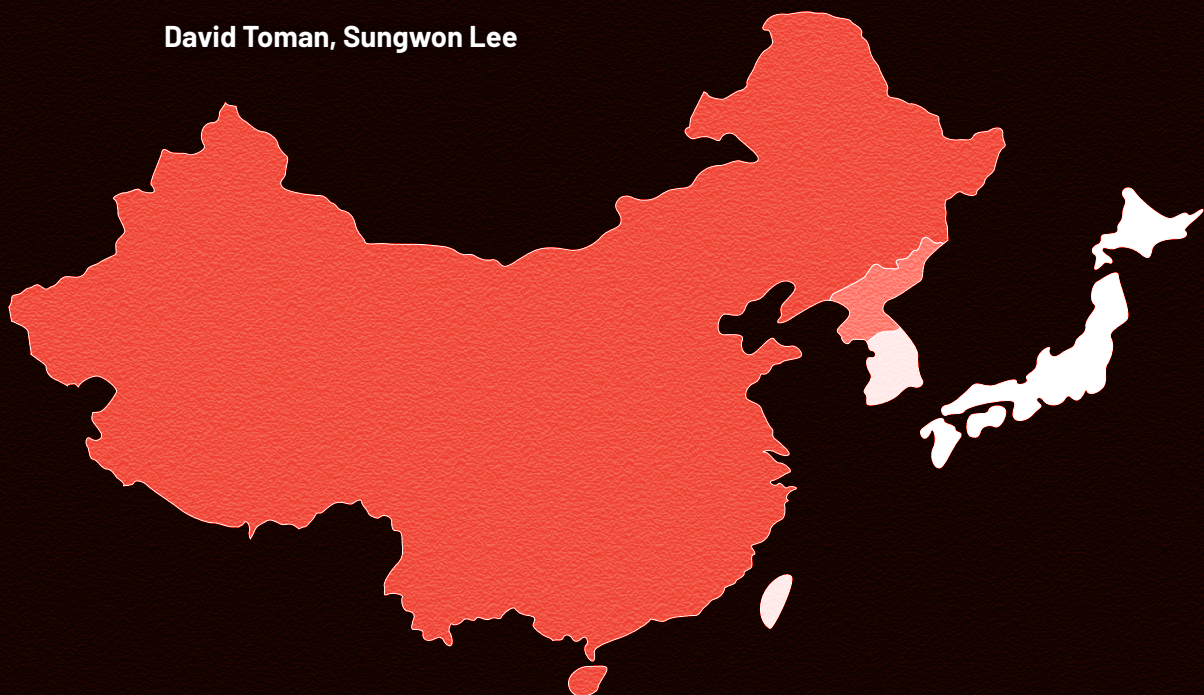




DUAL-ESCALATION CRISIS SIMULATION

AFTER-ACTION AND LESSONS LEARNED REPORT

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PUBLISHERS



The European Values Center for Security Policy (EVC) is a non-governmental, non-partisan institute that has been defending liberal democracies against authoritarian regimes and dictatorships since 2005. Through their malign activities, the Russian Federation and the People's Republic of China pose serious threats to liberal democracies across Europe and the Indo-Pacific. EVC's mission is to analyze these threats, provide actionable policy recommendations, and advocate them among political, security, and business leaders.



The Sejong Institute – Founded in 1983, the Sejong Institute is a non-partisan and independent research organization in South Korea specializing in foreign affairs, national security, and international relations. The Institute conducts policy-oriented research on developments affecting the Korean Peninsula and the broader international environment, including foreign policy, security issues, inter-Korean relations, and global strategic competition. Through sustained engagement with domestic and international governments, academia, and diplomatic communities, the Sejong Institute facilitates dialogues, expert networks, and cooperative initiatives. These efforts aim to provide policy-relevant insights that support national decision-making and contribute to informed responses to evolving regional and global challenges.



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PART 1: SETTING THE STAGE

A potential East Asian contingency, which could transpire as a conflict or crisis involving Taiwan and the Korean Peninsula, would present a complex set of scenarios significantly impacting the international system, particularly the relations between the European Union (EU), the United States (US), and East Asian democracies. The magnitude of such events would be amplified by the hostile geopolitical axis formed by China (PRC), Iran, Russia, and North Korea, which could escalate tensions across multiple regions simultaneously.

Despite the multifold challenges posed by the potential scenarios, a comprehensive understanding and preparedness are lacking among officials and experts from the EU, NATO, and their like-minded partners in East and Southeast Asia, both at the regional and national levels. These gaps in knowledge and planning can hinder the development of coordinated and effective policy responses in areas such as foreign policy, defense, trade and economic security, and human rights. Therefore, it is **urgent to inform and educate relevant EU, NATO, and respective Indo-Pacific officials about the practical details and results of possible East Asian contingency scenarios**, including escalatory moves which Russia, China, and North Korea might take during such a crisis.

The following report is based on a closed-door crisis simulation conducted by the **European Values Center for Security Policy (EVC)** in Prague during **the European Values Summit** in November 2025. The crisis simulation focused primarily on economic security (e.g., how the PRC could employ its economic statecraft toolbox) and humanitarian aspects (e.g., the evacuation of civilians). It outlines the actions taken by the participating actors and the subsequent feedback provided by both the participants and observers. None of its contents reflects the official positions of any state or institution. **This report focuses on the Indo-Pacific aspect of the crisis simulation and summarizes the most important actions taken by selected players. It is not a comprehensive overview of all players' actions.**

This simulation aims to inform real-life policy planning by illustrating **how a two-theater escalation scenario might play out, as well as how individual states and institutions might react. It also seeks to identify potential gaps in planning and decision-making** that could emerge during such a crisis. While this report compiles the opinions of governmental and non-governmental experts, full responsibility for the final formulations lies with the authors, the analysts of the European Values Center for Security Policy and The Sejong Institute. This report cannot and should not be interpreted as representing the positions of any of the individuals or institutions involved in the simulation. For sensitivity reasons, the identities of the participants will not be publicly disclosed.



PART 2: SETUP OF THE SIMULATION

In November 2025, the European Values Center for Security Policy hosted the “Dual-Escalation Crisis Simulation” in Prague, following the set up described below:

- **Event format:** Chatham House Rule, no media present, no video or audio recording.
- **Information security:** During the simulation, all active players and observers were asked to place their electronic devices in a separate box.
- **Simulation duration:** Four hours
- **Number of moves (rounds) played:** Two
- **Total number of confirmed participants:** 73 (active players and observers)
- **Roles played by active players:** EU member states, NATO allies, and selected Indo-Pacific countries
- **Profile of participants:** Think-tankers, diplomats, officials from relevant ministries, as well as representatives from academia, business and political circles.
- **Simulation design:** The exercise simulated gray-zone scenarios involving Chinese and Russian operations against Taiwan and EU/NATO countries. These scenarios included the potential for escalation within the context of a two-theater conflict and growing alignment between China, Russia, and North Korea. The exercise combined tabletop simulations, role-playing, and strategic decision-making processes. Set in the first quarter of 2026, the scenario unfolded within the current geostrategic context, including the ongoing Russian war in Ukraine and the related ceasefire negotiations. It focused on projected Chinese operations involving a selective quarantine of Taiwan, combined with the strategic blackmail of EU/NATO countries, a possible Russian escalation in Eastern Europe, and potential escalation by the D.P.R.K. in East Asia.



PART 3: WHAT PLAYED OUT & LESSONS IDENTIFIED

WHAT PLAYED OUT DURING MOVE 1

Taiwan opted for an “undeclared state of emergency,” meaning that its leadership refrained from formally invoking it to avoid public panic, while operating as if it were in effect. Taipei announced that it will hold daily press conferences to maintain information transparency both domestically and internationally. The government reduced energy consumption (including in the semiconductor industry) to support primarily critical infrastructure. Taiwan also discussed opportunities to increase LNG imports from the United States and explored the possibility of conducting a freedom-of-navigation mission together with the United States, Japan, and the Philippines. It also asked like-minded partners for support in the cybersecurity domain. Taipei urged other countries not to comment on China’s demand to adopt the One China Principle and warned the international community that Taiwan’s chip production would be affected by the current situation, stating it would continue supplying semiconductors only to countries that refused to succumb to China’s pressure.

The United States issued a clear statement that it would support those who defend themselves. The U.S. President warned Chinese President Xi Jinping and Russian President Vladimir Putin that causing a crisis is bad for business. Washington asked European allies to take greater responsibility for European defense so that the US could focus on the Indo-Pacific. To support this effort, it shifted air-defense assets and logistics from Europe to the region to boost readiness and pursued deeper alignment with Indo-Pacific allies. Negotiations began on securing LNG shipments to Taiwan via a humanitarian convoy.

Canada proposed developing an economic retaliation plan to counter Chinese coercion by leveraging China’s dependencies on like-minded democratic nations. This idea received broad support from Japan, the R.O.K., the UK, the EU, and some of its member states. Canada also promoted a joint statement among like-minded partners that would clearly attribute responsibility for escalating tensions to China and Russia.

Japan reached out to ASEAN to explore avenues for de-escalation with China. At the same time, it bolstered its preparedness with the United States by placing U.S. Forces Japan and the Japan Self-Defense Forces (JSDF) on high alert. Tokyo also engaged the Five Eyes for information-sharing coordination and sought to leverage its existing digital, security, and economic partnerships with the UK and the EU.

The R.O.K. first reviewed the situation, focusing on possible provocations from the D.P.R.K. It then shared available information with major companies (e.g., Samsung, Hyundai) and offered subsidies to offset additional fuel costs. The government also requested enhanced intelligence sharing with the United States and urged Washington to maintain, or ideally



increase, the number of troops stationed in South Korea. Additionally, it advised Korean nationals to avoid traveling to Taiwan.

The European Union launched a foreign-subsidy investigation under the Foreign Subsidies Regulation targeting China's telecommunications and electric-vehicle firms and initiated emergency trade talks with Indo-Pacific partners. Debates began on strengthening export controls for strategic goods to China, and the EU explored deeper cooperation with ASEAN to diversify supplies of critical raw minerals. It also opened an investigation of TikTok under the Digital Services Act, with an interim ban pending the outcome.

Within **NATO**, Europe agreed to assume the lead role in European defense with U.S. support, while European participation in the Indo-Pacific was left to national discretion. In this regard, **the United Kingdom** committed to sending a limited number of ships to support the United States, the R.O.K., and Japan in their operations, including a potential freedom of navigation mission. **France** activated its prepositioned forces in the Indo-Pacific to support allied efforts and sought coordinated messaging with the U.S. President toward President Xi Jinping to encourage de-escalation. Internally, it pushed for the EU to activate the Anti-Coercion Instrument in response to China's escalation. **Germany** suggested creating an EU-level fund to protect European businesses and expanded its diplomatic staff in Japan, the R.O.K., Taiwan, the Philippines, and Australia to enhance coordination across both theatres. It also emphasized the importance of united and decisive EU messaging. **The Netherlands** opted to send a rapid-response cyber team to Taiwan and deploy part of its naval forces to the Indo-Pacific. **Poland** pushed within the EU to explore options for sanctioning China, including a study on asset freezes and measures to hinder the Belt and Road Initiative in Central and Eastern Europe.

WHAT PLAYED OUT DURING MOVE 2

Taiwan officially declared a state of emergency to strengthen military and societal preparedness. It sought to promote a global warfare narrative, highlighting the Russia-China alignment and holding them accountable for the crisis. As part of its communication strategy, Taipei emphasized the importance of Taiwan's semiconductor industry to global trade to bolster international support. It announced that foreign governments must take responsibility for evacuating their own citizens, as Taiwan lacked the capacity to arrange their return. Taipei also reached out to the United States to initiate a counter-quarantine operation against China and requested that Japan and the Philippines allow Taiwanese coast guard vessels to sail through their territorial waters to intercept Chinese ships. While noting that airspace remained open, Taiwan communicated that naval evacuation was preferred and urged governments to increase their maritime presence on humanitarian grounds and assist in breaking the quarantine.



The United States framed its response using the DIME model (Diplomatic, Information, Military, and Economic). Diplomatically, it initiated a joint EU-NATO-G7 coordination mechanism to align plans and actions, including drafting a joint letter to Russia and China condemning their behavior and warning of potential consequences. Additionally, Washington pushed for a “United for Peace” resolution in the UN General Assembly, reduced the diplomatic presence of Russia and China in the United States, and recalled U.S. diplomats from both countries, reducing their presence to a minimum. The U.S. President also offered to meet President Xi in a neutral setting. On the information front, the United States planned a massive cyber operation, which included banning Chinese and Russian communication platforms and coordinating efforts to restrict their access to commercial space. Militarily, the United States declared a national emergency, mobilized up to 200,000 reservists (without deploying them), deployed nuclear-capable assets to the Indo-Pacific, coordinated with allies to establish a humanitarian airlift to Taiwan, and began planning options to break China’s quarantine while setting up a counter-quarantine. Economically, it sought to cut off Russia, China, and any supporting states from SWIFT, freeze Chinese assets, and urged the G7 to explore the creation of a new monetary order to reflect emerging global economic blocs.

Canada halted all China-bound travel, intending to leverage Chinese nationals residing in Canada to secure the return of Canadian citizens in China and Taiwan. It suspended all military-to-military contacts with adversarial states and stopped energy exports to those countries so that supplies could be redirected to partners in need. Canada also promoted proactive cyber countermeasures and offered support to allies as required.

Japan’s main priority was the evacuation of its citizens in China and Taiwan. It continued efforts to deescalate the crisis, citing the presence of Japanese nationals in both locations and highlighting its constitutional constraints under Article 9, which renounces the use of force to settle international disputes.

The R.O.K. sought to ease tensions by discreetly engaging with the D.P.R.K. and China. It aimed to persuade President Xi to pressure Moscow to limit cooperation with the D.P.R.K., arguing that further nuclearization of the Korean Peninsula is not in China’s interest. At the same time, Seoul requested U.S. nuclear assets, particularly submarines, and raised its readiness to the highest level. South Korea also banned travel to Taiwan and coordinated its next steps with Japan on de-escalation and evacuation efforts.

The European Council attempted, but failed, to issue a joint communiqué on the Taiwan crisis. Meanwhile, **the EU** began negotiating trade agreements with Gulf states to increase oil and gas imports. The EU and G7 issued a joint statement condemning nuclear proliferation and agreed on incremental tariffs on China to signal their readiness to escalate.



The United Kingdom warned China that its ships could lose access to insurance through the UK market and announced it would make shipping more difficult for states accepting offers from Russia or China. It deployed additional naval vessels and Vanguard-class submarines to the Indo-Pacific, supported a G7-coordinated full SWIFT cutoff for Russia and China, and agreed to participate in a humanitarian airlift to evacuate citizens from Taiwan. London also pledged aid to Taiwan, particularly in the form of food and energy supplies.

France sought to coordinate actions within the G7 on sanctions, statements (condemning attempts to alter the status quo in the Taiwan Strait and the nuclear postures of Russia and China), and evacuation efforts, including a humanitarian airlift, but opposed a full SWIFT cutoff for Russia and China. Paris agreed to participate in joint initiatives to support Taiwan and proposed a special EU budget to mitigate the impact of the crisis on European populations and businesses. It also called for joint measures to ensure the continued export of semiconductors from Taiwan. However, it made clear that French assistance, such as food supplies, would depend on guarantees regarding semiconductor exports. France additionally threatened China with systematic inspections of Chinese vessels if French ships were targeted.

Germany began recalling its citizens from China. It supported a full SWIFT cutoff for Russia and threatened similar measures against China. Similarly, it froze Russian assets and prepared comparable actions targeting Chinese assets. It also decided to increase tariffs on a weekly basis as long as China maintained the quarantine. Berlin launched an international campaign against nuclear threats and cautioned EU partners not to accept offers from Russia and China. It supported the Taiwan airlift alongside G7 partners and offered aircraft for the operation.

The Netherlands warned China that any interference with Dutch ships would result in sanctions. It began secretly preparing preemptive cyber-offensive operations targeting Russian and Chinese interests. Together with Taiwan and the Philippines, the Netherlands coordinated plans to evacuate citizens to Manila.

Poland called for EU-level humanitarian assistance for Taiwan and for a plan to freeze Chinese assets.

LESSONS IDENTIFIED

- 1) The crisis simulation revealed a recurring problem – European actors spent excessive time coordinating joint declaratory statements, which delayed swift external action in terms of economic or military options. Despite investing considerable effort into negotiations, the European Council failed to adopt any decisions due to conflicting interests of EU member states, and the EU appeared largely powerless, leaving concrete steps to individual member states or ad hoc coalitions of the willing. Several



participants highlighted that countries and international groupings should devote less time to crafting statements and more to taking tangible action.

- 2) The international community largely failed to generate real pressure on China to halt its escalation. Most responses were limited to calls, statements, warnings, and a handful of isolated measures. No major damage was inflicted, so Beijing had no reason to de-escalate.
- 3) Many participants proved unprepared for the scenario, even though they considered it realistic. The exercise highlighted the need to better understand our own vulnerabilities and to anticipate those of potential adversaries. The simulation also demonstrated that specific action plans for responding to predictable Russia-China escalation must be drafted and pre-coordinated among allies in advance; otherwise, too much time is lost at the national level once a crisis erupts.
- 4) Strategic dependencies of countries on China, particularly in areas such as rare-earth minerals, discourage them from taking stronger measures against Beijing.
- 5) There was very limited global effort to assist Taiwan, as most countries focused primarily on evacuating their own citizens from the threatened island. As a result, Taiwan was left almost entirely alone, with very few actors showing interest in its needs or in deterring China from further strategic escalation.
- 6) The ASEAN group did little beyond internal coordination, engaging neither Taiwan, the EU, nor NATO. It approached only the United States during Move 1. Conversely, only the UK, the European Commission, and the European Council showed interest in ASEAN during this period. Overall, ASEAN countries remained largely passive, unwilling to oppose China, and instead focused on de-escalation through diplomacy and direct talks with Chinese officials.
- 7) Japan and South Korea took more proactive measures to ensure their security, relying on U.S. defense support. Diplomatically, however, both countries continued to pursue non-aggressive approaches aimed at de-escalation. Taiwan, under direct threat from Beijing, could not adopt the same approach; instead, it prepared for potential kinetic conflict and signaled its need for allied support.
- 8) More attention should be paid to the role of Global South actors and to winning the cognitive war over the broader narrative. Western countries risk repeating the situation that followed Russia's full-scale invasion of Ukraine in 2022, where the clear aggressor was able to persuade many non-Western countries that it was better not to engage in punitive measures and simply stay on the sidelines.
- 9) The simulation highlighted a persistent dependence on the United States across diplomatic, military, supply, intelligence, and economic domains. Unless the United States takes rapid and decisive action in these areas, most democracies will likely



remain passive, fail to effectively resist Chinese strategic escalation, and leave Taiwan largely on its own.

- 10) The G7 appears to be an effective platform for addressing international crises while avoiding the slow consensus-building process typical of the EU. Significant debates on sanctions packages can be expected within this format.

THE ASIAN PERSPECTIVE

- 1) The crisis simulation highlighted a significant strategic asymmetry between Asian and European countries in their approaches to a Taiwan contingency. While both regions seek collective responses rooted in shared values, this pursuit inherently generates a perceptual divide and tension between Europe and Asia. The divergence arises from varying levels of normative criticism and the respective burdens of existential responsibility each region faces in addressing the contingency.

There is a widely held perception that Europe is relatively more active in delivering normative messages toward China, while Asian countries are perceived as more passive in their normative criticisms of China. However, as the results of this crisis simulation showed, despite the escalating Chinese pressure on Taiwan, Europe's normative condemnation rarely progressed beyond diplomatic rhetoric, with little follow-up in terms of actual response or military action due to concerns about economic and political retaliation from China and fears of military outflow.

In reality, however, the outbreak of a Taiwan contingency triggered inevitable military involvement and cooperation among Asian countries such as Japan, South Korea, and the Philippines under the U.S.-led alliance mechanism.

The strategic ambiguity of Asian countries may appear passive from the Western perspective. However, the military, diplomatic, or economic pressures in the strategic environment in Asia make their approach to the Taiwan contingency fundamentally different from Europe's.

From an Asian perspective, Europe's proactive normative messages toward China should be accompanied by actual responsibility and risk-bearing actions to foster genuine strategic trust with Asian partners.

Rhetorical aggression without responsibility could be perceived as an additional burden for Asian countries, who are already balancing normative and alliance burdens while exposed to the existential diplomatic and economic pressures from China. This geopolitical positional and perception gap should be recognized within so-called like-minded countries.

- 2) The crisis simulation also revealed that while the 'interconnectedness of threats' between Asia and Europe is strengthening in Europe, the outbreak of conflicts highlights 'national interest fragmentation' amid conflicts rather than 'the increase of



shared responsibility' in real international relations. Shared threats do not guarantee collective defense.

Due to North Korea's increasing military support and deployment to Russia amid the war in Ukraine, the conceptual framework of the linkage of threats between Asia and Europe is being emphasized in Europe. However, this does not necessarily indicate European intent to intervene militarily in the Far Eastern Asian theater. The linkage reflects European concerns about growing existential threats, not a corresponding commitment to military involvement or action in East Asia.

As shown in the crisis simulation, Europe's response to a Taiwan contingency, despite emphasizing the interconnectedness of threats, tends to focus on 'safeguarding homeland security and national interests' and mitigating risks under the framework of 'consulting with the United States' and 'role-sharing among allies,' rather than direct military involvement.

European countries use the slogan of 'multilateral deterrence' through communication with allies, particularly with the United States, but by using this rhetoric, Europe leans toward remaining focused on 'homeland defense,' which may limit their engagement in escalating conflict situations in East Asia.

The gap between Europe's rhetoric and actual actions can be a deterrent factor in reducing tension surrounding Taiwan and building trust with Asian partners when it comes to collective defense against China's aggressiveness in the Taiwan Strait.

Furthermore, Europe's geographical distance and limited military projection capabilities, combined with a lack of political will for military involvement, lead to low expectations among Indo-Pacific countries regarding Europe's military visibility and influence. Many studies and surveys assess Europe's military visibility as very low.

At present, Europe seems to lack the practical leverage to alter the strategic calculations of China, Russia, and North Korea.

- 3) Additionally, the gap between Europe's perception of the China threat and its actual response capabilities is a notable constraint on effective responses toward China.

Within Europe, there has been no consensus regarding the threat posed by China or the level of involvement in the Indo-Pacific region, especially among countries capable of military engagement and those with clear limitations. This weakens Europe's collective response capabilities.

Unlike the clear cooperation framework with the U.S. alliance mechanism, Asian countries lacked a well-defined roadmap for cooperation with Europe, revealing a substantial gap in cooperation between European and Asian like-minded countries.

In order to avoid political sensitivities with China, there have been few response training exercises focusing on Taiwan contingencies assuming quarantine situations



as the crisis simulation laid out, or North Korean provocations. Communication channels and cooperation areas are not clearly identified between Europe and Asia. The necessary institutional foundations for such cooperation are also not sufficiently established.

- 4) Another limitation revealed in the TTX is the lack of institutional platforms for responding to hybrid attacks, which present complex issues of legal responsibility and military response. There is a lack of strategy to respond to induced instability from China, Russia, and North Korea, outside the context of full-scale war.

CONSIDERATIONS IN SOUTH KOREA AND JAPAN

South Korea

In the case of South Korea, it is well-recognized that the country will face multilayered diplomatic and military pressures in a Taiwan contingency, regardless of the government in power. South Korea will continuously seek diplomatic solutions for crisis management and risk-buffering, but this does not mean avoiding or irresponsibly maintaining military preparedness in such situations. South Korea will make diplomatic efforts until the last moment to suppress the outbreak of conflicts, and in situations where inevitable military responses are needed that would compromise national interests and the safety of its people, the South Korean military will utilize all available responses. The perception and narrative that strategic ambiguity equates to responsibility avoidance is overly simplistic. Given the current level of defense capabilities, no European country can maintain an offensive geopolitical stance without bearing responsibility, while positioned geographically as South Korea does.

Japan

In Japan, the issue of approaching Taiwan contingencies is closely linked to domestic politics. The Takaichi government has recently stated that it considers a Taiwan contingency as a direct threat to Japan's national survival, which has led to increased tensions with China. This stance may lead to a prolonged phase of heightened security concerns. The likelihood of a withdrawal from this position in the short term is low. If Japan were to retract its position, the interpretation of conditions for collective self-defense would narrow, making Japan's involvement in such scenarios more difficult. Furthermore, retracting its stance could lead to criticism for being overly conciliatory toward China, potentially triggering a decline in approval ratings and political instability. However, in the long term, the escalation of tensions will place increasing pressure on the Takaichi government. Responsibility disputes over the conflict will intensify, and opposition criticism is expected to grow.



PART 4: FULL SCRIPT

BASELINE SITUATION

Date: January 5, 2026

General Situation Overview: Steady developments since autumn 2025

In the Euro-Atlantic

- The Russian war in Ukraine continues with the same intensity. Negotiations over a possible ceasefire are ongoing. Ukraine has been forced out of Kursk Oblast and continues tactical retreats. The country faces internal political turmoil, raising uncertainty over a potential collapse that could trigger a refugee wave of 5-10 million people into EU/NATO countries.
- The US focuses primarily on domestic issues and pressures allies on defense spending, LNG imports, trade deficits, and de-risking from China.
- The NATO Hague Summit in June 2025 agreed on a 5 percent of GDP defense spending threshold by 2035. Allies approved New Capability Targets.
- In Europe, the political situation remains unchanged from autumn 2025.
- Tariff negotiations between the US and the EU are ongoing, with the current scope unchanged since November 2025.

In the Indo-Pacific

- In Taiwan, the KMT (Chinese Nationalist Party) and TPP (Taiwan People's Party) continue to block many DPP (Democratic Progressive Party) decisions in the Legislative Yuan. The only change is a compromise on Taiwan's defense budget, which is exceeding 3% of GDP in 2026, with a newly confirmed spending target of 5% of GDP before 2030.
- In Taiwan-US relations, Taiwan has promised to sign large LNG import contracts with the US, and pledged major semiconductor investments there.
- China continues aggressive military exercises around Taiwan, Japan, and the Philippines, with Russian vessels and air assets participating. The D.P.R.K. often takes provocative military actions below the threshold of war against the R.O.K. PLA-led exercises increasingly resemble full-blockade rehearsals, akin to Joint Sword-2024B around Taiwan, involving more than 100 combined PLAN, CCG, and maritime militia vessels.



MOVE 1

- **January 5, 2026:** The Chinese ambassador in each NATO capital informs host-country foreign ministries and NATO international staff that any interference in Taiwan is an internal PRC matter and will result in retaliatory actions by Chinese companies, particularly in the pharmaceutical, defense, agriculture, telecommunications, rail transport infrastructure, green energy, and automobile-manufacturing sectors.
- **Cyberattacks in Taiwan:** China launches cyberattacks on Taiwan's communication and financial infrastructure, causing widespread power outages and significant internet disruptions. Immediate attribution to China is difficult without further investigation.
- **Attack on Green Energy Infrastructure:** Solar panels and wind turbines containing Chinese components in all US-allied countries malfunction, requiring repairs from Chinese companies.
- **Telecommunications Disruptions:** Broad malfunctions in 3G and 4G networks lead to local disruptions of civilian cell phone signals with unclear source of problems in EU/ NATO countries.
- **Massive information influence campaign:** A coordinated Chinese campaign targets public opinion in U.S. treaty-allied states. The central warning states: *"Your government must adopt the One China Principle, or your citizens will face severe economic consequences."* Similar operations are detected across multiple allied nations, with content and tone specifically tailored to each country's social and political environment.
- **Supply chain naval disruptions in the Red Sea:** Iran-backed Houthi groups, supported by Russia and China, rapidly escalate attacks on commercial shipping in the Red Sea. The wave of maritime aggression delays international shipping from Europe to East Asia by an average of **one week and increases insurance costs for trade through the region by approximately 20%**. These disruptions begin to affect global supply chains, particularly for energy and industrial components. Chinese vessels remain untouched.
- **Undeclared naval militia incidents:** A surge of harassment incidents is reported involving unmarked vessels in the South China Sea and waters near Taiwan. These vessels aggressively interfere with international commercial shipping, prompting companies to reroute, increasing fuel requirements, and driving a **10% rise in maritime insurance costs**. China cites the resulting instability as justification for deploying a PLAN task force to "restore maritime order." Some vessels insist on boarding international commercial ships.
- **Sabotage incidents aboard Taiwan-bound supply ships:** Three explosions occur aboard LNG tankers en route from Qatari ports to Taiwan. Preliminary evidence suggests Russian intelligence involvement using Middle Eastern proxy terrorist groups.



The sabotage severely jeopardizes Taiwan's energy security, as its strategic LNG reserves are estimated to last only two weeks at current consumption rates.

- **Defense industry supply chain pressure:** The PRC unilaterally halts exports of selected raw materials critical to the defense industries of US-allied countries. Beijing officially states that it is *“placing all defense industry-relevant cooperation under a three-month review to assess whether the countries of origin respect the One China Principle.”* As a result, imports from China and global supply chains involving China-linked entities face disruptions, placing considerable pressure on the defense production capabilities of affected nations.
- **Russian naval movements in the Baltic Sea:** Russia begins maneuvering naval vessels near strategic chokepoints in the Baltic Sea. NATO shares classified intelligence among Allies suggesting that Russia may be considering the deployment of naval mines around Bornholm Island, potentially aiming to impose a de facto blockade of the Baltic Sea. At present, ten Russian Navy vessels are operating in international waters near Gotland and Bornholm, though no overtly hostile actions have been observed.

MOVE 2

Timeline of Events – Three weeks after Move 1: January 26, 2026

- **Russia mobilization:** Russia publicly announces the mobilization of its Western Military District, citing the need to *“defend the Russian homeland from NATO aggression originating from Baltic-based NATO forces.”* Approximately 200,000 Russian troops, along with supporting assets, including field hospitals, logistics hubs, and mobile command elements, are deployed near the borders of the Baltic states. U.S. intelligence shared with NATO and EU allies warns: *“This movement could be converted into a full-scale invasion of the Baltic states with less than one week’s notice.”*
- **Russian Pacific Fleet under PLAN (People’s Liberation Army Navy) command:** The Russian Pacific Fleet is placed under PLAN operational command. Russia grants the PLAN access to storage facilities at Vladivostok Port. This move is not announced publicly but is assessed and confirmed through allied intelligence sources.
- **Russian tactical nuclear deployment to the D.P.R.K.:** Russia moves an unspecified number of ground-based **tactical nuclear mobile missile launchers into D.P.R.K. territory.** This deployment is not publicly announced, but US-allied states are fully aware of it.
- **Russia offers 20-year contracts:** for the import of Russian oil and gas to Germany, France, Italy, Hungary, Spain, and Greece. The first five years of the contract would cover 100% of each country’s annual needs, while the following 15 years would cover 70% of the costs at market price. The offer remains valid for two weeks. Russia is extending this deal individually to each of these nations under the following conditions:



- 1) Your country will vote to end all current EU and NATO sanctions on Russia and China and will pledge not to support any new sanctions in the future.
 - 2) Your country will withdraw all its military troops and assets from EU and NATO structures that are present or deployable east of the geographical line of the former Soviet bloc.
- **PLA (People's Liberation Army) exercises:** PLA announces the commencement of regular military exercises around Taiwan and the Philippines. These exercises are to last for an undisclosed period. The Russian Pacific Fleet participates, including surface combatants and nuclear submarines.
 - **PLA/PLAN quarantine posture:** People's Liberation Army Navy and Chinese Coast Guard (CCG) vessels assemble at ports in Fujian Province and begin moving into the seas around Taiwan, **positioning for a potential naval blockade.** A total of 50 PLAN and CCG vessels are directly involved, mirroring the Joint Sword 2024-A posture.
 - **Taiwan's Request:** Taiwan denounces China's naval operations and requests food and energy support from Europe and the US.
 - **China launched a large-scale influence operation:** framing it as a time to reflect on the unity of the Chinese nation on the eve of the Chinese New Year.
 - **Chinese Quarantine Announcement:** China declares a "quarantine around Taiwan," citing alleged attempts to smuggle offensive nuclear weapons into the island. The PRC references the U.S. naval quarantine of Cuba in 1962. **All non-PRC vessels will be stopped and inspected at sea or required to divert to the nearest Chinese port for inspection.**
 - **Chinese Diplomatic Action:** Chinese ambassadors in each US-allied capital deliver identical messages to their host governments, stating that if no hostile actions against China are taken (such as voting in favor of any sanction mechanism on China), Beijing will:
 - 1) Allow the safe evacuation of country's citizens from Taiwan. China will open a *"humanitarian corridor from Taiwan to Chinese ports, where vessels carrying European citizens can evacuate safely. This corridor will remain open only for two weeks under such conditions."*
 - 2) Permit civilian ships carrying country's national flag or cargo to or from that country to pass through the quarantine without inspection.
 - 3) Offer companies from that country preferential access to the Chinese market, considering the ongoing withdrawal of U.S. firms. The offer includes preferential Chinese state-backed insurance for country's companies and Chinese state entry subsidies for specific European firms to incentivize their entry or continued presence in the Chinese market. This preferential treatment is contingent



upon the public and formal endorsement of the One China Principle by both the respective company and its home government.

- 4) If the situation escalates further, civilian ships carrying country's national flag or cargo will be escorted by PLAN vessels to ensure secure passage and free naval routes.

This offer is announced publicly, prompting major European companies, directly lobbied and threatened by their Chinese business partners, to pressure their respective governments to accept the offer and avoid confrontation with Beijing.

- **Chinese Nuclear Announcement:** China publicly declares that any military attempt to break through the quarantine line around Taiwan will be met with the potential use of tactical nuclear weapons at sea, stating that the situation constitutes an internal Chinese matter and falls under its sovereign right to defend territorial integrity.
- **First Chinese Armed-Escorted Convoys:** The PLAN conducts its first armed-escorted convoy operation, running from the Middle East through the Taiwan Strait to Chinese ports. PLAN warships provide protection for the convoy, which consists of dozens of commercial vessels flying the flags of, or carrying cargo from, countries that accepted the Chinese ultimatum: Pakistan, South Africa, Russia, Belarus, Venezuela, and Brazil.





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