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MEXICO: Uncertain Future of Sonora Project Likely to Exacerbate Lithium Shortage

Summary: Cartel activity and possible nationalization of lithium mining could threaten the output of the Sonora Project mine. Such a reduction could create larger supply shortages in a strained lithium market. However, companies interested in protecting the lithium supply chain might provide security for reduced prices on lithium.

Global Lithium Trade and the Sonora Project: In April 2020, the COVID-19 pandemic began to slow the exports of many major lithium exporters. Lithium collection and mining dropped as workers began quarantining in Chile, Australia, and Argentina. Albemarle, a major lithium producer, experienced an approximate 20% loss in earnings due to logistical failures caused by COVID-19. The global lithium deficit prompted a drastic increase in lithium prices, forcing companies to adjust and compete for lacking resources.

In January 2018, Bacanora Lithium estimated that the Sonora Project mine will produce an estimated 8.7 megatons of lithium ore. This would make the Sonora Project the largest lithium reserve in North America, overshadowing Canada's 1.7 megatons of lithium, and placing Mexico as the fourth largest lithium producer globally. A mine of this size could minimize the shortage of lithium globally and mitigate the impact of COVID-19 on the lithium industry.

Cartel Activity: The Sinaloa Cartel will probably threaten the security and stability of the Sonora project, as they previously stole gold and silver from mines in the region. The Sinaloa's regional power in combination with government corruption creates conditions in which the cartel could inhibit lithium production. Security risks created by the cartel will likely force companies to pay for protection from a security company or from the cartel itself. The cartel will almost certainly seek to extract bribes or steal equipment and lithium from the mine. The Mexican government will probably only intervene with force if it controls the mine.

Government Action: Members of the Mexican government called for the nationalization of all energy resources and industries to improve its economy, although the Sonora Project may lose production capacity under government control. Nationalization would place all forms of energy production in Mexico under a proposed state-owned company called LítioMex. The proceeding legal dispute may halt mining operations until the courts determine ownership.

Outlook and Implications: Cartel activity and possible nationalization of the Sonora Project threaten its potential output and impact on the global lithium shortage. Regional instability surrounding the mine may result in a decrease in production, which would probably further exacerbate the global lithium shortage and reduce Mexico's prominence in the industry. Consequently, those dependent on lithium could face unanticipated supply issues that may force them to pay higher prices for lithium or limit availability.

If the Sinaloa cartel threatens the security of the Sonora Project further, the Mexican government may provide security as it did for other regional mines. However, this might give the government a reason and greater power to nationalize mines. In this scenario, the need for government protection might force Bacanora Lithium to accept the government's request and sell at least a part of the mine to the state. Alternatively, Bacanora Lithium could attempt to negotiate with the cartel to avoid nationalization by the state.

The Sonora Project may look towards companies in need of lithium for protection. The mine may offer reduced prices to companies willing to fund security operations. Such an agreement could both mitigate the global supply shortage of lithium and increase the Sonora Project's output rates. However, increased production capabilities and heightened output will probably reinforce Mexico City's desire to nationalize the project.

[Dorian Taylor, Parker Labine, and Tamhas Morgan]

SYRIA: Attacks on Idlib Will Probably Necessitate UN-led Peace Talks

Summary: Syrian and Russian offensive strikes that targeted Idlib civilians and infrastructure may result in UN Security Council and Human Rights Council meeting sessions, where the UN might hold Damascus responsible for alleged war crimes.

Development: On 17 October, the Human Rights Watch (HRW) condemned the Syrian-led Russian-backed 15 October attacks on the Idlib province, calling the attacks war crimes. The attacks included 46 air and ground strikes that killed at least 224 civilians and wounded 561 more while also targeting schools, hospitals, and other civilian occupied areas. Syrian and Russian forces claimed attacks targeted opposition forces, but the HRW found no evidence of opposition forces occupying the areas at the time of the attacks. During previous UN Security Council and Human Rights Council meetings, Damascus denied accusations of any war crimes while blaming Ankara and insurgent forces in the area. Reports of Syrian and Russian military leaders violating humanitarian law have surfaced, though no punishments or responsibility for these actions have followed.

Analysis: The recent attacks in Idlib province may trigger more UN Security Council and Human Rights Council meetings to respond to alleged war crimes. A lack of response to previous attacks indicates that Damascus will likely not face repercussions for the recent attacks. Increased global attention in Idlib may arise and inspire peace talks to continue. The UN may push to mediate these negotiations in addition to addressing the accused war crimes. Increased international attention in response to the attacks may pressure the UN to act and potentially take action against Moscow and Damascus in response to the attacks.

[Tianna Sardelli]

CHINA: Military Buildup Signals Preparation for Potential Conflict

Summary: China's growing military capabilities and aggression against Taiwan indicates a high probability for conflict, especially if met by an expanding Taiwanese independence movement.

Development: On 13 October, President Xi Jinping visited the Guangdong Province to meet with the People's Liberation Army (PLA) Marine Corps. The visit followed China's staged Taiwanese invasion drill that occurred during Taiwan's National Day on 10 October. Shortly after the event, Xi told the PLA to "focus on war preparedness and combat capabilities" in anticipation of its Taiwan reunification plan under the One China Principle. In addition to shifting focus, the Marine Corps plans to grow from 20,000 soldiers to 100,000 soldiers.

Analysis: Beijing will almost certainly continue to strengthen its military and perform live fire drills to intimidate Taiwan. These aggressive actions indicate that Taiwan's growing capabilities concern Beijing. Beijing may try to provoke Taiwan to initiate conflict. Taiwan's push for independence from China likely inflamed tensions due to Beijing's desire to unite Taiwan with China. The expansion of PLA marine forces shows that Beijing anticipates Taiwan's allies to enter combat alongside Taiwan, necessitating its need for greater troop capacity. The increase in troops may also prompt Taiwan to bolster its own military capabilities and push for independence, further escalating tensions.

[Savannah Gallop]

IRAN: Partnership Meeting May Strengthen Ties with China, Boost Global Status

Summary: Tehran discussed a strategic partnership plan with Beijing to develop stronger diplomatic ties with China, likely solidifying Iran's relationship with China and helping improve its standing in the international community.

Development: On 10 October, Iranian Foreign Minister Javad Zarif met with Chinese Foreign Minister Wang Yi in Tenchong to discuss a strategic partnership plan. This plan, already approved by Iran but under consideration in China, includes views on regional and international developments and expansion of bilateral relations between Tehran and Beijing. Discussions from this meeting covered facilitation of trade between Iran and China, COVID-19 vaccine collaboration, and the 25-year Joint Comprehensive Plan of Action (JCPOA). Tehran and Beijing tried to keep the discussions secret; however, press reports leaked that Beijing would invest \$400 billion in various Iranian sectors including oil and gas. In exchange, the plans showed that Tehran will insure steady energy supplies to China for 25 years at a discounted rate.

Analysis: The strategic partnership discussed in the meeting will likely enable Iran to hold a stronger standing on the world stage with the support of China. Facilitation of trade and collaboration of the COVID-19 vaccine would allow Tehran to strengthen its economy through trade and advance in research of a vaccine. The 25-year JCPOA would give Iran the ability to step up as a global power by partnering with China. A successful deal and partnership with China may also prompt other nations to look into creating similar deals, further bolstering Iran's international standing. However, this partnership would probably not develop into a formal military alliance because that would require a major shift in Iranian foreign policy, including rebalancing of ideological, pragmatic and religious considerations.

[Mia Hamlin]

RUSSIA: Donation of Military Aid Indicates Continued Interest in Sudan

Summary: Russia's donation of a military training ship to Sudan likely signals interest in Sudan's resources and strategically advantageous location for a naval base.

Development: On 11 October, Sudan accepted a military training ship donated by Moscow. This follows a history of arms deals and military assistance dating back to the Soviet Union. Moscow demonstrated its interest in Sudan through deployments of private military companies to support mining and oil interests in the region. In return for the donation, Sudan offered access to a naval base with access to the Red Sea.

Analysis: Moscow's military aid likely signifies its continued interest in Sudanese resources and gaining access to the Red Sea. Moscow probably prioritizes access to the Red Sea above strengthening ties with Sudan. Russia would likely use a naval base in Sudan to resupply ships on missions near the Middle East, East Africa, and most notably in the vital shipping lanes of the Red Sea. The base would almost certainly allow Moscow to develop influence in the region, further incentivizing Moscow to pursue further interests in Khartoum.

[Rhett Caron]

LIBYA: EU Sanctions Against Russian Financer May Weaken Libyan Military

Summary: The European Union (EU) sanctioned Russian businessman Yegeny Prigozhin for involvement with mercenaries supporting the Libyan National Army (LNA), potentially reducing supplies and logistical military support.

Development: On 15 October, the EU imposed sanctions against Prigozhin over his ties to the LNA. The sanctions include travel bans and the freezing of all EU-based assets. Prigozhin supports a Russian private military contractor, the Wagner Group, in Libya and supplies weapons amidst an arms embargo, prompting the sanctions. Prigozhin and the Wagner Group helped the LNA during Khalifa Haftar's war on Tripoli, providing mercenary support, training, and supplies. Reports claim that Prigozhin and the Wagner Group still provide mercenary support in Libya, as well as Syria, Sudan, and Eastern Ukraine.

Analysis: The sanctions against Prigozhin will likely lead to a decline in logistical support from the Wagner Group and supplies for Haftar's LNA. The Wagner Group will almost certainly refocus assets into more profitable and successful areas, leaving the LNA with a reduced fighting power and a reduction in training quality. The LNA will likely search for increased international support, possibly from allied nations such as the UAE, Egypt, or Jordan, to compensate for the loss of support from Prigozhin.

[Dorian Taylor]

JAPAN: Decision to Block Scholars Could Result in Lost Support

Summary: Prime Minister Yoshihide Suga's decision to deny six scholars' positions on the Science Council of Japan (SCJ) without disclosing selection standards and reasons for rejection could violate laws and will probably result in a drop in Suga's public support.

Development: On 9 October, Suga denied allegations that his decision to block six scholars from the SCJ stemmed from their critical opinions toward former Prime Minister Abe's policies. Suga blocked the recommended members on 2 October and continues to face backlash from the academic community. The SCJ represents the Japanese science community and serves as a government advisory body for policy recommendations. Scholars criticized the rejection of the nominees. The submission of over 140,000 protesting the rejection called the act a violation of academic freedom and independence.

Analysis: Suga's decision to block access to positions on the SCJ could damage his approval rating and trigger a snap election of a new prime minister. Although Suga denies basing the decision on the scholars' critiques, the refusal to provide reasons continues to anger the academic community, which sees him as overstepping his duties as Prime Minister. The number of signatures submitted against the decision to reject the candidates likely represents considerable negative public opinion and could lead to a plummet in Suga's high approval rating. A plummet in approval ratings could lead Tokyo to look into other options. The unclear reasoning behind the disapproval leads many to question the integrity of the decision and if it lies within Suga's jurisdiction to not oblige nominations to the council. If public approval drops, Suga may look into accepting the nominees to win back support.

[Hannah Barsema]

SINGAPORE: Short-Term Success of Wage-Increasing Policies May Cause Inflation

Summary: The Progressive Wage Model (PWM) improves standards of living for the 10th percentile but may destabilize the economy through inflation if integrated too quickly in the current climate.

Development: On 15 October, Minister of State for Manpower Zaqy Mohamad announced that the wages of workers in the 10th percentile increased over 50% in the past decade. The increase reflects successful efforts to reduce income disparities between lower-wage and middle-wage earners since the implementation of the PWM even amidst a pandemic and fears of unemployment. The PWM operates voluntarily for companies rather than a mandatory minimum wage policy. It includes governmental support of wage benchmarks and training that fosters upward mobility in the profession.

Analysis: While the PWM sustains higher wages, it may also prompt higher unemployment rates in the current pandemic-induced recession. The increase of wages may result in higher prices for consumers buying from PWM companies to compensate for the higher wages. If consumers choose not to pay higher prices, Singapore might face stagnant economic growth or inflation causing a decrease in support for the PWM. However, Singaporean officials may capitalize on the effectiveness of the PWM during the pandemic to retain support and lobby for the continuation of the policy. If policy makers are unsuccessful, the PWM may face repeal to prevent potential economic stagnation.

[Madison Jackson]

UNITED KINGDOM: Gaps in Cybersecurity May Prompt Frequent Cyber-Crime

Summary: A cyberattack on the Hackney Council and lack of response from the Council may lead to halted services and a potential short-term rise in cyber-crime.

Development: On 13 October, a severe cyber-attack against Hackney Council in north London affected many online services and IT systems. Local government officials prioritized delivering essential frontline services, protecting data, and restoring affected services in the aftermath of the attack. The National Cyber Security Centre (NCSC) and the Hackney Council continue to investigate and believe a ransomware attack potentially caused the attack based on previous trends. The Hackney Council does not intend to significantly change cybersecurity policies or procedures aside from considering minor suggestions from cybersecurity organizations.

Analysis: Cyber-crime rates may increase, with the recent attack likely boosting the confidence of other potential cyber-criminals. If the Hackney Council and other organizations do not take steps to bolster cybersecurity procedures, the rate and success of attacks will almost certainly increase. Issues such as data loss, malware attacks, DDoS attacks, Brute Force attacks, and ransomware may become more common in response.

[Jesse Hix]

About GSIS

Embry-Riddle Aeronautical University's (ERAU) Bachelor of Science in Global Security & Intelligence Studies (GSIS) degree program at our Prescott Campus blends both academic and professional studies to equip students with the knowledge and skills necessary to become future leaders in intelligence, security, and law enforcement. The program provides students with a sound foundation in the liberal arts, including international relations, foreign languages and cultures, international law, foreign policy, political and military history, and other essential topics.

About EE

Eagle Eye Intelligence (EE) is an intelligence and research organization led by the students of the GSIS program at ERAU in Prescott, Arizona.

Dr. Philip E. Jones founded EE and Embry-Riddle's GSIS program in 2002, following a career with the Central Intelligence Agency and consulting work in international development and global security. Professor Dale R. Avery, a former career intelligence analyst at the Central Intelligence Agency and Office of the Director of National Intelligence, serves as EE's faculty advisor.

EE strives to provide actionable intelligence and analysis to its customers during the academic year. We are driven by a number of goals – continuous development, nonpartisanship, interdisciplinary studies, global awareness, and professionalism.

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Riley Coder, a senior in the GSIS program, currently serves as EE's Editor in Chief. For questions or comments, contact the team at editorsee@gmail.com or Professor Avery at 928.777.4708.

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