

Daily Memo: US Orders Supply Chain Review

by Geopolitical Futures - February 24, 2021

U.S. supply chain review. The White House ordered a comprehensive **review of U.S. supply chain vulnerabilities** related to overdependence on China. The process, which is expected to take months, will focus on things like semiconductors, battery technologies, pharmaceuticals and **rare earths**. This comes as layoffs are reportedly picking up in U.S. auto plants idled due to the **global chip shortage**.

Buildup in Russia's Far East. Russian **S-400 air defense systems on Sakhalin**, an island at the far eastern end of Russia, entered into service with a training exercise to repel a simulated airstrike. The Kremlin's defensive buildup in the Far East has irritated Japan. Meanwhile, in Primorsky Krai, another Far East region of Russia, the army carried out large-scale **artillery exercises**.

Cost-sharing. Japanese Foreign Minister Toshimitsu Motegi announced the signing of a **cost-sharing agreement** for U.S. forces in Japan. Tokyo will spend almost \$2 billion to help cover the costs of maintaining approximately 55,000 U.S. military personnel in the country.

10 percent of the time it works every time. Armenian Prime Minister Nikol Pashinyan said Russian-made Iskander ballistic missiles **exploded only 10 percent of the time** during last year's war in Nagorno-Karabakh. The **Armenian Defense Ministry refused to comment** on Pashinyan's statement, which came after former President Serzh Sargsyan questioned why the missiles hadn't been used sooner in the conflict.

Turkish businesses seek support extension. Turkey's Confederation of Tradesmen and Craftsmen met with the country's treasury and finance minister and **urged him not to end government support programs** at the end of March as planned. Collection of social security premiums should also be suspended, the organization said, warning that failure to act would result in a wave of bankruptcies among small and mid-sized businesses and a spike in unemployment.

South Korean population drops. New figures from South Korea show the population in 2020 **shrinking** for the first time due primarily to plummeting fertility rates. This is one of many reasons it makes sense for Seoul to try to find some way to forge **deeper economic cooperation with the North**.

Down with borders. The **European Commission sent a letter to six member states**, warning them that their unilateral border security measures threatened the principle of free movement. The letters were sent on Monday to Belgium, Denmark, Finland, Germany, Hungary and Sweden.

Kyrgyz-Russian meeting. Russian President Vladimir Putin and Kyrgyz President Sadyr Zhaparov will **hold talks** in Moscow on Wednesday. It is the new Kyrgyz president's first trip abroad and his first meeting with Putin. The leaders will discuss strengthening bilateral cooperation.

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