reduce defence spending in the following years, though defence spending has remained at a high level overall. Russia's leadership will likely increase defence spending if state revenues from oil and gas exports continue to rise.

The long-term effects of the sanctions by the EU and, in particular, the US against parts of the Russian economy are becoming increasingly serious. Still, it is highly unlikely that Russia will make significant political concessions to the EU and the United States or change its foreign policy behaviour in order to have the sanctions eased or lifted. Instead, Russia will launch national initiatives to reduce the impact of the sanctions on the Russian economy as well as increase its effort to undermine consensus in the EU on the sanctions.

Russia will patiently pursue its key strategic objectives

Russia's primary strategic objective is to attain great power parity with the United States and to strengthen its regional security in the post-Soviet space through spheres of influence and military strength. These objectives are constant factors in Russia's foreign and security policy, and Russia will patiently pursue these strategic objectives.

Russia does not regard cooperation with the United States and other Western countries as an end in itself; rather, Russia regards international politics as a scene for great power competition. Russia will continuously attempt to generate respect for and fear of its great power status, often using a rhetoric that at times is harsh and belligerent, especially towards smaller states. Russia also sees its relationship with the West as partially characterized by a confrontation between Russia's traditional national and conservative values and what Russia perceives as Western modernism and liberalism. This contributes to Russia's historic distrust of the West and in particular to Russia's distrust of the intentions of the United States, NATO and the EU. Russia's leadership will likely attempt to strengthen its domestic legitimacy by conducting an at times confrontational foreign policy, which Russia's leadership will perceive and portray as a defence against the intentions and actions of the United States and the West.

The economic foundations for Russia's great power ambitions will remain weak compared to those of the United States and China. Yet, this will not significantly affect either Russia's strategic ambitions and objectives or its foreign policy behaviour.

Russia will attempt to maximize its international influence by exploiting the current changes in the international system that are caused by globalisation and the emergence of new system of great powers and influential regional powers. Russia will thus engage in cooperation of varying intensity with other great powers, not least with China. It is the intention of both Russia and China to curb the global dominance of the United States, and Russia and China have a strong interest in mutual economic cooperation. However, Russia and China have different strategic interests and perspectives and their relationship will not evolve into a full-fledged alliance.

Russia will adhere to a tough policy towards the United States

Russia's strategic nuclear arsenal and permanent membership of the UN Security Council grant it nominal great power parity with the United States. Since the Ukraine crisis, Russia has taken the view that it is the strategic objective of the United States to contain Russia globally and that the United States uses a wide spectrum of political, economic and military means to prevent Russia from taking its place as an equal great power.

Consequently, Russia will constantly challenge the global dominance of the United States and will likely demand that the United States be the one to change its policies, not Russia. In this context Russia will especially attempt to avoid to be placed in situations that could be interpreted by the United States as signs

of Russia's weakness. In the end, Russia and the United States will have to engage in pragmatic cooperation on many important foreign and security issues, though the conditions for this cooperation will remain very difficult. The relationship between Russia and the United States will thus continue to be fraught with a multitude of bilateral disagreements, disputes over arms control treaties, disagreements over regional crises, e.g. Syria and Ukraine, and different approaches to North Korea's and, in particular, Iran's nuclear programme.

The guiding principle in Russia's relationship with the United States will be that the two powers mutually recognize and respect their respective diverging and at times conflicting strategic interests. In Russia's view, such a mutual understanding would enable the two great powers to address their conflicts of interest and thus to regulate key international political issues based on mutual respect for the other party's interests. It is particularly important for Russia to obtain some kind of US recognition that Ukraine and also Syria lie within the Russian sphere of interest.

Russia wants dominant influence in the post-Soviet space

Russia regards its neighbours in the post-Soviet space – in particular Ukraine, Belarus and Moldova – as part of its historic and cultural identity. In Russia's opinion NATO and the EU have encroached on its rightful sphere of interest with the aim of undermining the foundation of Russia's political institutions and traditions through the dissemination of Western democratic ideas and norms. In Russia's view, Russia's neighbouring countries in the post-Soviet space belong to its historic and cultural sphere of interest. Russia's ambition to obtain a dominant influence on the foreign and security policy of these countries is thus closely linked to its security objective of keeping NATO and the EU from encroaching on its borders.

Russia sees Ukraine as the key country in its interests in the post-Soviet space, and Russia regards Ukraine's relations with Western countries and these countries' demands on Ukraine for extensive domestic reforms as a threat to Russia's interests. Russia will therefore maintain the status quo in the conflict in south-eastern Ukraine as it prevents Ukraine from obtaining NATO and EU membership. Russia will also try to regain influence over Ukrainian politics ahead of the 2019 Ukrainian presidential and parliamentary elections and will work in a long-term perspective to preserve its influence over the key Ukrainian economic sectors.

Russia has tactical advantages in international politics

Russia's leadership is able to take quick and risky political decisions due to a strongly centralized and closed political decision-making process. Furthermore, no independent and influential public opinion interferes with this decision-making process. Russia's leadership has also demonstrated its willingness to use offensive means that Western decision-makers are unable or unwilling to use. Russia's leadership will in particular be ready to accept risks to secure its security interests and objectives in the post-Soviet space.

Russia's leadership has demonstrated its ability to use offensive means in a coordinated way to achieve well-defined objectives as well as its willingness to try to disguise and deny its involvement. Such coordinated campaigns include cyber operations, influence campaigns and offensive intelligence operations such as the Skripal assassination attempt in the UK. In the latter case, Russia demonstrated its willingness to use offensive intelligence operations also against major NATO-member countries. Russia has demonstrated its readiness to conduct hybrid warfare and use military forces in a wide variety of ways as well. The use of such offensive means may challenge NATO's search for proper responses.

Russian influence campaigns in the West

Russian influence campaigns are a growing threat, as they are launched with the purpose of influencing internal political conditions in Western countries. Russia uses influence campaigns as yet another tool in international politics to create the best possible setting for Russia to obtain its foreign policy goals.

Russia's leadership sees wide possibilities to expand its strategic room for manoeuvre as a result of the deepening political conflicts in many European countries and in the United States. Russia uses well-coordinated influence campaigns to stimulate political tendencies towards disruption of European and transatlantic cooperation.

Russia adapts its influence campaigns to reflect the target countries and regions. Russia's activities in the post-Soviet space are generally more direct and offensive compared to its activities in Western countries. A case in point is the 2019 elections in Moldova, which Russia will highly likely try to influence. In this way, Russia's influence campaigns are aligned with its general foreign and security policy strategy.

Russia's influence campaigns are an integral part of its foreign policy tool box. Russia inherited the expertise with influence campaigns from the Soviet Union but has adapted the objectives and use of the campaigns to the present-day environment. One of Russia's long-term goals behind the influence campaigns is to deepen the internal divisions among the NATO and EU countries to make it harder for the two organizations to pursue a coordinated strategy towards Russia and to influence and attract Russia's neighbours in the post-Soviet space. Russia is highly aware of vulnerabilities and dividing lines within the EU and internally within the individual EU countries, not least on the issue of extending the EU sanctions against Russia and EU energy policy.

Russia also launches influence campaigns to influence specific elections in Western countries or in response to events where Russia wants to sway public opinion in Western countries and by extension also affect Western reactions, such as to the downing of the Malaysian MH17 aircraft over Ukraine in 2014 or the Skripal assassination attempt in the UK.

Russia also aims to undermine the idea of objective truth by creating confusion in the information space to erode the credibility of Western politicians, authorities and opinion makers. This strategy is aimed at creating better conditions for Russia to inject its own views into the information space, thus contributing to the shaping of public opinion in the West. The development and spread of social media also create a very fertile climate for Russia's influence campaigns.

To a wide extent, Russia's influence campaigns are planned and coordinated centrally by individuals who are often also involved in their execution. The instruments include the use of state-controlled media against Western audiences, dissemination via Russian think tanks and research institutions, personal contacts to Western opinion makers, and social media activities whose Russian origin is disguised. Together with other state authorities, Russia's intelligence and security services are often involved in the planning, coordination and execution of Russia's influence campaigns.

Russia's influence campaigns directed at the West

- Information campaigns by Russian state-controlled media targeting Western audiences
- Russian-controlled false Internet trolls criticizing people on social media
- Bots, i.e. automated false profiles on social media designed to disseminate desired messages
- Dissemination of contents and contacts through think tanks and research institutions
- Personal contacts to decision-makers and opinion formers, often through Western intermediaries
- Attempts by Russian intelligence services at recruiting Western opinion makers
- Hacking and selective publication of information
- Offensive intelligence operations

In addition to its attempts to influence population segments through broad information campaigns, Russia is also making more targeted efforts to influence individual political actors and other decision-makers to cultivate pro-Russian views in national parliaments, governments or international organizations. Russia thus adapts its instruments to reflect the prevailing situation in the targeted country.

In certain situations, Russia will likely coordinate its influence campaigns with other activities, such as concealed support and manipulation of protest demonstrations, political threats and demonstrations of military power. Influence campaigns were an integral part of Russian hybrid warfare during the 2014 Ukraine crisis.

Influence campaigns a growing threat – also against Denmark

The threat from Russia's influence campaigns will likely grow, also against Denmark. It is also likely that Denmark may become the target of such campaigns with little or no notice. Russia will highly likely be able to target and adapt its influence campaigns against Denmark, designing them to focus on political issues that resonate with segments of the population, such

as immigration and Denmark's membership of the EU. Russia's influence operations may be launched in connection with election campaigns or as part of Russia's broader intention to influence the situation in the Baltic Sea region to its advantage. In this connection, Russia's influence activities against, for instance, the Baltic countries, Sweden, and Finland are likely to also result in more focus on Denmark.

Russia's view on Denmark is characterized by distrust, in particular in the context of security policy and military issues, partly as a result of Denmark's military contribution to the NATO enhanced Forward Presence (eFP) forces in the Baltic countries and Poland. Russia is also convinced that the Danish public opinion is in general critical of Russia. Russia's policy towards Denmark is strongly influenced by Russia's assessment of the security situation in the Baltic Sea Area and in the Northern part of Europe and by Russia's relationship with the United States and NATO. At present, Russia's relationship with Denmark is thus determined by the fact that the security situation in Denmark's vicinity is characterized by tensions between Russia and NATO.

However, Russia's interests in Denmark extend beyond issues related to security policy in particular regarding trade and investments as well as cooperation in the Arctic. Russia will thus continue to have an interest in pragmatic cooperation with Denmark, though the conditions for this cooperation will remain difficult.

The Nord Stream 2 gas pipeline is a high-priority project for Russia and is in Russia's opinion a central issue in its relations with Denmark. It is likely that Russia would assess a Danish decision to prohibit the Nord Stream 2 gas pipeline in Danish territorial waters as a reflection of general anti-Russian sentiments and as a considerable Danish contribution to what Russia perceives as the United States' efforts to contain Russia strategically.

Russia's armed forces

Russia continues to modernize and expand its armed forces, which will remain the country's most important instrument to sustain its role as a great power. As a reaction to the worsening relationship between Russia and the West, Russia is building up its military forces in the western part of the country. Russia believes that NATO's increased focus on its eastern flank holds the potential for a conflict with the West.

Armoured units from Russia's ground forces train river crossing operations

Russia's armed forces continue to be the most important instrument to sustain the country's role as a great power and to secure Russia's continued existence as a state. Thus, Russia highly prioritizes the development of its strategic nuclear arsenal. Russia perceives the military-technological superiority of the United States – including its development programmes for long-range conventional weapons systems and NATO's missile defence programme – as a potential threat to its ability to preserve its strategic deterrence against the United States. Russia's strategic nuclear weapons are its strongest claim to great power status, and Russia uses this to compensate for its weak economic foundation compared to the United States, China and the West in general.

Another key feature of Russia's efforts to sustain its great power status is the ability to conduct force projection over long distances. To this end, key assets include Russia's strategic bombers and naval units, including submarines, which can be armed with advanced, long-range cruise missiles. Specific examples of Russia's activities that have an impact on Danish security are Russia's strategic bomber flights near Danish territory in the North Sea, the Baltic Sea and the Arctic. Starting in 2015, Russia's military involvement in Syria has also demonstrated Russia's ability and resolve to deploy and maintain military forces in conflict areas far from Russia over an extended number of years, as part of its efforts to achieve strategic objectives.

Finally, military superiority in Russia's near abroad is a precondition for Russia in order to achieve great power status. US and NATO focus on strengthening the collective defence of the Baltic Sea region in general and of the Baltic countries in particular, following the Ukraine crisis, is threatening this superiority. That constitutes part of the backdrop to a very strong military build-up in western Russia over the past few years.

Most of Russia's military build-up and modernization of long-range air and coastal defence missile systems have taken place on the Kola Peninsula, in the Baltic Sea region, along the Black Sea and in the eastern part of the Mediterranean through deployments to Syria. Besides contributing to the defence of Russia's military bases, these initiatives will also enable Russia to threaten Western freedom of movement in these regions in the event of an escalating crisis.

Testing of Iskander surface-to-surface missile

Russia continues to strengthen its local superiority in the post-Soviet space
Russia seeks to maintain spheres of influence and security zones in the post-Soviet space to provide strategic depth for the defence of Russia in case of a military conflict with NATO. Russia is deeply concerned over the military dispositions of the United States and other NATO countries in the Baltic countries and Poland, as Russia is convinced that they are part of the strategic containment of Russia and constitute preparations for a potential military offensive.

Russia's very strong military build-up has the dual purpose of strengthening Russia's local military superiority over the neighbouring countries in the post-Soviet space and of enhancing its defensive ability in the event of a conventional war against the West. In Russia's view, NATO's military dispositions entail a potential for an escalation that may carry the threat of war. This concern has motivated Russia to concentrate its force build-up in a western direction, mainly within the ground forces.

Russia will focus on consolidating its military superiority vis-a-vis Ukraine and is in the process of building a strong military force on the border that can be deployed against Ukraine on short notice. However, this build-up also increases Russia's capability for offensive operations against other neighbours in the post-Soviet space, including the Baltic countries.

Russia is both modernizing its equipment and increasing the overall number of the armed forces. Equipment types such as tanks, infantry fighting vehicles and artillery systems in particular are increasing, but units armed with long-range missile systems are also being modernized and augmented.

However, Russia's relatively weak economic foundation forces it to make some tough priorities. The necessity of maintaining nuclear deterrence forces Russia to keep investing in its strategic submarines, while the remaining naval construction programmes are confined to smaller vessels, in particular corvettes. In the long term, it is thus highly likely that Russia's ability to demonstrate traditional maritime force across oceans will fade. Instead, Russia's maritime operations will shift towards a more littoral character and will to a higher degree depend on access to coastal support bases.

The Baltic Sea region

The Baltic Sea region remains characterized by tension between NATO and Russia. In the event of a crisis, Russia will be able to threaten NATO forces in the three Baltic countries and will make it difficult for NATO to reinforce these countries. Russia will highly likely continue its military build-up in the Kaliningrad region with long-range missiles and ground forces capable of providing a robust defence. Russia will not deliberately launch initiatives that carry a high risk of military conflict with NATO, but it will be hard to accurately predict Russia's actions and reactions in the event of an escalating crisis in the Baltic Sea region.

Russia's military dispositions in the Baltic Sea region are aimed at defending the Kaliningrad region, securing supply lines and disrupting Western freedom of movement in the eastern part of the Baltic Sea. The latter would threaten NATO's ability to reinforce the Baltic countries in the event of a crisis, which, in turn, would put the alliance under strong political and military pressure, potentially hampering the fulfilment of its collective defence commitment.

In the event of a crisis in the Baltic Sea region, Russia's assessment of NATO's cohesion and resolve – including, in particular, the cohesion of the transatlantic relationship – is likely to be vital. There is a risk that Russia would perceive a lack of resolve and the inability to maintain the credibility of NATO's collective defence commitment as signs of weakness that Russia would be able to exploit to intensify a political and military pressure on the Baltic countries. However, it is highly unlikely that Russia would deliberately take military initiatives against the Baltic countries or other countries in Denmark's vicinity that would, in Russia's view, entail a high risk of direct military conflict with NATO that stands united.

Still, it will be difficult to precisely predict Russia's actions and reactions in the event of escalating crises. As a result of its closed decision-making processes and deep-seated distrust of NATO, Russia might be inclined to misread NATO's intentions and military dispositions

Map of the approximate range of Russia's mobile Iskander missile system in the Baltic Sea region

in the Baltic Sea region, raising the risk of accidental escalation between Russia and the West.

The Baltic Sea region is characterized by tension between NATO and Russia, and the level of tension between the two has remained high, but stable in 2017 and 2018. Russia is deeply wary of NATO's activities in the Baltic Sea region, including the eFP deployment to the three Baltic countries and Poland, which NATO has set up to strengthen the credibility of the alliance's collective defence commitment. Russia is also deeply concerned about Sweden's and Finland's military cooperation with NATO. Russia likely believes that the United States as part of a strategic effort to contain Russia is pressuring Sweden and Finland to cooperate with NATO. Russia will try to use political and, to some degree, also military threats to influence and deter Sweden and Finland from applying for NATO membership.

Russia still regards Estonia, Latvia and Lithuania as part of its historic sphere of interest, though it is not possible for Russia to regain dominant influence in these countries due to their membership of NATO and the EU. Nevertheless, Russia will try to weaken the countries' internal cohesion by influencing Russian-speaking minorities in the countries towards Russian interests, including by means of influence campaigns. Russia will also look for possibilities to intensify the political, economic and military pressure on the three countries to weaken and undermine their membership of NATO and the EU.

Russia uses exercises in the Baltic Sea for strategic posturing

Russia's military activities in the Baltic Sea region still indicate that Russia is actively adapting its level and type of activity in accordance with a desire to increase or decrease tensions, likely in part based on political intentions of regional strategic messaging.

Russia regularly exercises the deployment of troops over long distances and has thus built up its capability to rapidly deploy military forces across Russia. In the event of a crisis, Russia would thus be able to rapidly assemble a superior ground force at the border with the Baltic countries.

Russian combat aircraft regularly conduct interception and reconnaissance operations in the central part of the Baltic Sea against Western military aircraft and vessels. Russian military activities in the Baltic Sea region, for example in conjunction with Western exercises, may be low-key and routine, focusing on surveillance and intelligence collection against Western capabilities. This is also the case regarding close-proximity flybys, which nevertheless may also have the purpose of demonstrating Russia's focus on Western military activities. In addition, Russia has on several occasions conducted simulated attacks against Western warships, as was the case in January 2018 against the Danish warship Esbern Snare, while it was transporting elements of the Danish eFP force to Estonia. In this way, Russia demonstrated its ability to intervene militarily against the eFP and NATO's supply routes to the Baltic countries in the event of a crisis.

Russia prioritizes long-range missile systems

Russia is expanding and upgrading its mobile and modern missile systems, including those in western Russia. These systems are intended to mitigate the imbalance of strength in the air and sea domains. Over the past year, Russia has thus reinforced the Kaliningrad region with long-range S-400 air defence missiles, Bastion coastal defence missiles, new missile corvettes with long-range Kalibr cruise missiles that can engage both sea and ground targets, and finally with short-range ballistic surface-to-surface Iskander M missiles that have an estimated range of at least 500 km.

Russia is also in the process of developing and introducing missile types with even longer ranges. A few of these systems will be land-based and at least one of the systems highly likely already violates the INF treaty. The missile in question is the SSC-8 Screwdriver, which has an estimated range of at least 2,000 km. The INF treaty bans the United States and Russia from deploying land-based missiles with ranges of between 500 km and 5,500 km. The first SSC-8 Screwdriver units are likely already being deployed in Russia.

Russian influence outside the post-Soviet space

Russia will also strengthen its influence outside the post-Soviet space and the Baltic Sea region. Russia will thus try to prevent more Western Balkan countries from joining NATO. In addition, Russia is expanding its influence in the Mediterranean and in the Middle East at the expense of the United States.

Russia is increasingly concerned that the countries in the Western Balkans, except Serbia, want to cooperate with NATO or become members of the Alliance. Thus, it is highly likely that Russia supported the attempted coup in Montenegro in the autumn of 2016 to prevent the country from joining NATO. Russia will continue to try to strengthen its influence in the Western Balkans, most notably in predominantly pro-Russian Serbia and among the Bosnian-Serbian community in Bosnia-Herzegovina and Macedonia. Russia wants to keep these countries out of NATO and to maintain their non-aligned status.

Russia regards the Middle East, North Africa and Afghanistan as a strategic frontier to the post-Soviet space. Russia perceives the destabilization and extremist trends in large parts of these regions as a threat, not least the terrorist threat posed by ISIL, also to Russia. However, it is a highly prioritized objective for Russia to position itself as a decisive actor in the Middle East on an equal footing with the United States and, preferably, to outmanoeuvre the United States as a Middle East power broker. In Syria, Russia is likely trying to create a situation that will force the United States to accept and de facto recognize that Syria is part of Russia's sphere of interest.

Together with Iran's involvement, Russia's military intervention in Syria ensures the continued survival of the Assad regime and its control over the majority of the Syrian territory. Russia will likely be able to maintain its pragmatic cooperation with Turkey and Iran on the conflict in Syria. Following the defeat of ISIL, the key converging interest for Russia and the United States is the establishment of an extended de-escalation zone at the borders with Israel and Jordan. However, Russia likely has the intention of promoting a political and military situation in Syria that will complicate continued US presence in the country.

Russia will use its presence in Syria as a platform for regional influence in the Mediterranean, the Middle East and North Africa. Russia will thus generally expand its bilateral relations with the central regional powers in the Middle East, including Iran, Egypt and Saudi Arabia. Russia will likely bolster its relationship with Algeria and Egypt and with major factions in Libya, engaging in activities such as weapons sales and military-technical assistance, in an effort to expand the position that Russia has secured in Syria at the eastern Mediterranean coast to the southern Mediterranean coast. Russia will likely also try to capitalize on Turkey's increasingly conflict-ridden relations with the United States and other NATO countries as well as with EU countries to draw Turkey further away from Western cooperation.

TERRORISM

The threat of Islamist terrorism against the West remains serious, and ISIL and al-Qaida remain focused on launching terrorist attacks. Today, the main terrorist threat to the West emanates from lone wolf terrorists and smaller networks that have never spent time with a terrorist group. Foreign terrorist fighter returnees continue to pose a special threat, in part as a result of their interactions with terrorist groups like ISIL or al-Qaida. The loss of most of its self-proclaimed caliphate in Syria and Iraq has left ISIL significantly weakened and with a diminished ability to plan and execute large-scale attacks against the West. The number of terrorist attacks against the West in 2018 has dropped compared to previous years. However, the number of foiled attacks remains high.

Militant Islamist groups and their sympathizers continue to target Western interests. On 9 November 2018, a man attacked several people in Melbourne, Australia

In the long term, the most significant terrorist threat against the West will come from groups and individuals inspired by militant Islamist ideology. The threat of terrorism will persist, regardless of the rise or fall of individual militant Islamist groups in the short term. Their ideology is fiercely anti-Western, with a clear perception of who is the enemy. Militant Islamist groups will continuously adapt to global, regional or local agendas and use aspects of their ideology to radicalize or recruit new followers.

Several Islamist terrorist groups use their militant ideology to address social and political injustices. In the long term, this militant ideology and its dedication to armed struggle with its enemies will continue to resonate broadly among certain groups, inside as well as outside of Europe. People who feel marginalized and without real alternatives or future prospects will be especially susceptible to radicalization.

Another of the main drivers behind the terrorist threat is the myriad of militant Islamist propaganda material that will continue to be accessible online for years to come. Even though public authorities and private companies have made progress in their efforts to remove and restrict access to online propaganda over

Militant Islamism
Militant Islamism is a collective term for the political and religious practice followed by globally oriented terrorist groups such as ISIL and al-Qaida. Their beliefs are based on Islamic scriptures and chosen Islamist scholars' interpretation of the scriptures.

Militant Islamist scholars often combine political, religious and historical events into a single narrative of global suppression of Muslims and the need for resistance.
This narrative brands the United States in particular and the secular societies in the West as well as other Muslim groups or religious groups in general as enemies of Islam.

Militant Islamists consider the use of violence – or holy war – as a legitimate tool to fight the suppressors of Islam and to introduce their interpretation of a just Islamic world order. Locally, different terrorist groups use different types of militant Islamist narratives, ultimately affecting their choice of target.

the past few years, militant groups will continue to produce and disseminate material calling for violence and glorifying terrorist acts in the years to come. Western audiences will remain exposed to some of this propaganda material, as individuals and terrorist networks will prepare propaganda material in European languages referencing Western lifestyle, values and social conditions.

Another driver fuelling the terrorist threat is the presence of a historically large number of people in the West who have accumulated experience from fighting alongside Islamist terrorist groups in the conflict zone in Syria and Iraq. These individuals, who are capable of recruiting, radicalizing and inspiring others to commit terrorist acts, will pose a long-term security risk. In the short to medium term, some of them will be released from prisons in Europe and elsewhere and will come to spearhead future radicalization efforts and other terrorist-related activities in the West.

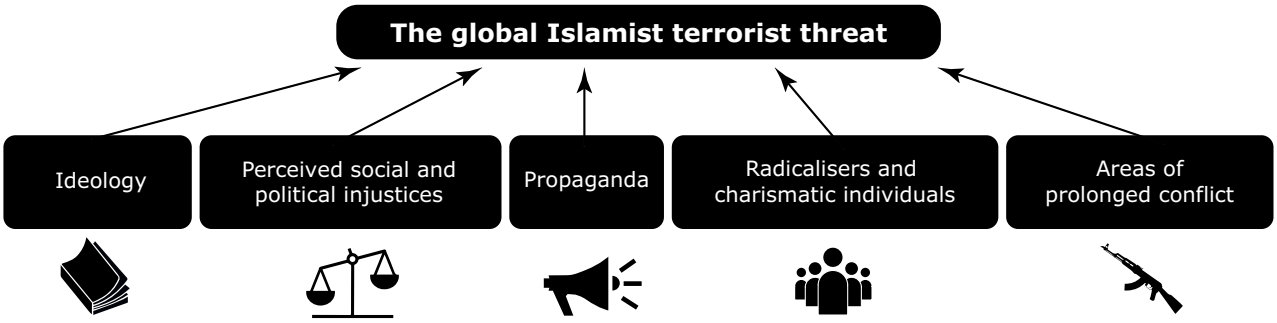
Finally, in the long term, militant Islamist groups will continue to be active in conflicts across the world. In combination with structural social challenges locally, these conflicts will act as catalysts for militant Islamists around the world for years to come. Also, in the long term, individuals from the West will be able to travel to conflict areas where they will be indoctrinated in militant ideology, forming ties to other militants and gaining combat experience.

The threat of terrorism against the West

For years to come, ISIL, al-Qaida and their followers will continue to pose a terrorist threat to the West. The threat will stem from militant groups operating in conflict zones, from foreign terrorist fighter returnees and from locally anchored networks and individuals in the West who may not even have conflict zone experience. However, in the short term, it is less likely that ISIL will be able to plan and execute large-scale attacks against the West from the Middle East. However, ISIL and al-Qaida remain intent on launching large-scale coordinated attacks against targets in the West. Militant Islamist groups will continue to rely on propaganda to cement their global appeal, and militant Islamists will constantly make efforts to develop new attack methods and adjust technologies to best suit their needs.

ISIL's capability to launch centrally directed attacks against the West has weakened
It is less likely that ISIL will be able to plan and execute large-scale attacks from Syria and Iraq against targets in the West in the short term. In the course of 2017 and 2018, ISIL has been significantly weakened, having lost most of its territories in Syria and Iraq in part as a result of the coalition efforts. In addition, several of the group's key units have been dislodged or dissolved, including the unit responsible for the major attacks in Europe, such as the November 2015 attacks in Paris and the March 2016 attacks in Brussels.

Nevertheless, ISIL is still intent on launching attacks against targets in the West. In the short to medium term, ISIL or its successor will retain global influence and remain one of the most visible militant Islamist actors. Today, the threat from ISIL has spread from its



epicentre in Iraq and Syria to other locations, inside and outside of the region.

Small networks or individuals affiliated with ISIL inside and outside of the conflict zone are making efforts to support and coordinate attacks outside of Syria and Iraq, including attacks against targets in Europe. Several of the people arrested in Europe over the past few years have been linked to and, in some cases, have received instructions from these ISIL-affiliated individuals. In addition, over the past year, the foiling of several ISIL-inspired attacks against a number of European countries demonstrates that ISIL is still capable of supporting or inspiring people in Europe to launch attacks. It is likely that ISIL will retain this capability in the short to medium term. Also, it is likely that ISIL is still interested in people with special skills who are able to support attack planning outside of Syria and Iraq and in maintaining contact with foreign terrorist fighter returnees or sympathizers in, for instance, Europe.

This year, the number of ISIL-inspired attacks carried out in the West by individuals with no prior contact to militant groups has declined from 2017, possibly as a result of the reduction in the volume of official ISIL propaganda calling for attacks in the West. Likewise, it is possible that successful attacks in and of themselves inspire new attacks and attempted attacks. Inspired attacks may also be launched by networks comprising members who sympathize with militant Islamists, but who are not in direct contact with ISIL or other terrorist groups. However, the weakening of ISIL has adversely affected the group's ability to attract new recruits, likely resulting in the declining number of ISIL-inspired attacks.

Foreign terrorist fighters will play a major part in future terrorism

The majority of the more than 40,000 foreign terrorist fighters, including at least 5,000 from Europe, who joined ISIL in Syria and Iraq at the beginning of the conflict have returned home, or been captured or killed. However, thousands of the foreign terrorist fighters, including fighters from Europe, who joined militant Islamist groups such as ISIL, are still present in the conflict zone. A small number of foreign terrorist fighters have left Syria and Iraq and are now residing in other regions or conflict zones. However, in the short term, it is doubtful that other areas or conflict zones will be able to attract and absorb a large number of foreign fighters, as has been the case in Syria and Iraq.

In the short term, fighting and border control will hamper entry into and exit from Syria and Iraq, making it difficult for the remaining foreign terrorist fighters to leave the conflict zones and for new foreign terrorist fighters to join ISIL in Syria and Iraq. In general, ISIL's loss of momentum and territory has weakened its global appeal, which will likely result in a lower number of new recruits in the short term. The foreign terrorist fighters who are still affiliated with ISIL or who spent years in the conflict zone pose a greater potential terrorist threat than do those who only spent a limited amount of time in the conflict zone during the early stages of the conflict, as fighting alongside a terrorist group in a conflict zone will help strengthen ideological convictions and the propensity for violence, both key prerequisites for participating in terrorist activities.

It is highly likely that several of the remaining foreign terrorist fighters, including those from Europe, will be involved in terrorist activities for many years to come. In the short term, Western foreign terrorist fighters, in particular, will likely also engage in recruiting, radicalizing and supporting people in the West to carry out terrorist acts, irrespective of whether they choose to remain in Syria and Iraq or manage to return to their native land or a third country.

In some of Syria's neighbouring countries, including Turkey, there is a significant component of potential as well as former foreign fighters and their families who have either not been able to join ISIL or have left the conflict zone and are now struggling to return home. Some of them will likely pose a terrorist threat in the region and against Europe in the short to medium term.

Al-Qaida is laying low while gunning up for its future role

Al-Qaida's leadership remains focused on launching attacks against the West and Western interests worldwide. Even in the long term, the group will continue to identify the United States and the West as its primary enemies. Long-term war against the West is at the heart of al-Qaida's ideology, with the ability to maintain contact with regional subgroups and to preserve the narrative of a leading militant Islamist group globally being key elements in the fight.

Al-Qaida has managed to expand geographically, and its backing today is greater than it was before the September 11 attacks in 2001. For years, al-Qaida has been under pressure from ISIL's progress and popularity. Consequently, al-Qaida is trying to capitalize on ISIL's defeat to reclaim the role as leader of the global jihadist movement. In its propaganda, al-Qaida often emphasizes that, unlike ISIL, it has a strategic and patient approach to the fight against the West and has demonstrated a stronger ability to survive. Al-Qaida often mentions its close relations with the Taliban and the Taliban's growth in Afghanistan as examples of long-term al-Qaida victories.

Even though al-Qaida has lost several prominent leaders, the group still has strong leadership figures. Part of al-Qaida's senior leadership, spearheaded by Ayman al-Zawahiri, is likely hiding in eastern Afghanistan and north-western Pakistan. Other al-Qaida leaders are hiding out in Iran, using it as a key facilitation hub. The leadership based in Iran does not suffer under the same pressure as al-Qaida in other countries and is thus able to issue directives and coordinate with al-Qaida affiliates.

Al-Qaida affiliates in a number of countries in Africa, the Middle East and Asia are resilient and continue to operate in a regional context. Even though the senior leadership outlines the overall strategy, these subgroups operate more or less independently. In the short to medium term, al-Qaida subgroups will enjoy safe havens in large territories outside government control from where they will be able to build up their capabilities. These groups primarily pose a threat to Western interests in the areas where they have established a presence.

For years, the conflict in Syria has provided al-Qaida with a key strategic advantage, as it has enabled the group to establish a base in the western part of the Middle East close to Europe. Some groups in northern Syria remain loyal to al-Qaida's leadership and, in the short to medium term, the ability of these groups to survive in Syria and neighbouring countries will determine al-Qaida's ability to establish a presence in the region and thus serve to define the terrorist threat against the West emanating from the region in the short term.

Propaganda continues to fuel the terrorist threat

The volume and visibility of propaganda will be crucial to militant Islamist groups, including in the long term. Propaganda is crucial as it is the driver behind calls for and promotion of attacks and recruitment. As production of propaganda is not exclusive to official terrorist organizations, global sympathizers will continue to produce and, to some extent, take over the dissemination of propaganda.

In order to reach a wide Western audience, militant Islamist groups and their followers will continue to focus on adapting their messages to a Western audience, including producing propaganda in Western languages. However, as a result of the increased attention from social media companies, it has become increasingly difficult for militant Islamist groups and their media networks to reach their audience. Thus, today, terrorist sympathizers primarily communicate via access-controlled groups on various messaging applications. Militant Islamist groups and individuals will continuously try to bypass countermeasures in an effort to disseminate their online propaganda.

Producing and disseminating propaganda is still a priority for ISIL's leadership. Using available ISIL propaganda, including recycled material, the group is trying to compensate for lost territories and operatives in an effort to sustain the group's global appeal. ISIL's propaganda objective is to demonstrate power and presence and make calls for attacks. A few years back, ISIL's propaganda described life in the caliphate, whereas it is now increasingly focusing on ISIL's military victories and prowess. In an attempt to make

up for its limited capabilities to launch terrorist attacks, ISIL will continue to use its propaganda to claim responsibility for and brandish attacks that are not linked to the group.

In 2017 and 2018, al-Qaida's leadership has stepped up its propaganda production calling for confrontations with its main enemies, the United States, Israel and their allies. Al-Qaida and al-Qaida affiliates will continue to produce and disseminate militant Islamist propaganda aimed at inspiring and guiding militant Islamist groups and individuals across the globe. It is likely that al-Qaida will increasingly adapt its propaganda to a younger global audience, for example by using late al-Qaida leader Osama Bin Ladin's son Hamzah Bin Ladin as a front figure. Also, it is likely that al-Qaida will use its propaganda to inspire attacks in the West and against Western interests worldwide.

New technology-savvy generation of terrorists
Over the past few years, militant Islamists have predominantly used small firearms, vehicles and homemade explosives in their attacks in the West. However, militant Islamist groups are constantly trying to develop advanced weapons and methods that will ensure bigger or more spectacular effects.

In recent years, the West has seen a number of terrorist-related arrests of people suspected of producing or planning to produce biological or chemical agents to be used in a terrorist attack. ISIL's attempts and experience with improvised biological and chemical weapons in Iraq and Syria since 2015 are a likely source behind the increased interest in chemical and biological agents among militant Islamists.

Today, it is fairly easy to gain online access to simple instructions on how to produce chemical and biological agents, allowing individuals with no or limited technical skills to produce toxic agents solely on the basis of written instructions and easily available materials. However, it is less likely that people with no technical qualifications will be able to put these agents to effective use.

Terrorist groups and their followers continuously test and develop new technologies and approaches to communicate or to plan attacks. For example, terrorist groups often use encrypted communication platforms to plan attacks and disseminate propaganda. There are also examples of terrorist groups using technologies such as cryptocurrency to attract donations for financing terrorist activities. Several militant Islamist terrorist groups have demonstrated the capability to use drone technology and in some cases even to adapt drone technology for terrorist purposes. For example, militant Islamist groups in Syria and Iraq have been responsible for manufacturing and modifying commercially produced drones to drop grenades, carry out reconnaissance and record attacks for subsequent use in propaganda.

The regional terrorist threat

Both al-Qaida and ISIL have affiliates that are active in the Middle East, Africa and Asia, including official franchises and more loosely affiliated networks. Even though these affiliates are primarily engaged in local fights, some of them will have the intent and capacity to attack the West or Western targets regionally in the short to medium term.

Many of the circumstances giving rise to conflicts around the world will persist in the long term, prompting militant Islamist groups to fight power brokers and Western presence locally and regionally. A vast majority of the groups which currently pose a threat to Western interests locally and regionally are official al-Qaida or ISIL franchises with established links to the leadership. In addition, several smaller, loosely affiliated support networks identify with one group or the other and are also intent on fighting the West and target Western interests.

The Middle East
The terrorist threat in large parts of the Middle East primarily emanates from ISIL. Over the past year, it has transformed into a local insurgency and terrorist group, strengthening its underground networks in Iraq and Syria. Local conflicts have enhanced ISIL's scope for action, and, in the short term, the group will seek to further destabilize the security situation in Syria and Iraq. Also, ISIL will make efforts to recapture lost territories while trying to achieve its ultimate aim of establishing a caliphate. In the short term, ISIL has the intent and capacity to attack targets in Syria and Iraq and will make efforts to attack targets throughout the

entire region, primarily in Syria and Iraq's neighbouring countries. Syria will continue to serve as a hub for foreign terrorist fighters, including Western ones. In the short to medium term, it is likely that ISIL's foreign terrorist fighters with Western backgrounds will focus on the West and Western interests in the region.

Al-Qaida has established a presence in Syria, but only in the form of small networks in the north-western province of Idlib. In the short term, these networks will likely survive the Syrian regime's military offensives, though the ongoing conflict in the area will limit their scope for action.

Al-Qaida in the Arabian Peninsula (AQAP) still has a strong position in Yemen. The group has its focus on the Yemeni civil war and mainly poses a threat in Yemen and the neighbouring countries. Just like AQAP, Islamic State in Yemen is a local actor in the civil war, though with far inferior capabilities. None of the groups have the capability to target Western interests outside the region, but AQAP will likely be able to develop the capability to hit Western targets, including outside the region, in the short to medium term, provided that the group adopts a more global focus.

ISIL has two subgroups in Egypt, Islamic State in Egypt and Islamic State in Sinai. The latter is still under pressure from the Egyptian military, likely curbing its efforts to support Islamic State in Egypt in the Egyptian mainland with arms and fighters. However, it is likely that the terrorist threat against Western interests in Egypt will persist and, in the short term, take the form of minor targeted attacks against locations and individuals that are representative of the West. At the same time, a small number of ISIL operatives and sympathizers are travelling to Egypt to join militant groups in the country, increasing the probability of large-scale and more complex attacks against Western targets in Egypt in the short to medium term.

North Africa

Al-Qaida-affiliated groups are well-established in Libya and will remain a threat to Western interests in the country in the long term. Throughout 2018, Islamic State in Libya has grown stronger and poses a threat locally and regionally. It is less likely that the group has the capability to attack targets outside the region at present. However, a small number of foreign terrorist fighters have left Syria and Iraq to join militant groups in Libya. The influx of foreign fighters will likely

Suicide attack against an EU convoy in Mogadishu, Somalia

continue, heightening the terrorist threat in the area in the short to medium term. Also, this will possibly enable the group to support attacks in Europe in the short term.

Al-Qaida in the Islamic Maghreb (AQIM) and local ISIL groups still launch attacks against authorities in Algeria and Tunisia. In addition, AQIM is active in the southern part of Algeria, which the group uses as a base to launch attacks against targets in Mali and Niger. However, the total number of terrorist attacks in Algeria and Tunisia is declining, primarily as a result of effective counter-terror measures by the police and military.

In 2015, local ISIL groups attacked a museum in Tunis, the capital of Tunisia, and a hotel located on the east coast of the country. Both AQIM and local ISIL groups remain intent on attacking Western targets, including tourist hubs. Consequently, security has been heightened at the traditional tourist destinations on Tunisia's east coast. The tourism industry in central and southern Tunisia, where security is poor, is increasing, raising the risk of attacks on tourist targets in this part of the country in the short to medium term.

West Africa

Al-Qaida's affiliates in Sahel, which have joined forces under the name Jamaat Nusra al-Islam wal-Muslimin (JNIM), continue to attack UN forces in northern Mali and expand their presence in central Mali, allowing them to launch attacks in southern Mali and into Burkina Faso, as seen in recent attacks in Ouagadougou, the capital of Burkina Faso. In the short to medium term, it is highly likely that militant Islamists will plan attacks and kidnappings against Western targets in the region, primarily in Mali, Burkina Faso and Niger.

The terrorist threat in north-eastern Nigeria emanates from militant Islamists affiliated with Boko Haram and Islamic State in West Africa. The Nigerian security forces have not been able to prevent the groups from launching attacks against targets in northern Nigeria and out of the border areas into Nigeria's neighbouring countries. In the short term, it is less likely that Boko Haram will have the capability to attack Western targets outside north-eastern Nigeria.

East Africa

Terrorist and insurgent movement al-Shabaab regularly launches attacks on civilian and military targets in southern and central Somalia. Despite efforts by the Somali government and international forces to combat al-Shabaab, the movement has not been defeated and still controls large territories. For years, al-Shabaab has been able to exploit local clan conflicts to recruit new members and forge new alliances. Over the past few years, al-Shabaab has expanded and consolidated its position in Somaliland and Puntland by exploiting clan-based tensions. It is highly likely that al-Shabaab will continue its attacks in the medium term and thus play a vital role in the destabilization of southern and central Somalia. Also, it is highly likely that al-Shabaab remains intent on attacking local and Western targets in Somalia's neighbouring countries, in particular Kenya.

Compared to al-Shabaab, Islamic State in Somalia poses a minor threat. The group only comprises some few hundred members and has so far primarily launched minor attacks against non-Western interests in the northern part of the country. It is highly likely that Islamic State in Somalia has ambitions to strengthen its position in southern Somalia in the short term and increase the number of attacks against local and Western targets in Mogadishu.

Afghanistan, Pakistan and the rest of Asia

Afghanistan and Pakistan remain key bastions for al-Qaida and its regional franchise, al-Qaida in the Indian Subcontinent (AQIS). In Afghanistan, al-Qaida and AQIS support the Taliban's insurgency against the Afghan government and NATO. Al-Qaida is most active in eastern and southern Afghanistan.

In the short term, al-Qaida will maintain its presence in Afghanistan and Pakistan, where it will focus its efforts on preserving its safe havens. Likewise, AQIS will remain active in south Asia. AQIS has close ties to local Islamist groups and networks in the region, including in Kashmir, India and Bangladesh.

ISIL's franchise Islamic State in Khorasan Province (ISKP) is a player in the Afghan conflict. The ISKP poses a threat to Western interests in Afghanistan and Pakistan, primarily in Kabul and Jalalabad.

In Bangladesh, al-Qaida and Islamic State have been under strong pressure from the security forces since the last major attack in Dhaka in the summer of 2016. However, al-Qaida still poses a threat to Western interests in the area.

THE ARCTIC

The Arctic coastal states still follow a cooperative path on regional issues. However, the military build-up in the Arctic and increased military focus in adjacent regions entail an increased risk of tensions that may challenge Arctic cooperation. China's growing interest and involvement in the Arctic pose challenges for the Arctic coastal states but also offer opportunities.

President Putin greets Minister of Defence Shoygu at Nagurskoye base in the Arctic

Arctic regional development is generally characterized by cooperation among the Arctic coastal states, particularly on regional issues related to maritime border demarcation, the environment, search and rescue, indigenous populations and commercial fishing. The five Arctic coastal states still support the principles of the 2008 Ilulissat Declaration and are making efforts to avoid that security policy tensions between Russia and the West jeopardize regional cooperation in the Arctic.

However, the increased military focus on the Arctic over the past few years may challenge the principles of the Declaration signed ten years ago by the coastal states. Russia in particular is expanding its military capabilities in the Arctic, which plays a significant role in prompting several other Arctic states to bolster their regional military capabilities, including through cooperation with non-Arctic states. These initiatives increase the risk of tensions and may cause Russia to adopt a more assertive Arctic policy.

In addition, military activity in adjacent regions may spark increased confrontation in the Arctic. This is in particular the case in the North Atlantic, where the United States and NATO are planning to step up their military presence in order to ensure that the maritime lines of communication between North America and Europe remain open in the event of an escalating crisis with Russia. Moreover, Russia's military dispositions and arms development aimed at preserving the country's

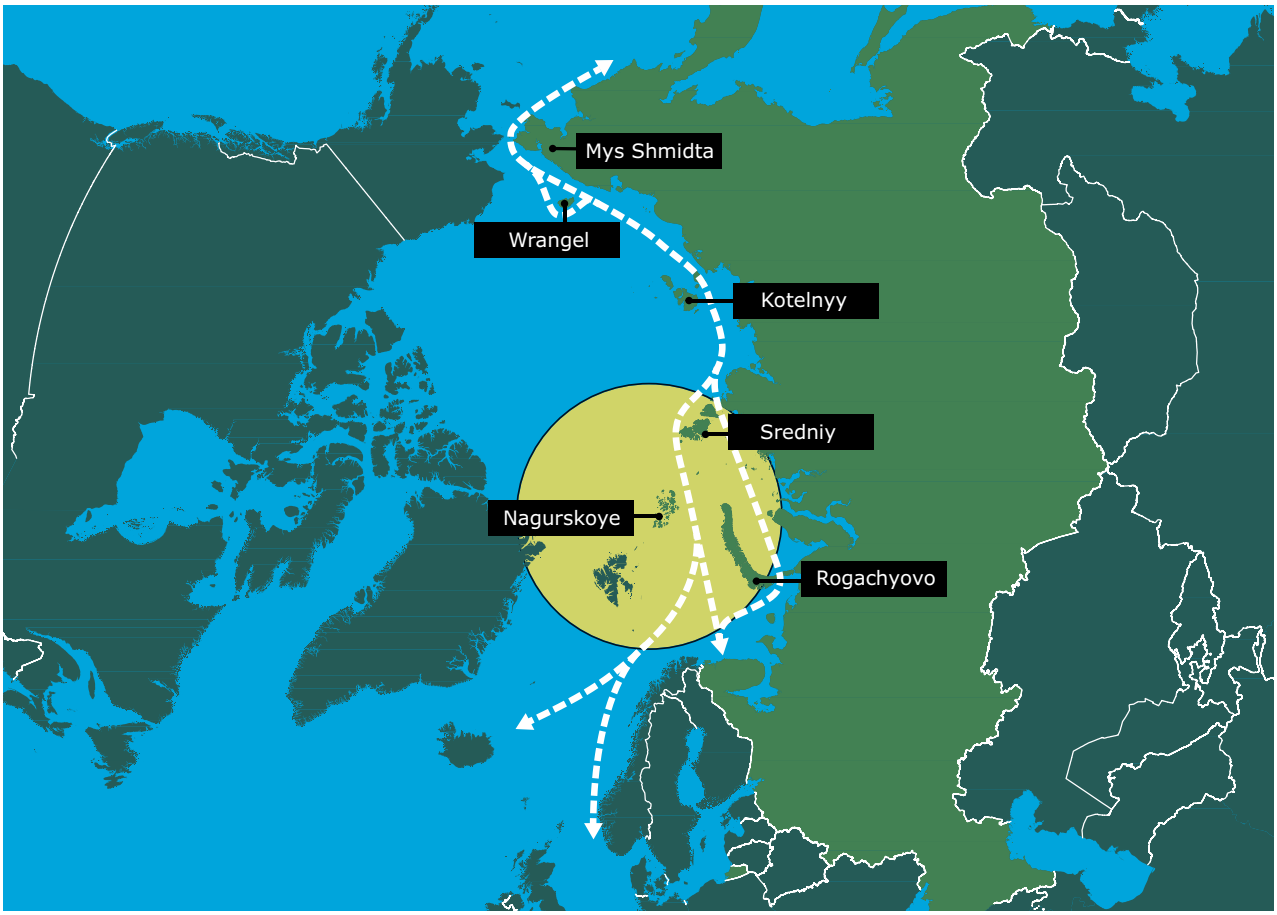
strategic deterrence towards the United States in a global context may incite further tensions in the Arctic.

In addition, several non-Arctic states want to bolster their influence in the Arctic, not least China, which has gradually stepped up its involvement in the region. China's long-term ambitions in the Arctic include strengthening its influence on Arctic governance as well as securing access to Arctic sea routes and natural resources. The Chinese military is also trying to bolster its knowledge about the Arctic.

Overall, there is a heightened risk of belligerent political rhetoric and militarization of the Arctic. The overall cooperative stance adopted by the Arctic coastal states likely allows for a limited degree of military positioning and tension, but more extensive measures could seriously jeopardize Arctic cooperation. Consequently, it will be increasingly challenging for the Arctic coastal states to balance their individual need to defend national strategic interests with their desire to resolve regional challenges collectively.

Russian interests in the Arctic

The Arctic has major security policy and economic significance for Russia, and this will only increase as global warming causes the ice cap to melt. Moreover, the Arctic is closely linked to Russia's national identity. Consequently, the Arctic is highly prioritised, and Russia is expanding its military capabilities in the region. Russia also places great emphasis on developing natural resources and infrastructure in the region, and on ensuring that maritime demarcation issues will be resolved in Russia's favour.



Map of Russia's six forward bases. The circle shows the approximate range of combat aircraft out of Nagurskoye without air-to-air refuelling. With air-to-air refuelling, both operational range and endurance are significantly extended. The white line along the Russian coastline is the North-East Passage

Congruent with the other Arctic States, Russia is interested in maintaining stable and peaceful development of the Arctic, in part to promote Russia's Arctic development projects and in part to ensure that the Arctic states will be able to resolve future maritime demarcation issues. In line with other Arctic states, Russia generally wishes to keep Arctic issues separated from other international issues and bilateral disagreements and has so far shown a constructive approach to solving joint regional challenges. However, if Russia believes that its strategic objectives and interests are threatened, it will likely adopt a more assertive approach.

The Arctic is a key component of Russia's national identity. Russia defines itself as a leading Arctic power and aims to consolidate this position through regional dominance and military expansion in the Arctic. Politically, Russia is using strongly symbolic and demonstrative events such as high-profile military exercises in the Arctic in a bid to raise national public awareness of Russia's role in the Arctic. Such demonstrations are not directed solely at domestic audiences, but also at the international community. Russia wants to send a strong signal that it considers the territory from Russia to the North Pole part of its territory and that it is ready and able to defend these areas.

Key security and defence officials inside the Russian leadership and civil administration are sceptical of the cooperative course and believe that it will be exploited by the West to counteract Russian interests in the Arctic. Consequently, they are pushing for a more assertive policy, which has so far mainly manifested itself in Russian military expansion in the Arctic and military posturing through exercises close to the North Pole. These officials will interpret Western initiatives in the region, which in Russia's view take place at the expense of Russian security, as evidence that the West is using cooperation to hamstring Russia in the Arctic. This interpretation will underpin the call for a change in course away from the cooperative approach Russia pursues on non-military issues towards a more assertive Russian line.

Russia focused on military expansion in the Arctic

The Arctic is crucial to the protection of Russia's security and national interests, and the region's strategic military significance is the central motivation for Russia's military consolidation in the region. Russia perceives its Arctic coastline as vulnerable and exposed to attack. Russia is especially concerned about potential high-precision missile attacks over the North Pole against its strategic nuclear weapons with little or no warning. In Russia's view, such attacks, in combination with the US missile defence programme, including the deployment of sensors at Thule Air Base and warships in the North Atlantic, have the potential to seriously threaten the country's ability for strategic nuclear retaliation.

Most of Russia's strategic submarines armed with long-range ballistic nuclear missiles are deployed as part of Russia's Northern Fleet, which is based on the Kola Peninsula. The receding Arctic ice cap will leave Russia's submarines increasingly vulnerable to attacks, potentially destabilizing the strategic nuclear balance between Russia and the United States in the long term. In Russia's view, this parity is absolutely vital to its national security. The majority of Russia's military capabilities in the Arctic are thus aimed at the preservation and defence of the country's strategic deterrence towards the United States.

Over the past few years, Russia has rebuilt and expanded six forward bases in the Arctic Ocean. In the short to medium term, despite limited economic resources, a full system of forward bases along the Russian part of the North-East passage will be in place, mainly comprising airfields equipped with long-range radars, as well as air defence and anti-ship missiles. Russia is prioritizing the construction of the Nagurskoye base located in the Franz Josef Land archipelago. Once constructed, the base will be the world's northern-most operational air base. In addition to the six forward bases, Russia is developing a large number of smaller bases and early warning stations on the Russian mainland.

The forward bases will secure Russia's northern flank and will push the country's forward line of defence into the Arctic Ocean, strengthen the ability to control traffic in the Russian part of the North-East Passage and contribute to Russia's enforcement of sovereignty in the Arctic. In addition, Russia shows its ability and resolve to exercise control of the Arctic area by deploying forces, including airborne troops, throughout the Arctic. It is highly likely that Russia will continue to prioritize its military expansion in the Arctic.

Though Russia's military expansion in the Arctic is primarily defensive in nature and aimed at defending

its northern flank, the military expansion increasingly contains offensive elements, not least the preparations for fighter and tanker aircraft deployments at the Nagurskoye base. The base is located approx. 1,000 km from the North Pole and Greenland and is thus the closest in proximity to territory of the Danish Realm. From this base, Russian combat aircraft will be able to reach the airspace over north-eastern Greenland with little prior warning. Supported by air-to-air refuelling, the combat aircraft would be able to reach Thule Air Base, which plays a key role in the US missile defence.

Russia deeply sceptical of Western military activities in the Arctic

Several Western countries are bolstering their military presence in the Arctic through exercises and improving military capabilities and readiness, in part as a response to Russia's military build-up in the region. The United States, Great Britain and Norway have all increased their military focus on the Arctic, while several Arctic states are conducting joint military exercises in the North Atlantic in the NATO framework.

For Russia, it is of paramount importance to keep NATO from assuming a military presence and enforcing sovereignty in the Arctic. Despite Russia's own military build-up in the region, the Russian leadership is deeply concerned by increased US or Western military presence in the Arctic, as Russia perceives this would threaten its ability to operate freely in the region and defend its northern flank. Russia is particularly worried about Western countries becoming involved in Arctic infrastructure expansion projects that could potentially be used for military purposes as well as Western military operations in the Arctic.

It is also likely that Russia considers the participation of Denmark and other Arctic states in military exercises and their efforts to strengthen national Arctic capabilities as covert attempts to involve NATO militarily in the Arctic. Such actions will highly likely support the assertions of those inside the Russian leadership who argue that the NATO countries are exploiting Arctic cooperation to counter Russian interests.

Russia will likely use increased US and Western military presence in the Arctic to cast NATO and the United States as the aggressors in the region in media campaigns directed at domestic as well as Western audiences. Moreover, Russia will use increased US or Western presence to justify Russian military activities and build-up in the Arctic and to reinforce the narrative that Russia is threatened by Western military dispositions.

Russia will exploit the economic potential in the Arctic

Russia's Arctic agenda goes beyond military issues. Exploiting the region's economic potential is vital to Russia, mainly through the exploration for natural resources such as oil and gas. The Arctic oil and gas fields are key strategic resources for Russia, as oil and gas form the bedrock of Russia's economy. Moreover, oil and gas exports are among Russia's most important tools of foreign policy leverage. The ability to move liquefied natural gas (LNG) by ship beyond the limits of the pipeline networks provides Russia with another foreign policy leverage tool.

Russia has already developed a strong onshore gas production capability in the Arctic, but the development of complex and investment-heavy offshore resources in the Arctic is making slow progress. This is both a result of the Western sanctions against Russia and of the lower oil prices witnessed since 2014. Even though oil prices have started climbing again, this has not been enough to make offshore projects in the Arctic financially attractive.

Foreign investment is vital to the economic development of the Arctic, and Western sanctions have forced Russia to turn to non-Western partners. In this context, China is likely the most attractive and realistic partner in the short to medium term, but Russia is reluctant to become economically dependent on China. Similarly, Russia deems it important to avoid China gaining political influence in the Arctic as a result of the economic cooperation.

Climate change and the retreating ice cap also spark increased activity in the Arctic, opening the region to activities such as increased shipping traffic, tourism and research activities. In line with its declared objective of exploiting the region's economic potential, Russia has put a lot of effort into building Arctic infrastructure vital to its Arctic oil and gas production, mainly along the Russian part of the North-East Passage. Development of the Russian part of the North-East Passage is closely linked to Russia's military build-up. Military facilities such as search and rescue capabilities protect and support economic activities. The new infrastructure, on the other hand, benefits Russia's military

expansion and activities, including the ability to shift military capabilities across the region. The economic development of the region will thus help Russia establish control of the Russian part of the Arctic.

Extension of the continental shelf will help support Russia's Arctic ambitions

Russia also works to achieve formal recognition of the area leading up to the North Pole as part of Russian territory. Russia and Denmark have submitted overlapping Arctic claims to the UN Commission on the Limits of the Continental Shelf (CLCS). Canada will also submit claims to the Commission that are expected to overlap with the Danish and Russian claims.

Even though the continental shelf issue formally revolves around the right to exploit the seabed resources, to Russia the issue is highly likely more about security, identity and prestige. It is thus likely that Russia believes that there are security policy advantages to be won in extending the limits of its continental shelf as far as possible, as this could help support Russian arguments that strengthening its military presence and capabilities in the Arctic is a necessity. Similarly, it is likely that Russia is wary that NATO countries could start patrolling the waters if they are awarded the right to exploit continental shelf resources close to the Russian border.

The continental shelf issue is a key component in Russia's attempts to present itself as a leading Arctic power. Russia would consider it a massive loss of prestige if the borders end up close to Russia's 200 nautical mile limit.

Russia is none too happy with the extent of Denmark's claims, which reach as far as Russia's 200 nautical mile limit. The claims have likely nourished the internal disagreement over Russia's cooperative approach in the Arctic. However, despite its concerns over the Danish claims, it is still Russia's policy to negotiate consensus on the issue of border demarcation in accordance with the international law of the sea.

Russia, Denmark and Canada are expected to start de facto negotiations on a preliminary border demarcation once Canada has submitted its claims to the Commission. However, if Russia finds that the negotiations run contrary to Russian interests, it may start exerting political and diplomatic pressure on Canada and Denmark to abandon the CLCS as the framework for the negotiations.

China's Arctic strategy

China's long-term interests in the Arctic revolve around access and influence. China's interests – which comprise shipping routes, research, infrastructure and capacity build-up and its desire for increased influence in the Arctic, including Greenland – will likely grow in the future.

In June 2017, the Arctic shipping routes were officially included in the maritime part of China's Belt and Road Initiative, which aims at building infrastructure to strengthen trade linkages between China, Asia, Africa and Europe. In January 2018, China published its first Arctic strategy.

China's long-term interests in the Arctic are increased influence on Arctic matters as well as access to Arctic shipping routes and the vast resources in the region.

The Arctic shipping routes are highlighted in China's Arctic strategy. The inclusion of the Arctic shipping routes in the Belt and Road Initiative and China's Arctic policy is the culmination so far of China's growing interests in the Arctic, officially linking China's overall and long-term strategic interests with its specific interest in the Arctic. As a result, Chinese state-owned companies and investment funds have shown an increasing interest in the Arctic area. This heightened interest will likely lead to increased investments in Arctic infrastructure.

China is eager to strengthen its influence on Arctic issues and believes that this ambition aligns with great power status, earning it the right to assert its influence in the Arctic just like other great powers. In China's view, the governance framework in the Arctic is still in its infancy, giving China the opportunity to impact future Arctic policies. China is thus making efforts to position itself as a legitimate player in different Arctic cooperation forums in order to gain a role in determining international rules on Arctic cooperation.

China's strategy to gain increased access to and influence on Arctic issues is to strengthen cooperation

with Arctic states on issues such as trade, culture and research. Chinese polar authorities likely consider strengthened bilateral cooperation on Arctic research as a platform for increased influence on Arctic policies. In the January 2018 White Paper on Arctic Policy, cooperation is seen as an effective means for Chinese participation in Arctic affairs. In addition to providing China with a legitimate reason for its presence in the Arctic, research and monitoring of the Arctic environment are instrumental in China's efforts to become a recognized polar nation and maritime great power.

Access to the Arctic also plays a military-strategic role for China. This is primarily due to the importance for other great powers of the use of the Arctic as an operating area for ballistic missile submarines, strategic air transport and ballistic missile attack early warning systems.

So far, Chinese military activity in the region has been limited, and until a few years ago, the Arctic was not a high-priority area for the Chinese People's Liberation Army (PLA). This has changed and the PLA is making efforts to strengthen its knowledge of the Arctic.

China's demand for energy and raw materials for its production industry will continue to grow in the long term. In addition, China is eager to secure access to resources without relying exclusively on one country or region. China's interest in the Arctic shipping routes is rooted in its ambition to secure access to the area. The opening of Arctic shipping routes will reduce China's strategic dependence on the Strait of Malacca and the Suez Canal and cut transit time for goods shipped to and from Europe.

China's activities and interests in the Arctic are still developing. In addition to initiatives related to resource extraction and Arctic shipping routes, China is making efforts to build knowledge and capabilities within climate research, space science, satellite communication and Arctic navigation. China's overall interest in the Arctic, including its interest in Greenland, will likely continue to grow in the future.

China's interest in Greenland

China's ambition to strengthen bilateral ties applies to all the Arctic countries, including Denmark and Greenland. Its main focus is on strengthening bilateral ties and on enhancement of its scope of influence through increased cooperation on research and trade. In this context, a number of both state and non-state Chinese actors have shown a persistent interest in Greenland, an interest that is likely to grow in the future. China's involvement and interests in Greenland are focused on research, resource extraction, infrastructure, cultural issues and tourism.

China considers research cooperation a legitimate platform for influence on Arctic matters, including its research initiatives in Greenland. In addition, it is likely that China is interested in maintaining a commercial presence and involvement in Greenland despite the limited prospect of short-term profit. China also applies this approach to other raw material exporting countries, as it is a key element in the country's overall resource security strategy. In addition, the approach underpins China's ambition of strengthening its influence in the Arctic.

As a result of the inter-connection between Chinese companies and China's political system, there are certain risks related to large-scale Chinese investments in Greenland due to the effect that such investments would have on an economy the size of Greenland's. In addition, the risk of potential political interference and pressure increases when investments in strategic resources are involved.

CHINA

Under Xi Jinping, China is increasing its international influence. The aim of China's Belt and Road Initiative is to promote China's economic and strategic interests, both regionally and globally. China is guiding its foreign investments at acquiring foreign technology to supplement and enhance the innovation of Chinese companies. The United States perceives China as its main strategic rival. China continues to strengthen its authority in the South China Sea. China is expanding cooperation with Russia, but mutual bilateral scepticism will persist.

President Xi Jinping at this year's National Party Congress

President Xi Jinping continues to strengthen China's role as a leading and influential great power. Following the 19th Party Congress in 2017 and the subsequent National People's Congress in 2018, China has charted the course for its future development in the first half of the 21st century.

It is China's ambition that by 2049 – the centenary of the founding of the People's Republic of China – China will stand as a modern state governed by a strong party and an effective state administration equipped to manage the challenges and opportunities arising from the industrialization and globalization and to protect China's national interests domestically and internationally. To this end, China has prepared a series of development initiatives with set time frames for achieving its national and international objectives.

During the first stage – from 2020 to 2035 – China will build a modern and moderately prosperous society and raise living standards for the 30 million Chinese residents living below the national poverty line. At the same time, China will enhance its international competitiveness in a number of key sectors. During the second stage – from 2035 to 2049 – China aims to achieve a leading role when it comes to political, technological and cultural matters; to ensure prosperity for its residents; and to become a global

leader in terms of national strength and international influence. These objectives provide the guiding points for China's development strategy in the years ahead.

At the 2017 19th Party Congress, Xi Jinping most clearly departed from former leader Deng Xiaoping's foreign policy doctrine that focused on pursuing domestic development while keeping a low profile in global affairs. Under Xi Jinping's leadership, China has appeared as an active and global player. Xi Jinping seems determined to strengthen China's influence on regional and global affairs.

China's ambitious and assertive foreign policy strategy is also reflected in the political leadership's and, in particular, Xi Jinping's efforts to promote the Chinese development model to the developing countries in Africa, Southeast Asia and Central Asia. The Chinese development model is presented as an opportunity for modernization that will allow countries to successfully implement economic reforms and development measures without having to fundamentally reform their political systems. China has not previously taken such active steps to promote its national development narrative as a viable alternative to, in particular, the Western development model.

China wants to strengthen its influence on regional and international cooperation

Xi Jinping is likely eager to see China adopt an increasingly active role in developing and determining the framework for international cooperation and institutional build-up in Asia and globally. In recent years, China has built new international institutions as a supplement to existing global forums, including BRIC's New Development Bank and the Asian Infrastructure and Investment Bank as well as China's bilateral cooperation with 16 Central and Eastern European countries, the so-called 16+1 cooperation.

China's Belt and Road Initiative (BRI) has also helped fuel China's development, increasingly allowing it to influence regional economic and financial structures in Asia, the Pacific region and Europe. The purpose of the BRI is to improve ties between China and the rest of Asia, Africa and Europe through infrastructure investments and increased trade. The BRI draws heavily on China's domestic investment capital and the expertise of Chinese state-owned and private companies to strengthen bilateral cooperation between China and the other BRI members. Since its 2013 launch, the BRI has developed into an increasingly comprehensive concept that has spread beyond China's neighbouring regions to a number of European countries. By linking an increasing number of countries to the BRI project, China is seeking to garner support for its regional and global economic and strategic priorities.

China guides its foreign investments

For a number of years, China has invested in education and research in order to facilitate an innovative environment and strengthen the country's technological development. Today, China's largest tech giants are key players in the international market and main competitors to US and European companies. To further promote this development, China is increasingly focusing its foreign investments on acquiring foreign technology and strengthening the country's domestic economic and product development. This is one of the key elements in the "Made in China 2025" plan that envisions lifting China's industries up the value chain. The intention of the "Made in China 2025" plan is to make innovative production technologies the cornerstone of China's continued industrial development.

"Made in China 2025" has great impact on China's foreign investments but is primarily a domestic blueprint to improve the country's high-tech manufacturing methods and drive economic growth. The plan operates with a clear objective: By 2025, to have established a group of globally competitive multinational companies. By 2035, the goal is to ensure that China's most competitive companies are global market leaders in terms of innovation within their respective sectors. And finally, by 2049, China must have risen to market leader status within production technology innovation.

Some of the means to achieve these objectives include focused Chinese investments in foreign high-tech industries and start-ups, joint venture agreements and equity investment. China has already started realizing the plan by launching such initiatives in North America and Europe.

Chinese foreign investments reflect overlapping economic, diplomatic and strategic interests aimed at strengthening the country's long-term goals and improving the global competitiveness of Chinese companies.

China's foreign policy ambitions pose a challenge to the United States

China's ambition to become the economic and political epicentre of the Asian region poses a strategic challenge to the United States, which has yet to develop an overall strategy for Asia and for dealing with China. China's growing regional and international role comes amidst a time when the US administration continues to pull out of multilateral and international institutions and cooperation forums.

China's strategic ambitions to become a technological superpower in the short to medium term also pose a challenge to the United States, which has so far ranked as the world's top technological innovator. As a result, the United States will increasingly focus on protecting its key strategic sectors. In addition, it is likely that China is increasingly regarding the US-imposed trade sanctions and related initiatives as reflections of a more general US concern about China surpassing the United States as the world's largest economy.

The tensions in the bilateral relationship between the United States and China reflect an ongoing change in relations between the two countries. China's ambition to play a greater role, in particular in the Asian region, has been met with scepticism from the United States, which does not appear willing to play a smaller role in the region. The current tensions between the United States and China will likely continue in the short to medium term.

China continues its South China Sea policy

The South China Sea will remain among China's top foreign policy priorities, and China will increase its presence and exercise of authority in the area. It is likely that China will continue the build-up of military installations on the artificial islands in the South China Sea in a bid to reinforce coast guard and military control of the waters in contested areas. China is simultaneously using diplomatic initiatives, increased economic cooperation and investment offers to actively improve its relations with the countries in the region. However, despite these initiatives, China will continue to assert its territorial claims.

Even though the United States will continue to use its military presence to dispute the legitimacy of the Chinese territorial claims, this will not automatically lead to a deterioration of US-China relations.

China's increased exercise of authority through both the Chinese Coast Guard and the military is likely rooted in an ambition to be able to control and monitor the entire South China Sea area in the medium to long term.

China strengthens cooperation with Russia despite persistent mutual scepticism

While relations between the United States and China are increasingly souring, China is strengthening its relations with Russia through political, economic and military cooperation as well as increasing alignment of foreign policy views. Even though improvement in Russian-Chinese relations may be used to offset political pressure by the United States, a de facto alliance between China and Russia seems highly unlikely. The two countries have diverging and conflicting interests in Central Asia, which may potentially spark regional tensions between the two great powers. However, the two countries have likely come to the mutual understanding that challenging each other's strategic engagement in the region is not in their best interest.

THE MIDDLE EAST

As Europe's neighbour to the south-east, the Middle East will continue to pose a challenge for years to come, mainly due to the instability, terrorism and refugees generated in the region. In addition, the EU's and the West's possibility of influencing developments in the Middle East will diminish. The EU and the United States do not present a united front or have an aligned approach towards the Middle East; this is particularly evident in the issue of the nuclear agreement with Iran. Moreover, Russia, Turkey and Iran are strengthening their influence in the region at the expense of its traditional Western cooperation partners.

The presidents of Iran, Russia and Turkey. The conflict in Syria has paved the way for closer cooperation between the three countries

Even though ISIL's self-proclaimed caliphate has been defeated and the Assad regime has managed to survive the civil war in Syria, peace and stability is still a distant prospect. For years to come, Syria, Iraq and Yemen will be the scene of persistent instability and conflict, just as the Middle East will continue to be the setting for the often conflicting agendas of international, regional and non-state actors. These states are facing an immense reconstruction task and will have a very difficult time delivering even the most basic services and security to their populations.

The conditions that sparked the 2011 Arab uprising still prevail over the entire region. Lack of resources, high unemployment rates, inequality, corruption, urbanization, ethnic-religious divides and a fundamental deficit of democracy will continue to trigger political and social unrest and generate extremism, refugees, migration and internal displacement.

Even though ISIL has lost its unbroken belt of territory, the narrative and ideology behind the caliphate live on. In addition, its members have gone underground and are hiding in areas that are outside state control. In the short to medium term, groups such as ISIL and al-Qaida will still be able to mobilize parts of frustrated Sunni communities and will thus continue to pose a terrorist threat in and from the region.

International division over the Middle East

The inability of the EU and the United States to present a united front or align on the Middle East leaves scope for countries such as Russia, Turkey and Iran to manoeuvre. The Trump administration wants to minimize its already limited footprint in the region and toughen its confrontational course towards Iran. An escalation of the conflict between Iran and the United States and a potential destabilization of Iran would pose a security policy problem for Europe.

Though the EU is trying to keep the nuclear agreement on track and sustain the dialogue with Iran on the

regional conflicts, the organization has a hard time presenting a united front. Russia is exploiting the conflicting Western interests to manoeuvre itself into a position as pivotal mediator and great power in the Middle East. By forging closer ties with Turkey and Iran, Russia is trying to minimize the influence of the West in general and of the United States in particular in the Middle East, most notably in Syria. At the same time, Russia is trying to force an acceptance of Russia as a great power, not only in Syria but also generally in the Middle East and the Mediterranean.

China will expand its economic influence in the region. In addition to its vast interests and investments in the energy resources in the Persian Gulf, China now increasingly sees the Middle East as a strategic element in its Belt and Road Initiative. China still supports the nuclear agreement with Iran and will try to counterbalance the US sanctions while trying to cultivate its relations with Saudi Arabia and not get entangled in the regional rivalry between Iran and Saudi Arabia.

Major shifts in the regional balance of power further destabilize the Middle East
Regional rivalry, especially between Saudi Arabia and Iran, will continue to destabilize developments in the Middle East, where none of the regional great powers have sufficient military or economic power to dominate the region.

Regional alliances have been forged across ethnic and religious divides. Turkey, Iran and Qatar are deepening their cooperation, and Israel and Saudi Arabia as well as the United Arab Emirates are getting closer to presenting a united front against Iran. The Gulf Cooperation Council (GCC) has de facto collapsed, and several GCC countries are becoming involved in the conflicts in the Middle East as part of an internal GCC rivalry. In the long term, former regional heavyweights such as Egypt, Iraq and Syria will be too fraught with internal problems to carry much clout in the regional power balance.

Turkey is increasingly looking to the east, opportunistically pursuing its national interests in an increasingly closer alliance with Russia that often contradicts Western interests. Turkey's main priority will remain the fight against the Kurdish groups in Syria and Iraq. Also, Turkey wants the close to 3.5 million Syrian refugees currently staying in Turkey to return home. Depending on how things develop, Turkey will use this convergence of Turkish and European interests both constructively and challengingly in its relations with the EU.

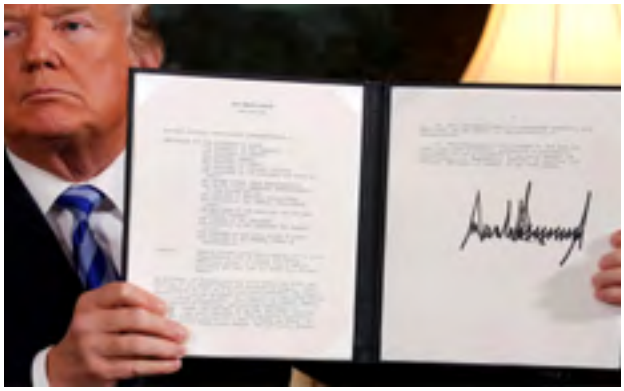
So far, the attempts by the West and the Gulf States to curb Iran's growing regional clout have had the reverse effect, and, despite the US sanctions and the uncertainty about the nuclear agreement, Iran is poised to strengthen its influence in Iraq and Syria. The position of Saudi Arabia is weak in Syria and Iraq, and, despite its large military engagement, Saudi Arabia is unable to control developments in Yemen. Saudi Arabia and Israel will likely be pushed closer together by their shared ambition to weaken Iran and its regional influence.

Iran

The tensions between Iran and the United States have intensified during the period following the United States' decision to withdraw from the nuclear agreement. The situation has strengthened Iranian conservative forces that refuse renewed negotiations with the United States. Though the US sanctions will not destabilize the Iranian regime in the medium term, they will serve to further weaken the Iranian economy and create a climate for civil protests.

The US decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) has reignited the old antagonism that has prevailed between the two countries since the 1979 Iranian Revolution. The Iranian leadership interprets the Trump administration's rhetoric and demands as attempts at toppling the Iranian regime. The increased tension between the United States and Iran have in effect weakened the moderate Iranian voices and increased the likelihood of a more uncompromising line in Iran's foreign policy.

Iran refuses to negotiate with the United States
According to the International Atomic Energy Agency (IAEA), Iran has so far complied with the terms of the JCPOA, which – following years of sanctions – have paved the way for Iran to once again become involved in the international community, politically and economically. Outwardly, the Iranian leadership will



President Donald Trump with the memorandum declaring the US withdrawal from the nuclear agreement with Iran

present a united front in rejecting negotiations over a new and more extensive nuclear agreement based on the US demands, which include limitations on Iran's ballistic missile programme and a halt to support for pro-Iranian militias and organizations in the region. In the short term, Iran's overall strategy is to wait until President Trump's term in office ends. In the meantime, Iran will try to lessen the impact of the US sanctions by introducing a number of new initiatives, including increased self-sufficiency and increased trade with countries such as China and Russia. Despite repeated threats to withdraw from the JCPOA, Iran will go to great lengths to preserve the agreement, even if it will not receive the full economic compensation that is, in fact, part of the agreement. A key incentive for Iran to stay in the agreement is that it helps normalize its relations with Europe.

The Joint Comprehensive Plan of Action (JCPOA)

The agreement is intended to limit Iran's capacity to develop nuclear weapons. Signed in 2015 between Iran and the P5+1 countries (the United States, Russia, France, Great Britain, China and Germany), the agreement formally entered into force in January 2016. It stipulates that even though Iran is allowed to maintain a capacity to enrich uranium, it is subject to quantitative as well as qualitative limitations for a period of up to 15 years. The International Atomic Energy Agency (IAEA) has successfully negotiated increased access to control Iran's compliance with the agreement. In May 2018, the United States decided to withdraw from the JCPOA.

The EU is trying to come up with new mechanisms to shield European and international trade with Iran from the repercussions of the new sanctions, though the effect of such mechanisms will be very limited in the short term. To the EU, it is a top security policy priority for Iran to stay in the agreement, in part to preserve the international community's control over the nuclear programme and in part because the US pressure on Iran could escalate into a conflict that has the potential to destabilize the entire region. If Iran were to leave the JCPOA and restart its nuclear programme, this would significantly enhance the risk of a military confrontation.

Iran will be ready to discuss regional issues with the EU

Iran will likely show goodwill and accommodation towards the EU in terms of discussing its involvement in the regional conflicts. Iran will likely pay attention to toning down the role and visibility of the Iranian Revolutionary Guards Corps outside Iran's borders, though it will be careful not to jeopardize its hard-won regional influence. Iran has a strong position in Syria and Iraq and will increasingly base its involvement on commercial interests and cooperation, including with pro-Iranian groups and members of the two countries' central institutions and security forces. Iran will also continue to seek to bolster its cultural and social influence by investing in educational facilities, religious organizations, media and TV stations.

In Yemen, Iranian diplomacy may come to play a constructive role in ending the 4-year war between Saudi Arabia, which supports the incumbent government, and the local Houthi rebels, which Iran provides with some measure of support in the form of weapons and advisers. However, the Iranian Revolutionary Guards Corps will likely maintain some degree of backing for the Houthis. At the same time, Iran's propaganda campaigns will try to capitalize on Saudi Arabia's failed military offensive.

President Hassan Rouhani is weakened but will remain for the duration of his term

As a result of the US withdrawal from the nuclear agreement, President Rouhani and his government – whose political mandate and popular support have been closely linked to the agreement – have lost a great

amount of political capital. Rouhani and his government are thus under both external and internal pressure. The government appears seriously weakened compared to the more conservative forces in the Revolutionary Guards Corps and the circle surrounding Supreme Leader Ali Khamenei, who on several occasions has expressed his scepticism about Iran's cooperation with Europe. However, in the short term, Iran will be broadly united in opposing the US sanctions.

Even though the US sanctions will not likely destabilize the regime in the medium term, they will result in a further weakening of the Iranian economy. The economic and political frustration has created a climate for civil protests in 2018, most of which have been directed against the regime while others have been directed against the United States. The anti-regime protests have been too scattered and disorganized to constitute a real threat to the regime, though. If protests were to escalate, however, the regime would crack down hard to keep the Iranian population under control.

Syria

Though the Assad regime has survived the civil war, peace is a long way off. For years to come, Syria will be characterized by low-intensity conflict and extremism. The reconstruction effort and the return of the Syrian refugees will be difficult. The end game in the civil war will be strongly influenced by involvement from external actors such as Russia, Iran, Turkey, the United States and Israel.

Today, the armed opposition is no longer a threat to the existence of the Syrian regime. Still, for years to come, Syria will be characterized by low-intensity conflict, and extremist insurgents in particular will try to continue their fight by switching to asymmetrical warfare.

Similarly, the remnants of ISIL will have sufficient room for manoeuvre to operate in eastern Syria. Now that ISIL has lost its so-called caliphate, the group no longer constitutes a conventional military threat. Still, the organization is far from neutralized and exploits the continuing instability to consolidate itself as an insurgent and terrorist group.

From a military perspective, the armed opposition in Syria has been strategically defeated, leaving only minor pockets of opposition that survive solely on the military support provided by Turkey and the United States.

To re-establish control over the entire country, the Assad regime has to get involved and forge agreements with some of these international actors or, in the case of the United States, await their withdrawal from the country. This makes it exceedingly hard to assess just how long it will take the Assad regime to gain control over the rest of the Syrian territory. Gaining control is a process that involves numerous states with different and often competing agendas.

Russia will play a central role as mediator between Syria and Turkey. Turkey will demand guarantees to ensure that the Syrian Kurds do not become a threat to the country and that efforts be made to stem the flow of refugees pouring into Turkey.

In case of a US withdrawal from Syria, a deal will likely be struck between the Syrian regime and the PYD, the political arm of the Kurdish YPG militia, to ensure the regime overall control of the Kurdish-dominated areas in return for limited autonomy for the Kurds. Without US support, the position of the YPG/PYD in the conflict will be very weak.

Syria will continue to be characterized by external involvement from rivalling regional and international actors that will try to preserve their influence through their respective proxies. This, too, will impede the stabilization and reconstruction of Syria.

Throughout the conflict, cooperation between the Assad regime, Russia and Iran has grown ever closer, with Russia and Iran securing major influence on the Syrian state and security structures. However, it is less likely that the two countries will contribute to the reconstruction of Syria to any significant degree.

Even though Assad will consolidate his power over the country, Syria will remain unstable for years to come, and, in the long term, the regime will be challenged by the very same socio-economic and political problems that triggered the civil war in the first place. If anything, these will only have been exacerbated by the long and bloody conflict that has left large parts of the

country in ruins and forced millions of Syrians to flee the country.

In putting a final end to the conflict, Syria will likely try to appease the international community by introducing limited political reforms, including in the attempt to secure support for its reconstruction from the West and the Gulf States. Bashar al-Assad will likely remain president of Syria for years to come.

As a great part of the six million Syrian refugees are largely perceived by the regime as traitors and terrorists, the Assad regime will likely be reluctant to allow many of them back into the country.

Iraq

In both the short and medium term, Iraq will be characterized by instability. The Iraqi security forces will have a hard time securing stability and fighting the insurgents effectively without coalition assistance. Increased tensions between the United States and Iran will contribute to aggravation of the already precarious situation in Iraq, which may, in turn, lead to attacks against Western forces and interests in the country.

The Iraqi state is challenged by a number of fundamental internal problems, and, at the same time, it is subject to external involvement. In the short and medium term, such factors will contribute to keeping the country in its current state of instability. Tensions between Iraq's various ethnic and religious groups in combination with the uneven distribution of resources between Baghdad and the provinces, widespread corruption, crime and a multitude of irregular militias give rise to a significant potential for conflict. Sustained instability will deter foreign investments and impede the reconstruction of Iraq.

The May 2018 parliamentary elections have only served to muddle the parliamentarian situation. The low turnout is a sign that Iraqis lack faith in the ability of the established political elite to solve the nation's problems. Iraqi politics are characterized by poor governance, clientelism and internal power struggles. The future Shiite-dominated government will likely be weak and incapable of addressing Iraq's fundamental problems.

Even though ISIL's self-proclaimed caliphate has collapsed and the group no longer constitutes a conventional military threat, it is far from neutralized. ISIL still has a significant presence in Iraq, where it is actively expanding its position as an insurgent and terrorist group. Lack of conciliation and the Shiite-dominated government's failure to include Iraq's Sunni Arab community will make it possible for extremist groups like ISIL to continue their recruitment among this segment of the Iraqi population.

In the short to medium term, the Iraqi security forces will have difficulties securing stability and effectively fighting the insurgents without coalition assistance. Political power struggles and rivalries between individual institutions and population groups hamper effective reformation of the Iraqi security sector.

The dominant role of the pro-Iranian Shiite militias undermines the authority and legitimacy of the Iraqi security forces and is yet another source of instability. Increased tensions between the United States and Iran may aggravate instability in Iraq and could also result in attacks against Western forces and interests in the country. Renewed sanctions against Iran would likely also have negative spillover effects on the Iraqi economy.

AFRICA

Instability and weak state structures in a number of African countries will continue to contribute to migration to Europe in the medium term. Lack of effective governance provides an enabling environment for terrorist groups to spread and grow in influence.

In recent years, Africa's Sahel region has emerged as the principal gateway for West African migrants bound for Europe. The Sahel countries only have partial control over their borders and territories and are suffering from weak governance structures, leaving militant Islamists the scope to expand their activities, thus increasing the local terrorist threat. Stability and a well-functioning state apparatus, including border control, is a prerequisite for the ability of the African countries to handle the flow of migrants. In the short to medium term, Libya, which is the main transit country for migration into Europe, has neither the prospect of stability nor a well-functioning state apparatus.

Libya and its southern neighbours in the Sahel region and Somalia will continue to focus on fighting militias and militant Islamists, pushing the needs of their populations down the list of priorities and generating great potential for increased instability and migration. In the medium term, many governments in countries in the Horn of Africa and in the Sahel region as well as the government in Libya will suffer from low legitimacy and limited de facto power. As a result, migration control is often left to militias, local tribes, criminal networks or former human traffickers. Traditional nomadic and season-based migration routes in western Sahel and in the southernmost part of Libya will continue to be used to smuggle all sorts of goods and humans – often combined with ordinary transport activities. The traditional economy, the smuggling economy and the war economy are closely interrelated and mutually reinforcing, a situation that will not likely change as long as both national and international actors are fighting over the loyalty and services of local tribes and militias.

Organized piracy will remain a threat to shipping in parts of the Gulf of Guinea in the medium term. Strong criminal networks in Nigeria are behind most of the violent pirate attacks against merchant ships in the region. There are no signs that the Nigerian authorities will start taking decisive measures to fight the country's pirates. In addition, it is highly unlikely that the region's weak coastal states will be capable of introducing and coordinating effective maritime security measures in the Gulf of Guinea.

In the waters around the Horn of Africa, piracy will continue to be under pressure, as global great powers are willing to use military means to repress piracy and as the merchant ships' use of armed guards has made attack attempts a perilous undertaking for the pirates. Sporadic piracy incidents will likely still occur, though.

Sahel

The Sahel region in West Africa is still struggling with a number of challenges such as poor governance, a deteriorating security situation, widespread poverty, high population growth rates, ethnic conflicts, drought and increased irregular migration. The flow of migrants from sub-Saharan Africa and an increased terrorist threat in Sahel posed by Islamist groupings constitute a growing foreign and security policy challenge in the medium term.

In the short to medium term, radicalized Islamist groups will likely increase their presence and anchoring in the local communities in western Sahel, most notably in the border area between Mali, Burkina Faso and Niger.

The capacity of the Sahel countries to provide security, law and order, and basic social services is limited, leaving scope for local armed groups to take law and order into their own hands. In Mali and, in part, in Burkina Faso, the governments are focusing on their own needs rather than on those of their populations. The few security and economic initiatives that are launched mainly benefit the government representatives and their closest supporters and are focused in and around the capitals. Among some population groups, this serves to erode trust in the central authorities in both countries. Smugglers and criminal networks are still using traditional nomadic and seasonal migration routes in western Sahel and southern Libya where some areas are outside government control.

G5 Sahel force

The G5 Sahel countries are among the poorest countries in the world, and their armed forces only have limited capacity to maintain law and order. In 2014, motivated by an increase over past years in terrorist attacks and organized criminal activities – trafficking in weapons, drugs and people – the countries decided to set up a joint military and police force. The overriding purpose of the G5 Sahel force is to secure closer cooperation across the countries. The force is slated to comprise approx. 5,000 troops, including contributions from the individual countries' security forces.

Security forces in Sahel countries will rely on external economic assistance and training in the long term

It is less likely that the G5 Sahel security cooperation between Mauretania, Mali, Burkina Faso, Niger and Chad will be sufficient to counter the growing domestic threat of terrorism and organized crime without external support and economic assistance. In Mali, the security forces have a limited presence in the northern and central part of the country, as most security force resources are focused on maintaining control in southern Mali around the capital of Bamako. In Burkina Faso, the limited numbers of security forces are insufficient to establish and maintain security throughout the country. Security force presence is particularly scarce in the northern and eastern part of the country. Militant Islamist groupings and criminal gangs exploit this lack of national authority presence.

Terrorist groups still a threat to the Sahel countries

It is less likely that the governments of the Sahel countries will be able to effectively maintain and improve security, enhance governance and strengthen economic development. In addition, the Sahel governments depend on extensive and long-term support from external sources. The presence of militant Islamists in central and northern Mali increases the risk of attacks in the southern part of the country and in northern and central Burkina Faso, including in and around the capitals of Bamako and Ouagadougou.

Somalia

In the short term, internal conflicts that mainly revolve around the distribution of power and resources will hamper political progress in Somalia. Moreover, the conflicts are aggravated by foreign rivalry over influence on the Horn of Africa. Additionally, the planned withdrawal in 2021 of the African Union Mission to Somalia will worsen the security situation in the long term and expose the inability of the Somali security forces in upholding security and fighting the terrorist and insurgent group al-Shabaab.

Major political progress in Somalia is a long way off. Familiar political challenges have replaced the optimism previously surrounding President Mohamed Abdullahi Mohamed, also known as Farmaajo. In the medium term, the government's key priority, the fight against the terrorist and insurgent group al-Shabaab, will continue to put a particular strain on resources. In the short term, conflicts over the distribution of resources and power between federal states and the central government, clan issues, and personal power struggles will hinder political progress concerning, amongst other, reconciliation and the constitutional review process.

The crisis between Saudi Arabia and the United Arab Emirates on the one side and Qatar on the other will likely continue and, in the medium term, amplify their fight for political influence in the Horn of Africa. This will exacerbate the conflicts between the central government and the federal states in Somalia in the short term, as they back different sides in the Gulf crisis. It will also expose the central government's limited power and presence outside Mogadishu. The issue of independence for Somaliland may also flare up.

The increased international interest in bilateral engagements in Somalia – including from the Gulf States, Turkey and China – could enhance stability in Somalia in the very long term, but may challenge the influence of the EU and the UN. However, the fragile security situation, widespread corruption and the inequality between Somalia and the donor countries will stand in the way of the engagements leading to increased stability. The engagement of some donor countries in Somalia is dictated by their own specific and conflicting intentions that are not always aligned with Somalia's needs. In turn, Somali politicians are

using the foreign alliances and investments to promote their own short-term interests. In sum, more often than not, the projects do not benefit Somalia's economy and infrastructure or improve the living conditions of average Somalis.

Somali security forces will continue to rely on foreign economic support and training

A security vacuum will highly likely emerge in Somalia following the planned exit of the African Union Mission to Somalia (AMISOM) in 2021. The Somali army and the Somali police force will not be able to independently fight al-Shabaab or maintain security in the country. The Somali security forces are fraught with internal conflicts as well as a lack of staff, equipment, morale and combat readiness. There are no effective lines of command in the Somali army, as it is fragmented along clan and federal state lines. The absence of a well-functioning state apparatus whose span of control extends beyond Mogadishu also contributes to weakening the ability of the Somali security forces in establishing and maintaining security in the rural districts. President Farmaajo's ambitions to reform the Somali security sector, which include self-financing and independence from international support by 2027, have come to a halt. The involvement and often conflicting interests of the international donors contribute to reducing the effectiveness of their own initiatives, thereby hampering the sustainable development of the Somali security forces.

Al-Shabaab will continue to challenge the Somali government

In the medium term, al-Shabaab will remain the most destabilizing factor in Somalia. Al-Shabaab exploits the inability of the central government and the federal states to provide basic services as well as law and order to the entire Somali population. For instance, al-Shabaab distributes emergency relief aid and provides basic security in the areas it controls. The group is also skilled at forging alliances with clans that feel marginalized by the central government and the federal states. Thereby, al-Shabaab can secure its recruitment base, its relevance among certain segments of the population and its role as an alternative to the established political system. Unlike the central government, al-Shabaab does not rely on external support and financing, as the group has access to lucrative alternative sources of income, such as collection of local taxes and smuggling of charcoal to the United Arab Emirates.

Somali security forces

Libya

Libya will remain unstable in the long term, in part as the result of the lack of government control over central institutions, cities and large rural areas. Fighting between various militias over key cities and infrastructure will thus continue ahead of and following the upcoming elections in Libya. Libya's oil fields and ports, in particular, will be a key battleground. Insecurity in the cities and rifts across the country are exacerbated by rivalry between the countries involved in Libya.

Smuggling and informal economy will characterize Libya for years to come

In Libya, the absence of stable state structures will cause the informal economy and smuggling activities to thrive for years to come. Migration is just one of many issues that criminal networks, militias and local tribes skilfully exploit in the absence of an effective state apparatus to enforce law and order and to create legal sources of income for the Libyans. Organized crime and corruption go hand in hand, making smuggling a fixed feature in Libya in the long term. Control of the Libyan borders has been delegated to local tribes, militias and former human traffickers. Money earned on migration is fusing with other sources of informal economy, including smuggling. This is unlikely to change as long as the migration pressure continues from the countries south of Libya and as long as state power and control is limited to a few areas along the coast. The Libyan banking sector and state companies are also under pressure from the militias.

Libyan war economy penetrating deeper into state institutions

The power and control of the militias is having an impact on the Libyan economy. Militia activities include extortion, kidnappings, human trafficking, oil smuggling and control of prison and detention centres. Over time, this will cause the war economy, and, by extension, organized crime and corruption to become more deeply rooted in the country. The increasing influence of Islamists and militias has helped them appropriate an increasing number of posts in the administration.

Elections in Libya focus on the power of individuals

Many national and international actors are pushing for speedy elections in Libya, in particular the actors that do not currently hold access to or have influence on the formal power in Libya. Even though the military and traditional power is locally anchored in militias and is thus scattered across the sparsely populated country, the formal political and economic power is centred in Tripoli. This will continue to be a source of tension and dissatisfaction among the many diverse communities in Libya, most notably outside Tripoli, for instance in the large cities in the Cyrenaica and Fezzan regions.

Libya's transitional state institutions have been paralyzed since their formation in 2015, though the likely scenario is that elections will take place in 2019. At present, however, Libya lacks the administrative, legislative, security and legal resources required to ensure the peaceful transition of power and subsequent implementation of reforms. As a result, elections in Libya will in fact stand between individuals who each pursue their own campaigns to get a share of the resources. This also holds true of the international supporters of the Tripoli, Misrata and Tobruk alliances, including some countries in the EU and the Gulf, Turkey, Egypt and Russia.

Militias and Islamists benefit from the absence of state power

The leading militias in both main alliances are controlled or strongly influenced by radical Islamists, who have also taken over official posts in both east and west Libya. In addition, the state institutions will remain ineffective as long as there are no political and economic agreements supported by the real local power holders in Libya. Militia cartels and radical Islamists are exploiting the power vacuum to maintain or expand their influence. They already dominate or influence many official and unofficial groups and institutions across Libya, and their influence penetrates deep into state institutions and extends across the military and political east-west dividing line.

No prospect of a united international effort in Libya

Rivalry between regional actors, migration and economic interests – including oil, weapons and reconstruction contracts – are the drivers behind the international involvement in Libya. Discord and rivalry between the countries in the Middle East and North Africa, internally in the EU, and between the United States and Russia are factors that hamper a

sustainable solution to the conflict in Libya. The rivalry is reflected in the support for the two main alliances in Libya, the Government of National Accord (GNA) in west Libya and the Libyan National Army (LNA) in east Libya. The GNA is Libya's internationally recognized government, though it has little real power and is controlled by Tripoli-based militias. The LNA has no formal legitimacy but has managed to establish a solid power base and backing in east Libya. The international backers of the LNA are among the strongest advocates of speedy elections in Libya.

A new government in Libya in 2019 or 2020 would have to start afresh

Libya will likely remain unstable in the long term. A new government will be weak and challenged militarily by the actors that stand to lose their privileges and resources in an election, making it hard for a new government to implement its policies. It is possible that a new government may succeed in improving security in parts of Libya. However, its position will remain precarious as a result of the lack of conciliation, no comprehensive legal framework defining the power of the new government bodies, no consensus on distribution of wealth, and an absent security sector.

AFGHANISTAN

The conflict in Afghanistan will drag on for years, in part due to the military support provided for the Taliban by Pakistan, Iran and Russia. Their support enables the Taliban to persevere in its uncompromising stance on negotiations with the Afghan government. The Taliban is putting pressure on the Afghan security forces, which will likely not be able to withstand the pressure without support from the NATO-led coalition, not even in the long term. It is less likely that the 2019 presidential election will give Afghanistan a more robust government. The division in the Afghan government hampers the fight against the Taliban and the ability to initiate peace negotiations. Consequently, over the next few years, the Afghan government will be facing a Taliban that successfully exploits its strong positions in the rural districts to challenge the government's control over the densely populated areas.

Since 2016, the conflict in Afghanistan has become increasingly regionalized, with the five regional great powers of Pakistan, Iran, Russia, China and India expanding their involvement in the country. They all pursue multipronged strategies ranging from diplomacy, dialogue with the Afghan government and measured support for the Afghan government and security forces to contacts with and support for prominent Afghan politicians.

Barring India, all the regional great powers are also involved in dialogue with the Taliban. In addition, Pakistan, Iran and Russia provide military support for the group, providing support such as weapons and training. The support likely increases the Taliban's access to more sophisticated equipment such as sniper rifles and night vision goggles. Relative to its size, the Taliban receives significant support that helps increase the group's tactical capabilities, strengthens its combat readiness, and weakens its incentive to embark on negotiations with the Afghan government.

Russia is using the conflict in Afghanistan to bolster its position in Central Asia, where Russian concerns include the political influence of the United States and NATO, the security policy implications of growing economic relations with China, and the spread of the Islamic State in Khorasan Province (ISKP). The Russian government has boosted its security policy cooperation with the Central Asian countries, citing the threat posed by the ISKP. Russia is also carrying out a misinformation campaign directed against the effort of the United States and NATO in Afghanistan. Russia is accusing the United States of supporting ISKP's activities in Afghanistan, alleging that the United States is flying supplies and militant ISIL fighters from Syria and Iraq into Afghanistan.

Finding a format for peace negotiations has proved complex

The next couple of years, the regional great powers will enhance their involvement in negotiations to put an end to the conflict in Afghanistan. Russia has managed to gradually position itself as a key player vis-a-vis the four other regional powers, for instance through the so-called Moscow format for regional discussions on the situation in Afghanistan. However, the non-converging interests of the regional powers involved in Afghanistan, including diverging views on military support for the Taliban and the United States' eagerness to play a key role in the Afghan peace process, serve to complicate Russia's diplomatic balancing act.

In February 2018, President Ghani stated that he is willing to negotiate with the Taliban unconditionally, provided that the Taliban sever its ties to terrorist groups and accept the Afghan constitution. However, the Taliban has maintained its refusal to negotiate directly with the Afghan government, which it considers an illegitimate regime, instead insisting on negotiating only with the United States. Contacts have been forged between representatives of the Taliban leadership and the US government, though it is doubtful whether the parties will be able to reach consensus on a format that can lead to negotiations between the Taliban and the Afghan government.

Civilian casualties are rising, and the majority of Afghans want peace. In April 2018, a suicide attack against a sports event in Helmand triggered a peace march on Kabul with protesters demanding peace negotiations between the government and the Taliban. President Ghani seized the opportunity, announcing a temporary ceasefire during the feast of Eid ul-Fitr. The Taliban accepted the ceasefire with certain reservations but rejected Ghani's call for a second ceasefire for the Eid ul-Adha celebrations in August 2018. More popular protests for peace and attempts

at establishing temporary or local ceasefires will likely occur.

Support from great powers dissuades the Taliban from peace negotiations

Pakistan's, Iran's and Russia's military support of the Taliban is a key element in the Taliban's military successes, posing the biggest obstacle to peace in Afghanistan. In the short term, the Taliban will thus prioritize military insurgency over peace negotiations. The Taliban will also be firm in its demand that a clarification of the coalition presence in Afghanistan is needed before any negotiations can be initiated.

The Taliban has bolstered its capability for extensive attacks involving amassment of insurgents from various provinces, as evidenced by the attacks against the provincial capitals Farah in May and Ghazni in August 2018. The Taliban managed to secure control of large parts of both Farah and Ghazni before the Afghan security forces, assisted by US air support, managed to repel the insurgents. Over the next year, the insurgents will put more provincial capitals under pressure, forcing the security forces to use resources on their protection. Though the Taliban may be able to overrun provincial capitals, the insurgents will be unable to hold a provincial capital against the Afghan security forces that are backed by the coalition.

In many locations, the Taliban is still forced to adapt its activities to the operational pattern of the Afghan security forces and the coalition forces, most notably around the more densely populated areas and larger cities. The insurgents will, to some extent, hold back from attacking such locations as the security forces have local supremacy and are supported by coalition aircraft. Instead, the insurgents will give priority to irregular methods such as assassinations, spectacular attacks, rocket attacks, hit-and-run ambushes and insider attacks to minimize their losses. However, the insurgents will maintain their pressure on the security forces in Afghanistan's rural areas, attacking smaller installations, patrols and supply routes just as they will attack and occasionally capture vulnerable district centres and provincial capitals. The insurgents will also bolster their influence and shadow governance in the rural districts.

The number of attacks against Kabul will likely increase in 2019 compared to 2018. The Taliban vows to step up attacks against the international coalition, but most attacks launched in Kabul will be against Afghan targets that are more accessible.

Through strengthening hierarchical structures, organization and procedures, the Taliban leadership has tightened its grip on the insurgency despite internal power struggles. Taliban Emir Haibatullah Akhundzada and his inner circle have rotated many of the local leaders to ensure their loyalty to the leadership. By doing so, the Taliban top leadership prevents them from establishing themselves as local warlords. In addition to the military support it receives from regional great powers, the Taliban has also managed to increase the income it generates in Afghanistan. Taxes on drug production make up its main source of income, but mining, farming and taxes on, for instance, transport and telecommunications companies, NGOs and ordinary Afghans also contribute to the Taliban's funding.

Islamic State in Khorasan Province and al-Qaida have gained traction in Afghanistan

The ISKP is strong in parts of eastern Afghanistan's Nangahar and Kunar provinces, which constitute the core of the group's geographical stronghold. Here, the ISKP is fighting government forces, coalition forces and the Taliban in pursuit of territory and influence. The ISKP is also active in Northern and Western Afghanistan but has lost its enclave in Jowzjan province. Ethnic conflicts and dissatisfaction among the local Taliban members add to the ISKP's recruitment pool and are often a key reason for ISKP activities outside its stronghold. The ISKP has launched several spectacular attacks in large cities such as Kabul and Jalalabad and will continue to do so over the next year.

Key al-Qaida leaders reside in Afghanistan and Pakistan, including al-Qaida senior leader Ayman al-Zawahiri. Al-Qaida's senior leadership remains intent on attacking the West and Western interests. Still, the killing of many of its high-ranking members has curbed the clout of the al-Qaida senior leadership.

Afghan security forces under pressure

Over the past year, the Taliban has stepped up its pressure on the Afghanistan National Defense and Security Forces (ANDSF), greatly increasing ANDSF losses.

Parallel with the increased pressure, the ANDSF has had to deal with the extensive restructurings launched by the Afghan government. In this vein, the ANDSF is in

the process of doubling the number of Afghan Special Forces, the Afghan Army is developing a concept of territorial forces, and the Air Force is introducing US helicopters and boosting the use of light fighter aircraft. The ANDSF has spent a great amount of resources implementing these reforms, temporarily hampering its ability to fight the Taliban. Besides having to adjust to the reforms, the ANDSF was tasked with providing security for the 20 October 2018 Afghan parliamentary elections.

Even in the long term, the ANDSF will likely not be able to solve its tasks without support from the NATO-led coalition. The complexity of the overall number of ANDSF tasks makes it possible for the insurgent groups to capture new areas, in particular in the rural districts. Also, the ANDSF's myriad of tasks increases the risk that district centres and provincial capitals may fall into the hands of the Taliban, at least temporarily.

Afghan politics marred by division

Large parts of the Afghan society are against the Taliban. Backing for the insurgents is strongest among the Pashtuns, who are predominant in the South-Eastern Pashtun belt across the border to Eastern Pakistan and in a few large enclaves in the south. In northern Afghanistan, the Taliban has also been somewhat successful in attracting Uzbek and Tajik insurgents.

In addition, Afghanistan's political groupings are divided along ethnic, regional and tribal lines. Strong centralization of political power in the presidency and an election system that does not allow running on party lists serve to enhance the divisions. The Afghan state structure is weak and marred by extensive corruption, making it hard for the Afghan government to exploit the opposition to the Taliban.

The outcome of the 20 October 2018 parliamentary and district elections in Afghanistan remains moot. According to the Afghan Independent Election Commission, four million of Afghanistan's nine million registered voters cast their ballot in the elections. Unofficial sources indicate a lower turnout, with many polling stations being closed and extensive problems related to the biometric voter registration system. The Taliban launched relatively few attacks on election day,

Demonstration in Kabul on 13 August against security forces' efforts in Ghazni. The man in the photo is selling Afghan flags to protesters

opting instead to block the roads to the polling stations. Turnout in the cities was relatively high, while many of the Afghans in the rural areas were precluded from voting due to the precarious security situation.

It is less likely that the presidential election slated for 20 April 2019 will result in a stable government capable of uniting the many anti-Taliban political groups. The possibility exists that President Ghani may not be re-elected. He is up against the National Coalition of Afghanistan – an alliance of the dominant Tajik, Uzbek and Hazara parties – which has also been joined by a number of prominent politicians from the Afghan Pashtun community. Ghani's best shot at re-election is an alliance with Hizb-e Islami Gulbuddin, division among the parties in the National Coalition of Afghanistan, and extensive election rigging.

The political division among the key groupings behind the Afghan state makes its hard to effectively handle the military effort against the Taliban and to formulate a coherent strategy for negotiations with the Taliban. The division also dilutes the fight against Afghanistan's chronic corruption and the efforts to kick-start the country's economic growth.

NORTH KOREA

North Korea has declared itself a nuclear weapons state and has strengthened its relations with the international community. The end result of this enhanced dialogue remains to be seen. North Korea's nuclear weapons and missile capacities remain unchanged, and, in the short to medium term, the prospects of North Korea completely abandoning its nuclear and missile programmes remain less likely.

The situation on the Korean Peninsula has gone through significant changes since North Korea's latest long-range ballistic missile test on 29 November 2017. After the test, North Korea announced that it had successfully completed its nuclear weapons and missile programme and declared itself a nuclear weapons state. Since early 2018, Kim Jong-un has embarked on an unprecedented international charm offensive involving North Korean participation in the Winter Olympics and a number of international summits with South Korean President Moon Jae-in, with Chinese President Xi Jinping, and with US President Donald Trump. Further developments in the situation are very hard to predict.

North Korean nuclear weapons and missile capacities remain unchanged

Despite the thaw in the international negotiation climate between North Korea on the one side and, in particular, the United States, South Korea and China on the other, it is highly unlikely that North Korea has reduced its nuclear weapons and missile capacities.

It remains unclear whether North Korea is able to produce a re-entry vehicle (RV) capable of safely returning a missile warhead through the Earth's atmosphere. An operational RV is a prerequisite for viable long-range missiles.

Despite the current thaw in political relations and the persistent international pressure, it is less likely that North Korea will completely abandon its nuclear weapons and missile programmes. These programmes, together with the declared nuclear capacity, still make up the deterrent, and thus the security guarantee, that has been crucial to the North Korean regime since the onset of the nuclear programme.

Favourable negotiation climate but US negotiation position is weakened

In 2018, North Korean leader Kim Jong-un has further consolidated his leadership. Kim Jong-un has appeared actively on the international scene and has held summits with South Korean President Moon Jae-in, with Chinese President Xi Jinping, and with US President Donald Trump. These meetings have likely served to bolster Kim Jong-un's position and power internally in North Korea and have strengthened his negotiation position internationally.

Even though North Korea does not take any real steps towards dismantling the country's nuclear weapons and missile programmes, the United States will face difficulties in adding further pressure on North Korea and on the other countries in the region to strengthen the sanctions regime against the country. This is because the improved relations between North Korea and China and South Korea are partly unrelated to the nuclear weapons and missile programme issue. Both China and South Korea will likely prioritize maintaining and, if possible, advancing the currently stable situation in the Korean Peninsula over the need for specific initiatives to dismantle the nuclear weapons and missile programmes. Consequently, South Korea and China will likely not be interested in tightening the sanctions. Full support for tighter sanctions will likely only be possible if North Korea resumes its nuclear tests or launches a test missile.

Kim Jong-un increases focus on North Korea's own development

Over the course of 2018, economic development and innovation have been the important themes for Kim Jong-un's inspection visits at the country's state-owned factories. This sends a political signal that the North Korean Worker's Party is putting a strategic priority on developing the national economy. It is likely that Kim Jong-un saw a domestic political interest in declaring North Korea a nuclear weapons state, as this could legitimize a greater focus on and prioritization of North Korea's own economic and societal development.

Monitoring proliferation of weapons of mass destructions remains a challenge

North Korea still poses an obstacle to the international community's nuclear non-proliferation efforts. The international community will continue to struggle with detecting potential export of centrifuge technology that can be used to enrich uranium to weapons grade. Compared to plutonium-generating reactors, centrifuge

facilities are physically much smaller, making them more difficult to detect.

Terms and definitions

In order to facilitate the reading of this risk assessment, we have prepared a brief outline of the special terms and definitions used in our assessments.

Intelligence assessments almost always contain elements of doubt. The level of probability in assessments must thus always be made clear. To facilitate this and to ensure that all analysts express levels of probability consistently, we use standardized phrases to indicate probability, in particular when making key assessments.

Probability levels, terms and definitions used in this risk assessment are as follows:

The scale does not express precise numeric differences but merely informs the reader whether something is more or less probable than something else. In other words, this scale shows whether we assess the probability to be closer to 25 per cent than to 50 per cent. This is the best way for us to ensure consistency between analyst intention and reader interpretation.

Probability levels are not an exact science but are intended to give the reader an indication of our level of certainty. Probability levels, terms and definitions used in this risk assessment are as follows:

Degrees of probability

- **Highly unlikely.** We do not expect a certain development. Such a development is (almost) not a possibility.
- **Less likely/doubtful.** It is more likely that something will not happen than vice versa.
- **Possible.** It is a likely possibility, however, we do not have the basis to assess whether it is more or less possible that something will happen.
- **Likely.** It is more likely that something will happen than vice versa.
- **Highly likely.** We expect a certain development. It has (almost) been confirmed.

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

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