

Independent Analytical Center For Geopolitical Studies

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Distinctive Features of the Development of the Geopolitical Situation in the World in 2013



Analytical review







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Major trends in the development of global world processes



Formation of multi-polar model of world order

In 2013, the key trend in the development of the military-political situation in the world remained formation of multi-polar model of world order with two global centers of power — the United States and China, as well as several centers of super-regional and regional levels, including India, Russia, Brazil, Argentina, Iran and Turkey. This trend had characteristics of both strategic and local scales.

USA and China

The main such distinctive feature was the relocation of the rivalry between the USA and China to a new, global level — from the Asia-Pacific Region (APR) to greater opposition of the sides in the political and economic spheres in other regions of the world. First of all it refers to Europe, which together with APR, Central Asia, Africa and Latin America becomes a new object of a struggle for influence between the USA and China. In particular, in recent years it appears as follows: on the part of the United States — get more activated measures to create a free trade zone with the European Union and is greater the U.S. military presence in Central and Eastern Europe (including Missile Defence systems deployed by the USA/NATO, U.S. Air Force units are located in Poland through transportation bases are being moved to Romania to support actions of the International Forces in Afghanistan); on the part of China — enhanced credit, investment, trade and economic activities in the European countries, the latter get involved in the new Chinese program for construction of the so-called “economic belt of the Silk Road” (provides for establishing a new level of relations of China with countries of Central Asia, the Caspian and Black Sea regions and Europe).

At the same time, the USA and China have been finding ways to distribute global spheres of influence in the world and opportunities for joint solutions to the most important issues of global and regional security, as well as to deepen cooperation in trade and economic sphere.

In this context, strategically important were the visits of U.S. Secretary of State John Kerry to China in April 2013, and PRC President, General Secretary of the Communist Party of China Xi Jinping to the USA in June of the same year. The sides agreed to build a new model of USA-China relations on the principles of non-confrontation between the two countries, as well as to strengthen and broaden the dialogue at all levels. Leaders of the United States and China expressed their willingness to strengthen coordination of macroeconomic policies of their countries, to deepen cooperation in the military and security spheres (as the foundations for guaranteeing security in the world and in the region), to introduce the necessary rules of behavior in cyberspace, as well as to establish bilateral cooperation in solving problems of the Korean peninsula and the Middle East. These issues were fleshed out at the 5th meeting of the US-China Strategic and Economic Dialogue in July last year in Washington, as well as during the Defence Minister of



China Ch. Wanquan's visit to the USA.

Rapprochement between the USA and China contributed to strengthening of strategic security in the world, as well as to balanced development of both, the world economy and national economies of both countries. However, significant problems in US-China relations remain controversies regarding the influence of the parties in the Asia-Pacific region, approaches to solving conflicts in the Middle East, as well as access to markets and resources of Africa and Latin America.

However, both the USA and China have tried as best as possible to realize their own national interests.

The leadership of the USA has concentrated its efforts primarily on maintaining and strengthening the role of the country as a leading center of power in the world. Therefore, the main activity of the U.S. administration is solving economic problems of the country and ensuring its security, as well as strengthening American positions in key regions of the world, first of all in the Asia-Pacific region, Europe and the Middle East.

The consequence of these actions was the resumption of positive dynamics in the development of the American economy, which tends to exit the state protracted recession. This enables Washington to intensify its efforts to achieve its strategic goals in the political and economic spheres.



Chairman Xi Jinping met with U.S. Vice President Joseph Biden



In particular, defending their interests in the Asia-Pacific region, the United States signed a number of agreements with key countries of the region, including: India — on U.S. investments into the Indian economy and implementation of joint projects in the energy sector (including nuclear energy); with Indonesia — on supplying the country with modern aircrafts; with the Philippines, South Korea and Australia — on strengthening the U.S. military presence at their territories. Besides, negotiations continued between the U.S. and Asia-Pacific countries to establish a trade and economic organization —

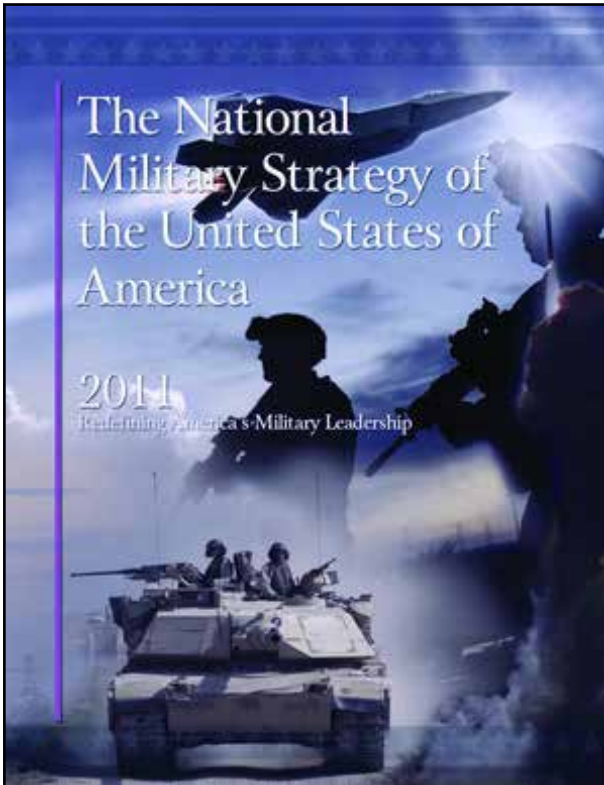
“Trans-Pacific Partnership”.

A greater attention of the U.S. leadership to the Middle East region was shown by visits of the United States' President Barack Obama (in March 2013 to Israel), of Secretary of State John Kerry and other members of the U.S. administration. The main goal of U.S. Middle East policy remained assistance in solving the Arab-Israeli conflict, in resolving the situation in Egypt, Iraq and around Syria (through the removal of the B. Assad's regime from power).

However, despite the resumption of economic growth in the United States, the leadership of the country continued to reduce defence expenditures and to make appropriate reforms of the Armed Forces. In particular, they continued implementation of the new National Defence Strategy of the United States of America — “Joint Force — 2020”, which provides for optimization of the structure and size of the U.S. Armed Forces within the framework of liquidation and combining operational commandments, reduction of U.S. troops in separate regions of the world (particularly



in Afghanistan).



Instead, the United States develop high-tech weapons systems, including creation of an orbital reusable bomber, intercontinental ballistic missiles with conventional warheads, a new aircraft carrier with electromagnetic catapult systems, unmanned aerial vehicles (including the ship-based fighters), combat laser systems, as well as the battlefield robots for various purposes.

The key event in China in 2013 was the first Session of the All-China People's Congresses (Parliament) of the 12th convocation, which summed up the economic achievements of the country, determined prospects for its further development. Was elected a new state leadership of China of the 5th generation headed by the President of the People's Republic — General Secretary of the Central Committee of the Communist Party of China Xi Jinping and Premier of the State Council (government) Li Keqiang.

According to the program installations of the new authorities of the PRC, the main goal of the country's development is implementation of the so -called "Chinese dream", which provides for national revival of China, its achieving the level of leading countries of the world and decent welfare for Chinese citizens. To do this, China's leadership has focused on the processes of the country's transition from the old economic model — stimulation of Chinese exports and capital construction projects in the country — to new principles of economic management, which are based on the development of the domestic market and high-tech industries. In order to avoid unwanted "overheating" of the national economy, its growth rate was artificially reduced from 12 % to 7.5%.

China's leaders have been actively strengthening international positions of the state, increasing Chinese economic presence in other countries and regions. For example, during the year the total volumes of Chinese investments into economies of the Asia-Pacific region had increased to about 130 billion US dollars. The major Chinese partners in the region remained Australia, Indonesia, Philippines, Vietnam, Malaysia, India, Japan, Laos, South Korea and Brunei. China also had priority in the development of relations with countries of Southeast Asia, particularly India. In 2013, the trade volume between the two countries amounted to 80 billion US dollars and tends to grow. China's economic relations with Central Asia, Africa and Latin America have also deepened.



The most important place in China's foreign trade was given to the European Union, which is second to the USA trading partner of China. In late 2013, Chinese investments in the European economy reached at least 140 billion US dollars, and the volume of bilateral trade amounted to more than 550 billion US dollars.

Besides, China has remained an active participant in major international organizations, including UN, "Big Twenty", the Shanghai Cooperation Organization, a group of BRICS, ASEAN, APEC and other intergovernmental organizations.



The priority of China's leadership was to strengthen the country's defence. For the People's Liberation Army of China (PLA) to be able to win in any armed conflict, the Chinese side is technically rearming its Armed Forces and Navy, improves the systems of commandment, reconnaissance and communications, enhances the level of combat training and cares about improving military education and patriotic education of youth.



As part of the national military policy in the Asia-Pacific Region, China has been building up its network of military bases in its South-Eastern regions, strengthening its Navy in order to reliably monitor coastal seas and exits into the Pacific and Indian oceans. Therefore, special attention is paid to the creation of modern aircraft carrier fleet and long-range aviation.

In general, in 2013 for this purpose they allocated 114.3 billion US dollars, which is 10.7% more than in 2012.

USA/NATO/EU and Russia

Development of military-political and security processes in the world is significantly influenced by the nature of relations between the USA/NATO/EU and Russia, which has one of the largest military potentials.

Despite the continued cooperation between the USA/NATO and Russia in key issues of global and European security, as well as positive momentum in the development of economic relations between the European Union and the Russian Federation, in 2013, did not stop the process of winding down the “reset” of relations between the West and Russia. The reason was existing, and in some cases growing contradictions between the parties on some fundamental issues related to their interests, including the USA and NATO's turning to implementing plans to deploy a Missile Defence systems in Europe, worsening of the situation in Syria against the background of different attitudes of Western countries and Russia to the participants of the Syrian conflict, and radicalization of the confrontation between the West and Russia for influence in the post-Soviet space.

The consequence of these processes has become a series of activities for mutual pressure of the



USA and Russia, including so-called “legislative wars” between the two countries. For example, the United States adopted the “Magnitskyi Act” which restricts the right of Russians to enter the USA, blocks financial accounts of some Russian officials who are involved in human rights violations in Russia. The US Department of Defence has cancelled the contract on purchase of Russian Mi-17 helicopters for the Armed Forces of Afghanistan, which has led to the Russian Defence Industry’s financial losses. Even more resonant was the US President Barack Obama’s refusal to meet with Russian President Vladimir Putin on the eve of the Summit of the “Big Eight” in Moscow in September 2013 because of Russia’s having granted political asylum to the former employee of the US National Security Agency (E. Snowden). For its part, the leadership of the Russian Federation adopted some legislative acts, thus limiting entry to Russia of some U.S. government officials, whom Moscow has accused of involvement in the violation of the rights of Russian citizens. Besides, in October 2013, on the

orders of Vladimir Putin, was liquidated the interagency working group under the President of Russia on cooperation with the USA and NATO on Missile Defence.

No less tough confrontation between Russia and the European Union was caused by the EU “Eastern Partnership” program, which provides for deeper European integration of Ukraine, Moldova, Georgia and Armenia and development of relations between Europe and Belarus.

Taking into consideration the substantial mismatch between the goals of the above-mentioned program and Russia’s intentions to restore its influence in the former Soviet Union, in 2013 the Russian leadership activated its measures to counter the “Eastern Partnership”. For this purpose, Russia began a massive campaign of political, economic and informational pressure on Ukraine, Georgia, Moldova and Armenia, restricting access of their products to the Russian market, supporting various pro-Russian organizations and separatist movements that advocate rapprochement with Russia and joining the Customs Union. Russia simultaneously strengthened its pressure on European partners of member countries of the “Eastern Partnership”, primarily Poland and Lithuania.

In contrast to Russia, the EU leadership, NATO and individual European countries have activated their activities in support of the European choice of the CIS countries. Thus, in September 2013 the European Parliament adopted a Resolution “On the Pressure which Russia Makes on the “Eastern Partnership” Member Countries”, where Moscow’s policy towards the countries of the former USSR is condemned. A similar statement was also made by NATO. Besides, the European Union expressed its willingness to assist member countries of “Eastern Partnership” and compensate for losses incurred by Russia and has taken some practical steps in this direction. However, under Russian pressure Armenia and Ukraine refused to sign an Association Agreement with the EU. The Armenian side also agreed to join the Customs Union.

By the way, in the difficult situation of relations with the EU due to the above-mentioned problems, the Russian Federation’s leadership is trying to prevent a reduction in the volume of bilateral trade with the European Union which remains the largest trading partner of Russia.



Strategic nature of relations between the parties was confirmed during the EU-Russia Summit, held in 2013.

Russia and China

As for the development of relations between Russia and China, it is characterized by further deepening cooperation between the parties in the political and economic issues.

This is evidenced by the first official visit of the new PRC's President Xi Jinping to the Russian Federation in March last year, when he met with the Russian Federation's President Vladimir Putin. Leaders of both countries signed a package of agreements on further development of cooperation in the energy and banking spheres, in particular on the construction of a gas pipeline from Russia to China, and on Chinese companies' 2 billion US



dollars investment into mineral extraction in Eastern Siberia. Prospects for the development of cooperation between Russia and China in the energy sector was also touched upon at the summit of "Big Twenty" in September 2013 in St. Petersburg. By agreement of the parties, by 2015 the trade turnover between the two countries is planned to have increased to 100 billion US dollars, and by 2020 — up to 200 billion US dollars.

At the same time is deepening cooperation between China and Russia within the framework of international organizations (primarily the UN, BRICS and SCO) on political, economic and security issues. Gets activated the parties' cooperation in military sphere, including, for joint anti-terrorist and peacemaking trainings.

At the same time, the problematic aspects in the relationship of the parties remain Russia's concerns about the growing influence and strengthening of the positions of China in the Far East and Siberian regions of the Russian Federation, as well as the increase of imbalance in the bilateral trade.

Russian geopolitical strategy

As part of the above-mentioned activities, Russia continued to implement geopolitical strategy to revive its role as a major world state.



According to Russian experts, during 2013, Russia had real achievements in this regard and actually returned to the leading centers of power of the world level. This is evidenced by success in creating a Eurasian Union (in terms of having forced Armenia and Kyrgyzstan to join the Customs Union and the Association Agreement between Ukraine and the EU having not been signed), the resumption of the military potential of the Russian Federation and its permanent military presence in the world's oceans, prevention of military intervention of the United States and NATO into the situation in Syria, creation of new

transport and energy systems for transporting Russian gas to Europe.



But a major problem for Russia was the deterioration of its economic situation, in particular, further reduction in the rate of economic development of the Russian Federation, decline in production in key sectors of industry and agriculture, decrease in revenues for the state budget. The reason is decrease of the price and demand for Russian energy carriers in Europe (as the main source of export revenues), outflows of capital from Russia, actual curtailing of the development of the country's modernization, corruption and bureaucracy.

Increase in the deficit of the state budget of the Russian Federation makes Russian government cut social spending and funding programs for development of the Russian economy. But at this, the Russian military spendings actually remain unchanged. More so, without taking into account their own financial and economic problems, Russia increases its expenditure for the implementation of its integration projects at former Soviet territories (including at the cost of the reserve fund) having strategic importance for the country.

Super-regional and regional countries



Prominent role in the global geopolitical processes play some other super-regional and regional countries, primarily India.

During the year, India's leadership was developing relations with the USA, the EU and Russia in the economic and military-technical spheres, trying to achieve military parity with China, as well as to counter threats from Pakistan.

But other countries from BRICS group — Brazil and South Africa — demonstrated relatively low international activity and mainly focused on solving domestic problems — on reducing the rate of development of the Brazilian economy and on the internal conflict in South Africa.

Actions and positions of the above-mentioned countries were also determining the work of leading international organizations, as well as developments in key regions of the world.

Leading international organizations

The UN



the rights of its members.

During the year, the active work of the UN was aimed at solving global and regional problems in the security sphere. Thus, the main themes of the 68th UN General Assembly was the situation in Syria and Egypt, prevention of armed conflicts in other regions of the world; preventing the proliferation of nuclear weapons; reforming the UN Security Council. Incidentally, the latter question members of the UN perceive differently. In particular, Russia opposes the proposal to expand the membership of the Security Council and to restrict

“Great Twenty”



Efforts of “G-20” were directed primarily at the resumption of positive dynamics of the global and national economies of the member countries. To finding solutions to the above-mentioned issues was dedicated the Summit of “Great Twenty” in September 2013 in St. Petersburg (Russia). The parties expressed their willingness to implement structural reforms of their financial and economic systems, as well as to reduce national deficits of state budgets.



The Shanghai Cooperation Organization



Within the framework of the current activities of the SCO, member-countries' special attention was paid to coordination of the directions for its further development. Thus, during the year had been adopted the SCO Development Strategy until 2025, as well as the Action Plan until 2017 to implement the provisions of the Treaty of Amity and Cooperation. Besides, they agreed to establish a SCO Development Bank and to deepen cooperation with partner-countries in the economic, energy, transport and security spheres.

Peculiarities of the development of the situation in other regions of the world



Europe

The situation in Europe is directly dependent on European countries, which gradually began to overcome the lingering financial crisis, thereby contributing to the resumption of positive dynamics of development of the EU and NATO.

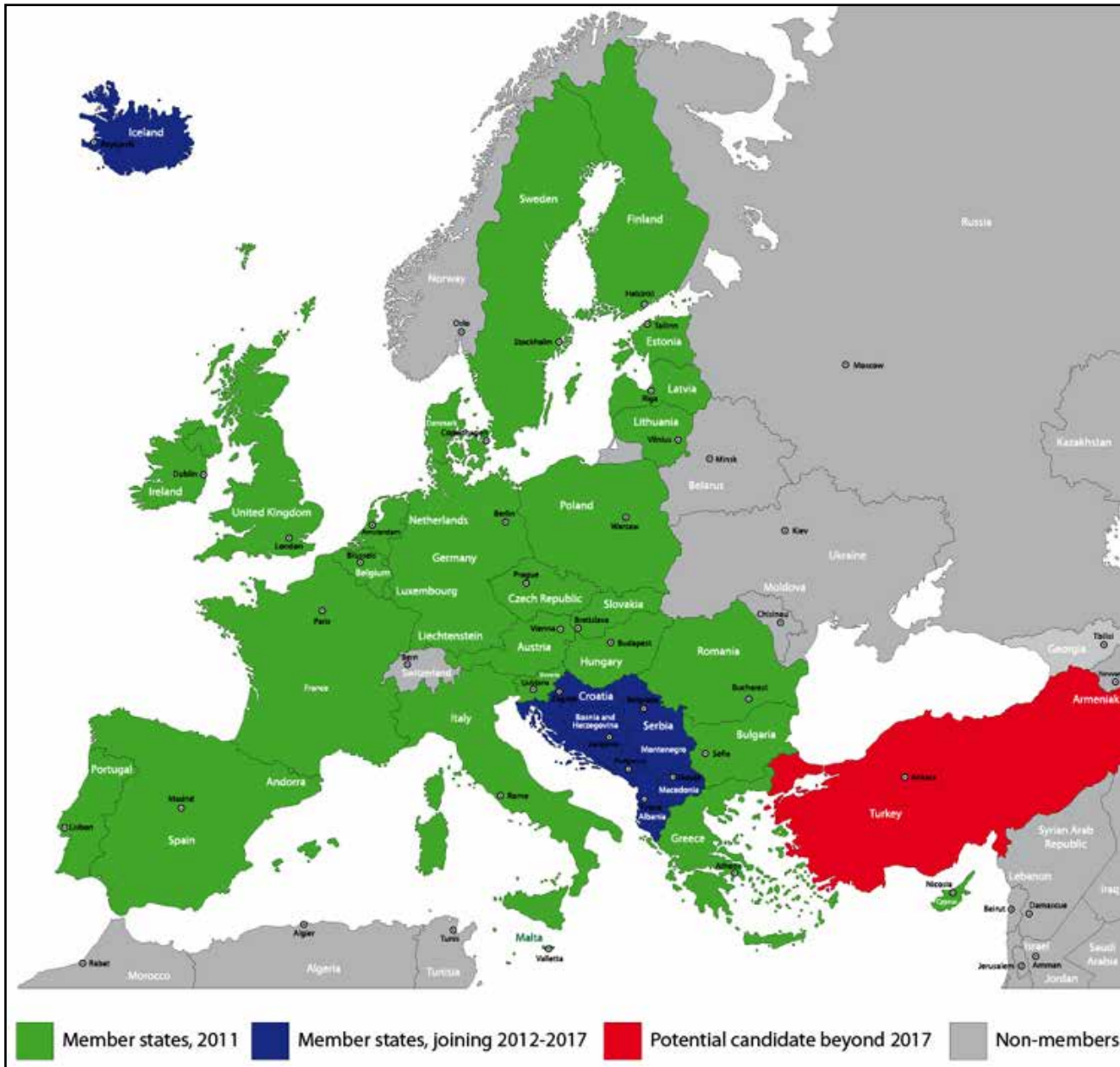
The EU economic growth was resuming, thanks to the leadership of the European Union having taken a complex of certain measures, including, in particular, the structural reform of economic, energy and banking spheres, the EU labor market, enhancing trade and economic cooperation with other countries (USA, China, Africa, and Latin America). Besides, the governing bodies of the European Union were leading an aggressive policy of budgetary savings. For example, the EU budget in 2014, compared with 2013 has been reduced by 9%. Some European countries have expressed their discontent, demanding greater autonomy for themselves in the financial sector.

Kept going on the implementation of the main programs of the European Union, including EU Enlargement, the “Eastern Partnership”, Common Security and Defence, Energy Security of Europe. Fulfilling the EU Enlargement program, the European Union, was paying attention to issues of European integration of the countries of the Western Balkans — Macedonia, Albania, Croatia, Serbia, Bosnia and Herzegovina and Kosovo. The important achievements of the EU program “Eastern Partnership” include initialing the Association Agreements between the EU and Moldova and Georgia (at Vilnius Summit in November 2013). However, Ukraine and Armenia’s refusal to sign such an Agreement can be interpreted as an actual failure of the program.

Caring about increasing of security of the European Union, its leadership was trying to effectively use military capabilities of member countries of the EU (similarly to the NATO’s “Smart Defence” concept), expanded its cooperation with NATO, took part both, in the settlement of crises and conflicts (including within EULEX-Kosovo, the training mission in Mali, the observation mission in Georgia, etc.), and in the neutralization of piracy in the Indian Ocean, was developing and strengthening the EU forces for reliable protection of national territories and crisis response (in particular, tactical combat groups were improving and brought to bearing permanent duty). November 25, 2013 the EU Council adopted a decision on the implementation of



selected priority programs to establish a multinational fleet of refueling aircrafts, unmanned aerial vehicles, to make a government satellite communication system.



Countries - members and candidates for EU membership

Strengthening its energy security, the EU has identified the main route for transporting Azerbaijani gas to Europe, giving priority to the project “Trans-Anatolian” gas pipeline (Turkey — Greece — Albania — Italy).

NATO

In the context of dynamic changes in the geopolitical situation in the world, as well as new challenges and threats to global and regional security, the Commandment of the NATO has determined its core activities. Namely: securing national territories of the NATO member-countries, settlement of crises and conflicts (primarily in Afghanistan and Kosovo), struggle against piracy, development of relations with partner countries.

Implementing the concept of “Smart Defence”, the NATO leadership was deepening specialization of the NATO’s member-countries in military construction and defence industries, attracting partner countries to multinational projects, optimizing the organizational structure of



NATO working bodies. At this, priorities were the following objectives: creation of new automated systems of management, information security, communications and intelligence; building up capabilities of the Coalition's air and sea transport; improving protection of personnel and vehicles from improvised explosive devices; creation of the European Missile Defence System; cyber security and improving logistics.



NATO expansion

NATO's military activities were focused on completion of the operation in Afghanistan and transferring the responsibility for the security situation in the country to the Afghani Security Forces. This can be considered a prerequisite for withdrawal of International ISAF forces from Afghanistan before the end of 2014 and creation in their place of a new training and support mission. However, to solve this problem a new agreement between the USA, NATO and Afghanistan's leadership has to be signed, and that is problematic.

Due to the fact that the situation in Northern Kosovo municipalities has somewhat got stabilized, NATO's Commandment decided to reorganize the structure of KFOR and to gradually reduce their numbers. Since September 2013 has begun the phased withdrawal of subunits of KFOR from checkpoints on the border between Kosovo and Serbia. Besides, the Commandment of the Allied Forces in Europe has developed guidelines to clarify the plans for KFOR mission for 2014-2018 and identified key stages of preparation for the final phase of the operation "Deterrent Presence."

The situation in some European countries

The situation in the European region has been significantly affected by the situation in some European countries.

Germany

First of all here is meant Germany. It is one of the most influential and economically developed countries of the European Union. After all, due to the accelerated rates of economic growth of Germany, the positive dynamics of development of the EU has resumed. Besides, Germany, as a major financial donor of the European Union, in fact, was determining the financial policy of the



governing bodies of the EU on saving credit and budget means.

According to most experts, to further strengthening of Germany's leadership positions will contribute the creation of a new governing coalition (by the results of the Parliamentary elections in September 2013) of the CDU /CSU and the Social Democratic Party of Germany, as well as the appointing by this coalition in December 2013 of the new government of the country. Angela Merkel got the position of the Federal Chancellor of Germany for the third time in a row.

The Program of the new government of Germany provides for greater attention to socio-economic problems of the country with simultaneous strengthening of Germany's positions in the European Union. We must assume that Germany is activating its steps to implementation of national interests both, inside the country and in the international arena. In particular, the Federal Republic of Germany will be defending the tight financial policy of the EU, strengthening resistance to the expansionist policy of Russia in Europe (which already has had a negative impact on German-Russian relations), and will also support democratic forces in Ukraine.

France

An important role in the EU is assigned also to France. According to the concept document of the country — “White Paper — 2013” — the country's leadership, leading foreign policy and caring about security, was trying to strengthen the unity of the EU Member States to properly identify their positions in joint decision-making; was caring about the full use of the existing capabilities and potential of the European Commission in governing the European Union; was seeking to improve the work of other governing bodies of the EU, including European External Action Service and the European Defence Agency; was paying attention to strengthening defence capabilities of the European Union. It should be noted that quite a serious problem in France, including in the affairs of the implementation of its foreign and defence policy, was a difficult financial and economic situation in the country.

Great Britain

The same problem was also observed in Great Britain, the rate of economic development of which were very low. Besides, the British leadership in a certain way was keeping a distance between itself and the EU, speaking for the preservation of the right to solve their economic and other problems independently. Another problem for the UK was separatist sentiments in Scotland, the regional authority of which initiated a referendum on secession of the region from the British state.

Poland

In the region of Central and Eastern Europe the leading role belonged to Poland. Strengthening its international positions and defending its own national interests, the Polish leadership has clearly determined the major questions of the foreign policy: strengthening the role of Poland in the European Union and the North Atlantic Alliance; deepening the strategic partnership with the United States (including in military and military-technical spheres); development of relations with the CEE countries on a bilateral basis as well as within the framework of international organizations (primarily the EU, NATO and the “Vishegrad Group”); assisting in the European integration of the countries of the former Soviet Union under the “Eastern Partnership” program; creation of favorable conditions for the activity of the Polish business abroad. Priority of these directions was confirmed by the new National Security Strategy of Poland, adopted in October 2013.

Despite the difficult economic situation, the leadership of Poland was actively developing and modernizing the national Armed Forces. The Polish government adopted the “Priorities for technical modernization of the Armed Forces of Poland for the period up to 2022”, and the “Support Program for development of the Polish defence industry for 2013-2022”, providing for consolidation of the defence industry within the framework of core holdings and concerns.



In autumn of 2013 protests of the Polish population made the situation in the country more complicated. Poles were demanding improvement of social protection and resignation of Donald Tusk's government. As a result, in November 2013, the Polish government was changed, and determined new priorities of its activities that can raise the level of wages, job creation, and development of urban infrastructure.

Romania

An active role in the region of South-Eastern Europe is trying to play Romania, striving to reach the level of one of the regional leaders. During the year, Romania's leadership was strengthening its positions in the Black Sea region, in which are interested the United States, NATO and the EU, and was strengthening its influence in Moldova with a view to its further reintegration into the "big Romanian state".

In particular, according to the previously concluded Agreements, in October 2013 at the Romanian territory, began the deployment of anti-missile systems "Aegis" of Missile Defence System of the USA/NATO in Europe. Besides, it was decided to provide the USA with the Romanian air base in Kogilnichanu for the deployment of the Transit Center, which will supply International Forces in Afghanistan (after closing in 2014 of the Center in Kyrgyzstan).

As compared with previous years, it should be noted that due to the complicated domestic situation, the activity of Romania's foreign policy has somewhat decreased. Thus, neither the early Parliamentary elections in December 2012, nor the appointment of a new government in January 2013, did not manage to prevent confrontation between the presidential and governmental branches, to pacify caused by socio-economic problems mass protests of the Romanian population.

Turkey

One of the major factors that influenced the development of the situation in the Black Sea region was the events in Turkey. Thus, the Turkish leadership tried to stick to the policy of strengthening its leadership positions in the Black Sea, Caucasus and Middle East regions. The priority issues in the foreign policy of Ankara were as follows: achieving regional parity with Russia and Iran; overthrowing of Bashar al-Assad's regime in Syria; deepening cooperation with leading countries of the world, as well as of the Middle East, the Caucasus, Western Balkans, Central Asia and Africa. For Turkey it was important to restart negotiations on the country's joining the EU.

Internal policy of the Turkish government was aimed at maintaining the positive dynamics of the economic development, achieving stability at the Turkish territory by creating conditions for terminating extremist activities of radical Kurdish organizations. In particular, an agreement was reached on the pullback of Kurdish militias to Northern Iraq (Iraqi Kurdistan) in exchange for recognition of the rights of Kurds in Turkey.

Yet the internal situation remained difficult due to the deepening confrontation between different political forces, leading the preparation for the Presidential elections in 2014 (primarily between supporters and opponents of Prime Minister T. Erdogan as the main candidate for the post of president of the country), as well as due to the complicated socio-economic situation caused by external factors (first of all by the conflict in Syria). The cause was mass demonstrations of the Turkish population against the government in the summer of last year (they were protesting against the reconstruction of the Gezi Park), a political scandal in late 2013, caused by the arrest of relatives of a number of senior representatives of the Turkish government accused of corruption, as well as the actual breakdown of the process of settling the Kurdish problem.



Post-Soviet territories



Post-Soviet territories

Russia

Last year, Russia was seeking to increase its influence in the former Soviet countries, pursuing the strategy of resuming Russia’s role of a “great world state.”

To the above-mentioned activities can be added such actions of Russians as strengthening integration structures at the post-Soviet territories, primarily the Customs Union (CU) and the Collective Security Treaty Organization (CSTO). In particular, in 2013 actually was completed the process of developing and adopting the internal legal basis of the CU. Besides, fundamental decisions on joining the Customs Union were taken by Kyrgyzstan and Armenia. It should be noted also that the work of the CU was accompanied by serious problems. Here we mean trade conflicts between member countries of the organization, Russia’s attempts to use the Customs Union for political purposes, which provoked a negative reaction from other countries. Besides, during the year there was an overall reduction in the volume of trade within the CU.

In parallel, measures were taken for the development of the military component of the Collective Security Treaty Organization. For example, was formed the CSTO Information Center (prototype of an intelligence structure), was agreed upon the establishment of the aviation component of the Organization. Great attention was also paid by the CSTO’s leadership to strengthening the protection of the Tajik-Afghan border and security in Central Asia in connection with the alleged aggravation of the situation in the region after the withdrawal of International Forces from Afghanistan.

Belarus

The CU member-state Belarus and Russia itself kept building up the military component, especially in terms of increased Russian military presence at the territory of Belarus. In particular,



in Belarus were deployed Russian Air Force fighter units, which will be on combat duty in the Belarusian airspace.

Testing of the joint military capabilities of Russia and Belarus was carried out within the framework of strategic trainings of the Armed Forces of both countries “West-2013” in September 2013. At the same time in Belarus were taking place trainings of the United Rapid Reaction Forces of the CSTO “Interaction-2013”, with the participation of troops from Russia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan. According to the stated scenarios during these trainings were studied localization and suppression of riots, in which participated Belarusian population. It should be noted that, according to some estimates, the true purpose of the trainings was demonstration of force to NATO within the general Russia’s policy to strengthen resistance to the West.

Against this background, the development of the situation in the CIS countries was characterized by local features that depended on national priorities, disposition of political forces and economic situation.

Despite the close relationship with Russia, as well as Belarus’ participation in the Customs Union, in 2013 the situation in the country was affected by the continuing deterioration of the Belarusian economy. For example, during the year production in virtually all economic sectors, including industry, agriculture, construction and transport, decreased. Automatically were growing prices for most basic commodities, the rate of the national currency was falling, gold reserves of the country was decreasing (by more than 1.5 billion US dollars) and unemployment was growing.

In such circumstances, the Belarusian government was trying to solve economic problems with the help of the Russian Federation, asking it for more financial loans and trade concessions. However, due to the fact that relations with Russia once again got sharpened due to pressure from the Russians (including the use of energy, trade and economic factors), the Belarusian side was seeking other ways to solve its economic problems. In particular, the Belarusian leadership resorted to measures to diversify its foreign economic relations (primarily, on the count of China and the Middle East), authorized the privatization of some objects of the national economy, increased taxes.

Belarusian authorities actively sought to establish relations with Western countries and international organizations in order to gain access to their markets, credits and investments. To do this, it used the tactics of individual concessions to the EU, in particular, the release of imprisoned Belarusian opposition leaders.

Moldova

Complexity of the situation in Moldova could be explained by the confrontation between the pro-European leadership of the country and the Party of Communists of the Republic of Moldova (PCRM) and other left-wing and pro-Russian forces. But, despite the worsening of political and economic problems, PCRM’s attempts to provoke riots, massive pressure from Russia, the leadership of Moldova managed to regroup the ruling coalition to prevent social unrests in the country and to initial the Association Agreement with the EU.

At this, changes did not actually touch the situation around the Trans-Dniester conflict. The leadership of the Trans-Dniester Moldavian Republic, as a rule, refused to discuss the political aspects of the Trans-Dniester conflict settlement and agreed to cooperate with Moldova only in certain economic issues. Trans-Dniester Moldavian Republic’s leaders approved the policy of Russia’s pressure on Moldova in its European integration issue, threatening to withdraw from the negotiation process in the “5+2” format (in particular, because of Moldova’s deployment of border and customs posts on the Trans-Dniester’s border, as required by the EU to improve the protection of the state). On the part of Trans-Dniester there were attempts to provoke tension in the Security Zone on the border with Moldova.

As for the role of Russia, it provided comprehensive assistance to the breakaway republic,



simultaneously enhancing its military presence in the region by rearming the Operative Group of Russian Forces in Trans-Dniester.

Georgia

The development of the situation in Georgia was complicated and dynamic. The main event in the country was the Presidential elections, which were won by the representative of the new ruling coalition “Georgian Dream” — G. Margvelashvili. Even though there was a change of the leadership of the Georgia and the new government was making attempts to improve relations with the Russian Federation, Georgia has not abandoned the chosen course to join NATO and the EU. Active cooperation of Georgia with the Atlantic Alliance continues the Association Agreement with the European Union has been paraphed.

The situation in the conflict zones in Georgia has remained relatively stable. However, no positive progress in resolving the Georgian-Abkhaz and Georgian-Ossetian problems happened. A major destabilizing factor in the situation around Abkhazia and South Ossetia remained Russia’s position which was politically and economically supporting the breakaway republics, and refused to sign a Nonaggression Agreement with Georgia. Besides, the international community was negatively impressed by Russia’s provocative actions to build up Russian military presence in Abkhazia and South Ossetia and the construction on their borders of the system of engineering obstacles with simultaneous violation of the Georgian territory.

Nagorny-Karabakh

Old and serious source of tension in the Caucasus remains ongoing Armenian-Azerbaijani conflict over Nagorny-Karabakh. Neither Azerbaijan nor Armenia ceased to increase the power of their Armed Forces, were imposing mutual threats, promising to use military force to defend their interests, which could provoke a large-scale armed conflict in the region. At this, the work the OSCE Minsk Group was practically useless, which was explained by the intransigence of Armenia, who refused to leave the occupied Azerbaijani territories.

The Russian Federation used this to maintain its military presence and influence in the region. Thus, on the one hand Russia was putting pressure on Armenia and Azerbaijan and on the other — it was offering various forms of economic preferences and military-technical assistance in exchange for support of Russian interests in the Caucasus.

In fact, this was the reason for Armenia’s refusal to sign an Association Agreement with the EU and its having agreed to join the Customs Union with the expansion of the Russian military bases at its territory.

On the other hand, even getting a lot of weapons from Russia (worth about 2 billion US dollars) and deepening cooperation with Russia in the energy sector, Azerbaijan has always maintained its independent position and has developed relationships with the EU, including participation in the implementation of European projects for creation of new energy transportation corridors in the region. Azerbaijan’s position in this matter strengthened after I. Aliyev’s reelection to the presidency in the elections in September 2013.

Central Asia

Rather complicated was the situation in the countries of Central Asia. During the year, the security situation around Tajikistan has become even more complicated, as it is affected by Afghanistan’s Islamic extremism, increased the number of public protests in Kyrgyzstan due to the fall of its economy, contradictions between Uzbekistan and Tajikistan got aggravated, due to the distribution of water resources in the region, opposition in Kazakhstan got activated due to deterioration of the health of President Nursultan Nazarbayev. The most stable country in this situation remained Turkmenistan which has chosen a neutral position in relations with its neighbors and was trying to diversify its export routes and energy resources.



Middle East and North Africa



The development of the events in the region was complicated and multifaceted primarily due to all sorts of socio-economic, political, ethnic and religious conflicts being unsettled. However, it should be noted that in solving of the Iranian nuclear problem there were some positive changes.

The most problematic country in the Middle East remained Syria, where an armed conflict between the government and opposition does not stop. In August 2013 the situation worsened due to use of chemical weapons on Syrian territory. In these circumstances, the USA and its allies decided to enhance pressure on Syria, showing their willingness to interfere into the current events. Soon the situation was resolved thanks to the compromise reached between the USA and Russia, which agreed to transfer Syrian chemical weapons stockpiles under the control of the international community for their liquidation. Under the control of the Organization for the Prohibition of Chemical Weapons, started transportation from Syria of chemical weapons and their destruction on a special ship in the Mediterranean Sea.



In parallel, was being prepared the second International Conference, where had to be determined ways out from the Syrian conflict.

But this does not exhaust the Syrian problems. After all, positions of the government and the opposition forces of Syria are still far from conciliation. Besides, among the opponents of the Syrian government increases the number of radical Islamists. The list of disagreements on the Syrian issue between Western countries and Russia does not decrease either.

Markedly has changed the situation in Egypt, the confrontation between the Islamists and the secular population had lasted for a long time. It actually began in early July 2013, when the military leadership of Egypt ousted from the leadership the ruling alliance, led by the Islamist party “Muslim-Brotherhood” and President M. Mursi, and instead appointed a temporary authorities (including Interim President A. Mansur), who became the head of democratic reforms (adopting



also some amendments to the Constitution of Egypt). Among the principal of such changes was prohibition of activities of “Muslim-Brotherhood” in the country. Was also prohibited to create political parties on religious basis. The leaders of the Egyptian Islamists ignore this prohibition and gather supporters at protests, which often turn into massive clashes with police and supporters of secular political forces. Tensions in Egypt are also aggravated by terrorist activities of Islamic extremist groups which got activated in the North of Sinai.



No less confusing events are observed in other countries of the region, particularly in Iraq, where the armed confrontation between local Shiites, Sunnis and members of other religious groups was provoked by the intention of the Shiite leadership of the country to monopolize power; in Libya, where armed clashes were caused by the never-ending feud between members who used to be part of rebel groups, and separatism in the Eastern and Southern regions of the country; in Lebanon — because of the relentless conflict between supporters and opponents of the current regime and opposition forces of Syria; in Yemen, where armed clashes were caused by deterioration of the socio-economic situation in the country and inter-religious conflict between Shiites and the Salaphites.

БЛИЖНИЙ ВОСТОК И СЕВЕРНАЯ АФРИКА: КРАТКИЕ СВЕДЕНИЯ	
Численность населения:	0,3 млрд.
Прирост населения:	1,8%
Средняя продолжительность жизни:	71 год
Детская смертность на 1000 живорождений:	29
Грамотность среди девушек и молодых женщин:	86%
Число инфицированных ВИЧ/СПИДом:	0,5 млн.
ВНД на душу населения:	3 594 долл. США
Индекс ВВП на душу населения (1998=100):	127

Объем новых зарезервированных кредитных ресурсов в 2010 финансовом году:
МБРР 3 523 млн. долл. США
МАР 214 млн. долл. США

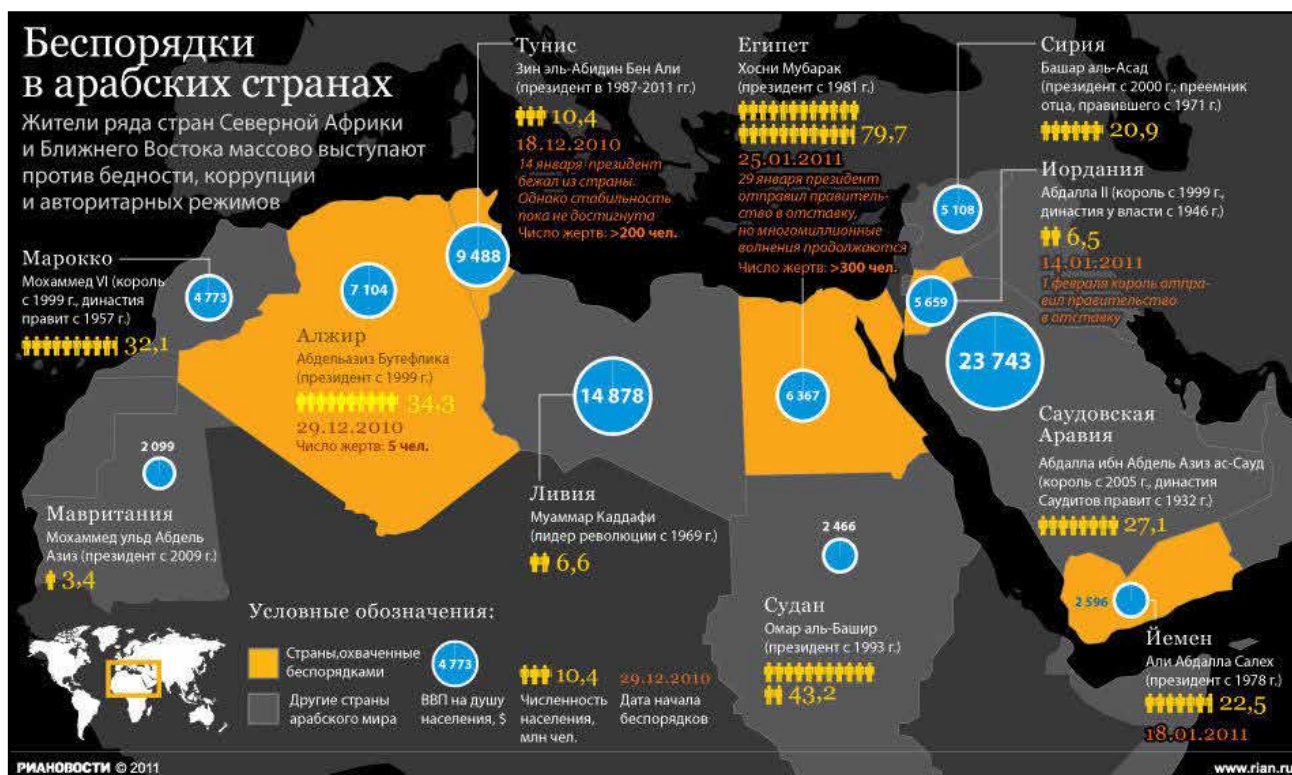
Объем предоставленных кредитных ресурсов в 2010 финансовом году:
МБРР 2 119 млн. долл. США
МАР 188 млн. долл. США

Портфель проектов на стадии реализации по

As for the positive regional factor in the development of the situation, it was the resumption of negotiations between Iran and the “International Six” on the settlement of the Iranian nuclear issue. At the talks in October 2013, the Foreign Minister of Iran proposed a phased implementation



of the plan for solving the problem, which provides maximum openness of Tehran’s works on the nuclear issue and cessation of uranium enrichment up to a certain level in exchange for the lifting of international sanctions and recognition of the IRI’s right to implement a peaceful nuclear program. Iran’s leadership even launched a number of initiatives, in particular relating to negotiations with the United States and resumption of diplomatic relations with Great Britain.



In general, the reaction of the United States and other Western countries to Tehran’s initiative was positive, and they have not ruled out the possibility of easing the sanctions imposed against Iran. However, as Iran continues to enrich uranium, these sanctions are not canceled. But even these aforementioned positive developments in the negotiation process reduce tensions around Iran and help improve security in the region.

Asia-Pacific Region

The main aspect in the development of the situation in the region is new sources of tension and potential conflicts in the Asia-Pacific region against the background of rivalry between the USA and China.





First of all here are meant contradictions between the PRC and a number of APR countries, particularly Japan, Vietnam, the Philippines and Indonesia, claiming the island territories in the South China and East China seas. Their confrontation escalated after the new state leadership of the PRC at the beginning of 2013 began to more firmly defend Chinese interests, including in matters of disputed islands.

During the year this was clearly seen in the confrontation between China and Japan over the Senkaku Islands (Chinese name Diaoyu Islands) in the East China Sea. Justifying their right to insular areas, both countries tried to resort to military force, which under certain circumstances could have escalated into a regional armed conflict. By the way, the United States supports Japan as one of its main allies in the Asia-Pacific Region.

Another factor in the Asia-Pacific Region is the relentless tension over North Korea (DPRK). This problem has a long history, but in the first half of 2013 it got considerably more complicated in connection with the North Korean nuclear tests and ballistic missile launches, as well as due to its threats to use nuclear weapons against the USA military facilities and against South Korea. In response, the United States, South Korea, Japan and their allies strengthened the grouping of their troops in the APR, and held a few demonstrative military trainings.

In the second half of 2013 on the Korean Peninsula took place some positive changes. Under the pressure from the international community, the DPRK leadership agreed to suspend its works on creation nuclear weapons, to sit down at the negotiating table with the “International Six” and discuss the national nuclear program, as well as to examine the conditions of signing a peace treaty with South Korea (RK). The work of the joint economic zone on the border between the DPRK and the RK also resumed.

But these positive developments have not improved the state of affairs on the Korean Peninsula, even because the confrontation between the DPRK and South Korea and the United States continues, and North Korea will not stop its work in the nuclear sphere, including on the commissioning of new reactor capacity.

Arctic



Facilitating access to the natural resources of the Arctic due to global climate changes explains the increased attention of the leading countries of the world to the region.

The most active position here is that of the Russian Federation, which began a complex of organizational, scientific and technical activities to consolidate the Arctic Shield, which runs from its coast to the North Pole. At the same time Russia is increasing its military presence in the Arctic, renewing and deploying for this purpose new military bases (including air ones).

The leadership of the United States of America in 2013 adopted a National Arctic Strategy, which involves the activation of the USA’s actions on the development of natural resources, development and adoption of appropriate legislative basis.

At the same time, at the beginning of last year, was created a Consultative Forum on the Arctic, with the participation of heads of governments and parliaments of the so-called Nordic Council, which includes Denmark, Iceland, Norway, Finland and Sweden.

China also shows its interest to Arctic. It has started creating its own Arctic icebreaker fleet and is reflecting on how to get access to the Russian Northern Sea Route.



Other factors of influence on the world and regional processes

International Conflicts

Conflicts took place not only in the Middle East and North Africa. They were also observed in other regions of the world, in the first place — in the Balkans, in Asia and Africa. In particular, most resonant events took place in Kosovo, Afghanistan, the Democratic Republic of the Congo, Sudan and South Sudan and Côte d'Ivoire and Liberia, where Ukrainian peacekeepers are fulfilling their tasks.

In the past year the relations between Serbia and Kosovo fundamentally changed. These changes were initiated by the Agreement on the Principles of Normalization of Relations, signed by the above-mentioned sides, enabling Serbia and Kosovo to join the EU and thus to stabilize the situation in the Balkans. At the same time for the implementation of the above-mentioned Agreement, it is necessary to eliminate the contradictions between the leadership of Kosovo and leaders of the Serbian territorial community, relating to the activities of parallel Serbian authorities in Northern regions of the Republic. Also a negative reaction among Albanian and Serb



nationalists causes EULEX-Kosovo Mission, responsible for investigating the facts of criminal activity of representatives of the former “Kosovo Liberation Army” and of Serb extremists against Kosovo authorities and international peacekeeping missions.

Even harder, with serious conflicts, events were developing in Asia and Africa. Thus, the situation in Afghanistan was characterized by vigorous activity of radical Islamist forces, headed by the “Taliban” movement, while the number of International Forces (ISAF have to leave the territory of Afghanistan before the end of 2014) was decreasing and there were preparations for the local presidential elections. In this case, at strengthening anti-terrorism measures on the Afghani territory, the local authorities, the US leadership and ISAF Commandment accelerated negotiations with moderate part of talibs on peaceful settlement of the long-standing conflict.



Please note that to resolve the situation in Afghanistan will be extremely difficult because of the intransigence of Islamists, political contradictions in the country, the weakness of Afghanistan’s Security Forces, as well as due to the unresolved question of the future American military presence on Afghani territory (as one of the main security guarantees in the country).

In the Democratic Republic of the Congo there was an armed confrontation between government troops (with the support of UN forces) and rebel militias of the “March 23 Movement” (supported by Uganda and Rwanda) for control over Southern regions of the DRC, where there are valuable natural resources (diamonds, uranium, rare earth metals and the like). After a long period of instability, at the end of the year the Armed Forces of the DRC managed to win a decisive victory over the rebels, which predetermined the peace negotiations. The government during this time had regrouped its forces and began an active struggle against other rebels — the “Democratic Forces for the Liberation of Rwanda” and “Mai — Mai”.

Significant problems in the relations between Sudan and South Sudan occasionally erupted into armed clashes on the border between the two countries. The parties did not recognize, for example, the results of the referendum on the status of the Abiey state (held in October 2013 at the initiative of local tribes) did not agree with the principles of transporting of South Sudanese oil through Sudan, put forward of mutual accusations of support of illegal armed groups. The situation in the region was destabilized by anti-government protests in Sudan because of some socio-economic problems, the armed stand-off of supporters of the current President of South Sudan S. Kiir and former Vice-President R. Machar.

In contrast to the just mentioned countries, the situation in Côte d’Ivoire and Liberia was relatively stable, with the exception of the tension between them on the border, where illegal armed groups of various rebels were bossing. Trying to neutralize the rebels, subunits of the



Armed Forces of Côte d'Ivoire and Liberia, with the support of the UN Mission (Ukraine's Armed Forces' helicopters included) conducted special operations in the border areas.

Terrorism and maritime piracy

Separate sources of the threats of global and regional levels are international terrorism and maritime piracy.

Last year were fixed active sabotage and terrorist activities in Iraq, Afghanistan, Libya, Syria and some other countries. But one of the most resonant events was the capture by Islamic extremists of the shopping center in the capital of Kenya — Nairobi, where at least 60 people were killed and more than 300 civilians were injured, including relatives of the President of the country, citizens of the USA, Canada, China, France and some African countries.



In connection with the intensification of the activities of NATO, the EU and other countries against pirates in the Horn of Africa, in 2013 was observed the movement of the center of piracy to other regions, particularly to the Gulf of Guinea, the South China Sea and the Strait of Malacca.

All of the above-mentioned processes and events directly affect the national security and interests of Ukraine. First of all, we mean here the change of the balance and disposition of forces in the world and around our state, taking place in the process of formation of a new multi-polar world order. Today, in the current system, apart from Russia, EU/NATO and the United States, a powerful factor of influence in Central and Eastern Europe can also be considered China, whose role in the development of economic and to some extent of political processes in the region is becoming more visible and strengthened. This trend determines diverse consequences for Ukraine, which on the one hand, due to the complicated situation in CEE, where regional rivalry between the leading countries of the world grows, including for the opportunity to have an influence on Ukraine, and on the other — give our state more ability to maneuver in the new system of relations between the West, Russia and China.

Proceeding from this, the main threat to us has remained and will remain further Russia's insistence to resume its influence at the former Soviet territories, primarily — by establishing its full control over Ukraine.



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