

Global Developments Worth Watching – Issue 125

This week in a brief

This week, several countries extended their security and economic reach beyond their borders. Japan secured access to testing ranges in Australia, the United States opened offensive cyber operations to private companies, and the Gulf states worked to expand their capacity to store and deliver oil outside the region. Meanwhile, Washington linked the scale of its military exercises with South Korea to Seoul's position on the war with Iran, Russia deepened its territorial dispute with Japan, and China added another permanent structure to reinforce its claims in the South China Sea.

Geopolitical Dynamics

Japan and Australia expand their shared defence infrastructure: As part of their growing security ties in the Indo-Pacific, the two countries agreed to allow Japan to use Australian testing ranges to develop and test missiles, including hypersonic systems. They are also pursuing the joint development of a laser system and expanding cooperation between their defence industries.

The United States links its alliance with South Korea to the war with Iran: The US president ordered future joint military exercises with South Korea to be scaled back. He cited both Seoul's refusal to assist the United States in its war against Iran and his good relationship with the North Korean leader, which he said made the exercises an unnecessarily hostile signal. South Korea permanently hosts approximately 28,500 US troops and relies heavily on the alliance to deter North Korea.

August 20, 2026

Russia returns the Kuril Islands to the centre of its dispute with Japan: The Russian president visited the islands in the northern Pacific Ocean for the first time, prompting Tokyo, which claims sovereignty over them, to lodge a formal protest. The dispute over four of the islands has prevented the two countries from signing a peace treaty since the Second World War. Russia has also expanded its military presence in the area in recent years. The visit further narrows the scope for compromise and adds another source of tension to Russia's relations with US allies in Asia.

Security and Threats

China transforms a disputed reef into an artificial island: Satellite imagery indicated that China had completed the first phase of construction on a reef in the Paracel Islands in the South China Sea. A harbor and additional infrastructure were built on the reclaimed land, which could support a runway more than three kilometers long. China presents the development as civilian in nature, but the infrastructure could accommodate aircraft, surveillance systems and military operations. Beijing has thus given another of its territorial claims a permanent physical presence that will be difficult to reverse.

The United States brings private companies into offensive cyber operations: A presidential memorandum ordered the creation of a framework under which pre-approved US companies could participate in cyber operations against criminal organisations operating outside the United States. The companies would operate under government authority and supervision and could assist with intelligence collection, network penetration and the disruption of digital infrastructure. The framework gives private contractors a sanctioned role in offensive operations previously conducted almost exclusively by the state, raising questions about legal responsibility, oversight, and transparency.

Economy, Technology and Trade

The Gulf states seek greater energy resilience in Asia: Saudi Arabia and the United Arab Emirates are working to increase the amount of oil they hold in storage facilities in Japan and are pursuing similar arrangements with South Korea. Their national oil companies have also expanded their use of routes and delivery points that bypass the Strait of Hormuz. Storing oil closer to Asian customers would let them meet some demand even when export routes from the Gulf are disrupted, giving producers an extra layer of resilience outside the conflict zone.

Social media faces a trial reminiscent of the tobacco industry: Twenty-nine US states are suing Meta, alleging that Facebook and Instagram were deliberately designed to encourage prolonged use among children and teenagers and that the company collected data from children under the age of 13. The lawsuit seeks damages and changes to how the platforms operate. After several governments moved to impose minimum-age restrictions on social media, the US proceedings shift the debate to whether product features themselves can make technology companies liable for harm caused to young users.

Crises and Domestic Politics

South Africa sends the migration “bill” to countries of origin: After spending nearly USD 18 million on the deportation and repatriation of more than 80,000 migrants, South Africa demanded that Malawi, Ethiopia and Nigeria contribute to the costs. The move came amid growing protests and violence against migrants, as well as accusations that they contribute to crime and unemployment. Pretoria is seeking to shift part of the cost of its migration policy to countries of origin, a step that is already straining its relations with other African states.

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Syria begins putting former regime leaders on trial: A court in Damascus sentenced the former Syrian president to death in absentia after convicting him of murder, torture, arbitrary detention and crimes against humanity. It was the first judgment issued against him in Syria since the fall of the regime, and the court also ordered authorities to pursue his arrest internationally. As long as he remains in Russia, the sentence will be difficult to enforce. Nevertheless, Syria's reckoning with the former regime is now moving beyond political transition mechanisms and into domestic criminal proceedings.

"Surely goodness and mercy shall follow" (Psalm 23).

The **Geopolitics Lab** Team