

Strategic Outlook 2026

**The Crumbling International Order:
A Strategic Perspective in an Age of Uncertainty**



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Introduction: A Strategic Perspective for 2026: Japan's Strategic Autonomy and Indispensability in an Era of Uncertainty

The world in 2026 remains firmly within what can be described as a “period of turmoil.” Conflicts in the Middle East and Ukraine continue without any clear prospect of resolution, while regional dynamics – including those in the Western Hemisphere, to which the United States is increasingly attentive – interact in complex ways, contributing to heightened global tensions. The distinction between peacetime and wartime is increasingly blurred worldwide. Hybrid threats have effectively become normalized, manifested in airspace violations through the use of high-altitude surveillance balloons and similar means, acts of sabotage against critical infrastructure, damage to subsea cables, and foreign information manipulation and interference (FIMI) among others. Multilayered threats are simultaneously emerging: increasingly sophisticated cyberattacks, rapid advances in artificial intelligence and other cutting-edge technologies, vulnerabilities in supply chains, and worsening climate change. In the United States, the approach of midterm elections in the latter half of 2026 introduces an additional element of domestic political uncertainty that could affect the direction of American foreign policy. Amid the growing resonance of “America First” sentiment, the emerging contours of a new US National Security Strategy make clear that preferential treatment for allies can no longer be taken for granted. A new era is thus unfolding in which nations are expected to assume greater responsibility for their own security through self-help and proactive engagement. This international environment compels Japan to reassess its strategic position and to establish a renewed diplomatic and security perspective commensurate with the challenges of the time.

Faced with a world of such complexity and uncertainty, Japan is called upon to pursue a foreign policy that simultaneously advances both “strategic autonomy” and “strategic indispensability.” While these concepts have traditionally been employed in the domain of economic security, they also hold significant implications for broader diplomatic and security policy. Applying them would first entail developing the capacity to respond proactively and independently to security threats and economic coercion against Japan, namely, the dimension of autonomy. Parallel to this dimension is the enhancement of Japan's value as a partner upon whom the regional and international community can depend in times of challenge and instability, namely, the dimension of indispensability. The concurrent pursuit of these two imperatives constitutes a decisive foundation for Japan to navigate – and ultimately prevail in – the present era of turmoil.

◆ **Strengthening autonomy: reconstructing security policy and the Japan-US alliance**

The primary task directly linked to strengthening autonomy is that of addressing the urgent need to review Japan's three core strategic documents, including the National Security Strategy. The current security environment – characterized by deepening strategic coordination among China, Russia, and North Korea alongside observable shifts in the nature of the US's external commitments – is increasingly diverging from the assumptions upon which the existing documents were based. It is therefore essential that Japan fundamentally reconstruct its approach to national security and defense free from the constraints of traditional frameworks. Japan–China relations lie at the forefront of this challenge. While indications that the United States and China may seek a period of peaceful coexistence could contribute to the stabilization of the international order, China is simultaneously

leveraging this environment to intensify diplomatic and security pressure on Japan and to pursue attempts at altering the status quo. Strengthening preparedness against economic coercion, including measures related to rare earths, while enhancing strategic communication to prevent misperceptions and unintended escalation is of critical importance both for Japan's national security and for regional stability.

The strengthening of autonomy does not imply any diminution of the alliance relationship. The maintenance and enhancement of the Japan–US alliance will continue to serve as the cornerstones of Japan's foreign policy. At the same time, in an environment where the credibility of US engagement cannot be assumed to be immutable, Japan must act swiftly to implement necessary measures to sustain and reinforce the alliance's deterrence and response capabilities while managing the bilateral relationship in a sophisticated and strategic manner. Furthermore, deepening cooperation among like-minded partners such as the Quad (Japan, the United States, Australia, and India) will complement both autonomy and alliance cohesion as well as constitute an important effort toward ensuring stability across the Indo-Pacific region.

◆ **Demonstrating indispensability:**

rebuilding the international order in partnership with the EU and the Global South

A key element in enhancing Japan's strategic indispensability lies in strengthening cooperation with countries of the Global South. In 2026, India is expected to surpass Japan in nominal GDP, while countries such as Brazil, Indonesia, the Philippines, Türkiye, Saudi Arabia, and South Africa are rising in prominence, exerting increasing influence over the formation of the international order. Regional organizations such as ASEAN, MERCOSUR, and the African Union (AU), frameworks such as the Quad among like-minded partners as well as relations with Canada, Australia, New Zealand, and the Republic of Korea are assuming growing importance. Many of these countries, while differing in levels of engagement and national interests, share a common preference for avoiding being drawn into the binary dynamics of US-China strategic rivalry. Given these dynamics, Japan is expected to pursue a distinctive diplomatic approach that takes into account such sensitivities while offering credible partnership and leadership.

The year 2026 also marks the tenth anniversary of the proposal of the Free and Open Indo-Pacific (FOIP) vision. In expanding and deepening this vision, it is essential to link it more closely with the ASEAN Outlook on the Indo-Pacific (AOIP) and to reconstruct FOIP into a more inclusive and operational regional vision. At the same time, Japan should engage proactively in global governance and international rulemaking, clearly positioning universal principles such as the rule of law and free trade within the FOIP framework. Working in coordination with Europe, Japan is expected to help boost the resilience of international institutions by pursuing, for instance, efforts toward World Trade Organization (WTO) reform, the expansion of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the development of alternative mechanisms to complement or succeed the Wassenaar Arrangement. While adapting to a new era where digital transactions and data flows have become central to trade, Japan must continue addressing a wide

range of pressing challenges, to include making supply chains more resilient, enhancing intelligence capabilities, upgrading cybersecurity, and responding to the security implications of climate change.

◆ **Rebuilding an international order based on the rule of law**

It is precisely during times of turmoil that the international community must reaffirm and pursue not only the practical realities of an order shaped by power, but also the enduring importance of an order sustained without reliance on force. In other words, it is in the shared interest of all nations to uphold an international system that places emphasis on the rule of law, justice, fairness, transparency, and due process alongside strategic stability grounded in the balance of power. The advancement of FOIP represents an important endeavor through which Japan, grounded in these values, can proactively shape its own future amid a fluid and uncertain international environment. The Japan Institute of International Affairs is committed to contributing to policy discussions that further enhance Japan's strategic autonomy and strategic indispensability in this era of growing global uncertainty, and to exerting every effort for the sound development of Japanese diplomacy and the international order.

(Note) This Strategic Outlook covers the calendar year 2025. Consequently, it does not include analysis of, for example, the new US National Defense Strategy (NDS) issued in early 2026, which may have significant implications for the global strategic landscape.

Kenichiro Sasae
President, The Japan Institute of International Affairs



Chapter 1: US Strategic Restraint and Japan's Security

◆ The US's inward shift

Leveraging the 250th anniversary of the Declaration of Independence in 2026, President Donald Trump will likely attempt to maintain political momentum by doubling down on “America First” policies. However, high tariffs and crackdowns on illegal immigration have worsened employment conditions and intensified inflationary pressures. The delayed release of documents regarding the late sex offender Jeffrey Epstein has also created political headwinds for the president. If Democrats win a majority in the House in the 2026 midterm elections, impeachment proceedings against President Trump may be considered. For the time being, US domestic politics will remain unstable, making an inward-looking orientation unavoidable.

◆ The decline of “prioritizers” and the rise of “restrainers”

While President Trump advocates “peace through strength,” his administration’s National Security Strategy marks a retreat from the first term’s “prioritization” (prioritizing the deterrence of China). In its place, “strategic restraint” aimed at avoiding excessive overseas intervention has come to the forefront, prioritizing the security of the US homeland and the Western Hemisphere (the Americas) while making engagement in Europe and the Middle East selective.

Conversely, the administration has shown a willingness since the summer of 2025 to use military force against Venezuela under the guise of stopping drug trafficking. This signals a return to the Monroe Doctrine and an active interventionist stance within the Western Hemisphere. Furthermore, the June 2025 airstrike on Iranian nuclear facilities demonstrates that the US will still employ limited, targeted force outside of the Western Hemisphere.

In Asia, the strategy advocates for maintaining a deterrent posture against China but asserts that the US cannot – and should not – maintain the military balance alone. Consequently, it strongly demands that allies strengthen their self-defense capabilities along the First Island Chain and expand support for US forces. Defense Secretary Pete Hegseth has categorized allies as either “partners” or “dependents” based on their defense spending, suggesting that the US might abandon any defense obligations to “dependent” nations. Meanwhile, with President Trump making mention of a “US-China G2,” the National Security Strategy emphasizes reciprocal economic relations with China. From the perspective of restrainers, the US commitment to defending Taiwan may further recede in the future.

◆ Outlook for nuclear deterrence

President Trump is expected to maintain a powerful nuclear force. As China rapidly expands its nuclear capabilities, though, the focus will be on whether the US possesses the will and capacity to maintain a nuclear balance with both China and Russia. While Trump has previously called for arms control with both nations, his administration also plans to build new battleships as part of a “Golden Fleet” equipped with sea-launched nuclear cruise missiles, suggesting an increase in non-strategic nuclear weapons. Future attention must be paid to how upcoming Nuclear Posture Reviews balance nuclear deterrence with arms control.

The Trump administration's National Security Strategy notably makes no mention of North Korean denuclearization. Since engaging in talks during his first term, Trump has repeatedly expressed interest in resuming negotiations with North Korea. Given that North Korea rejects negotiations predicated on denuclearization, there are concerns that Trump may officially recognize North Korea as a nuclear-armed state and pursue arms control negotiations instead.

◆ Impacts on the Japan-US Alliance

As strategic restraint becomes mainstream in the US, Japan will be required to play a larger role within the alliance. First, Japan will likely face demands to increase defense spending to 3.5% of its GDP. Japan will then have to determine whether to meet this demand, how to secure funding, and where to strengthen its defense posture amidst a declining birthrate.

Second, there is a risk that the US and China may begin to recognize each other's spheres of influence as the Trump administration prioritizes the Western Hemisphere. A US-China G2 scenario – where the US withdraws from Asian affairs in exchange for China exiting the Western Hemisphere – cannot be ruled out. If such an agreement is reached, the likelihood of Taiwan being absorbed by China increases, forcing Japan to re-evaluate its security policy currently centered on the Japan-US alliance.

Most importantly, the US may cease to uphold a rules-based international order, with power politics replacing the rule of law as the basis for international relations. Growing US skepticism toward alliances will also pressure Japan to build a more autonomous defense capability. Even if internationalism regains momentum in the US in several years, returning to liberal international relations will not be easy.



US President Trump visits Japan, signs tariff agreement (October 2025 pool photo: Reuters/Aflo)

◆ Recommendations

To avoid the “worst-case scenario” of a US-China G2 and the revival of power politics, Japan should take the following actions:

- Normalize high-level diplomacy: In the Trump administration, policy is shaped by the president and a small circle of cabinet members or advisors. To influence policy, frequent high-level diplomacy by the prime minister and cabinet members is essential. In addition to “2+2” meetings, ministerial-level talks on extended deterrence should be held as needed.
- Strengthen self-defense capabilities: As the US demands increased defense spending, Japan must consider its own requirements regarding missiles, aerial/underwater drones, submarines, integrated air and missile defense (IAMD), and operations in cyber, electronic, and space domains.

Regarding the defense industrial base, closer Japan-US cooperation in shipbuilding and advanced technology development is required.

- Establishing island chain defenses: Assuming scenarios of armed attack or existential threats, Japan should promote cooperation with the US for the defense of the First and Second Island Chains, as well as the sea lines of communication (SLOC) connecting them.
- Build multilateral security frameworks: To reduce the relative burden on the US military while maintaining its engagement in the Indo-Pacific, Japan should aim to expand existing frameworks like the Japan-US-Australia-Philippines “Squad”. This involves inviting nations such as South Korea, the UK, France, and Germany to create a broader, flexible multilateral security framework.

(December 31, 2025, Tetsuo Kotani,
Chief Research Fellow, The Japan Institute of International Affairs/Professor, Meikai University)

Chapter 2: The Free Trade System at a Crossroads: Trade Strategy in the New Normal

◆ How far will the Trump administration's tariff policies expand, and how long will they continue?

As of November 2025, the United States had reached agreements with 11 economies in bilateral negotiations on reciprocal and sectoral tariffs. The tariff rates were set at 10% for the United Kingdom, 15% for Japan, Korea, and the EU, and approximately 19% for ASEAN economies. Countries such as Canada, India, and Brazil, which failed to reach agreements, were subject to additional tariffs based on such issues as fentanyl, imports of Russian oil, and the prosecution of former President Jair Bolsonaro.

US bilateral negotiations have been deal-oriented and depart significantly from conventional trade diplomacy, often shaped by the personal judgment of President Donald Trump. Reciprocal tariffs are justified under the International Emergency Economic Powers Act (IEEPA) on national security grounds. For President Trump, who champions the “Make America Great Again” (MAGA) agenda, the revival of domestic manufacturing is a top priority. As a result, high baseline tariffs remain firmly in place.



Country	Tariffs Charged to the U.S. (Current Tariffs and Trade Barriers)	U.S. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Japan	46%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
	10%	10%
	60%	30%
	10%	10%
	74%	37%
	10%	10%

US President Trump announces mutual tariffs (Photo: AP/Aflo, April 2025)

Sectoral tariffs based on Section 232 of the Trade Expansion Act have expanded beyond steel, aluminum, and automobiles to include copper, timber and wood furniture, port handling equipment (such as cranes), and heavy trucks. The US Department of Commerce is currently investigating additional sectors, including semiconductors, pharmaceuticals, critical minerals, aircraft and parts, and robotics. The scope of sectoral tariffs is therefore expected to continue expanding.

Lawsuits against the use of IEEPA have been filed by business groups and several states within the US. The US Court of International Trade (CIT) has ruled the tariffs unlawful, and the Supreme Court has also expressed skepticism regarding the administration's tariff authority under IEEPA. However, alternative legal bases such as Section 122 of the Trade Act and Section 338 of the Tariff Act have been suggested, making it likely that high tariffs will remain in place for the foreseeable future.

Following a US-China summit in Korea (APEC), China agreed to suspend export controls on rare earths and to strengthen measures against fentanyl outflows. In response, the United States agreed to lower the additional tariffs imposed beyond the existing 25% rate to 20% and suspend further measures for one year. The trade war that began during the first Trump administration has entered a new phase in which China has gained the capacity to impose effective countermeasures by leveraging supply chain choke points. The situation has shifted from US dominance to a more balanced strategic competition. Some observers even argue that China, prepared for a prolonged confrontation, holds an advantage. Although short-term escalation remains possible, a strategic equilibrium between the two countries is likely to persist.

◆ What are the implications for the Japanese economy?

Because bilateral negotiations were concluded with the United States and retaliatory measures were not escalated, the IMF projects that the impact on global economic growth in 2025 will be limited to about -0.2 percentage points relative to the baseline forecast of 3.4%.

Estimates of the impact on the Japanese economy vary. According to Kawasaki (August 2025), Japan may benefit from trade diversion effects, given that its tariff rates are lower than those of China and ASEAN economies. In contrast, the Daiwa Institute of Research warns that supply chain restructuring will not occur in the short term and that expectations of windfall gains should be tempered. It also cautions that a contraction of the global economy could have negative effects.

Japan's real GDP growth for FY2025 is projected to be around 0.6%, suggesting a limited macroeconomic impact. At the sectoral level, however, the effects are uneven. For example, exports of automobiles to the United States declined by 28.4% year-on-year in value terms in August 2025, indicating severe impacts on specific industries.

◆ Will the nature of the free trade system change?

In August 2025, US Trade Representative Jamieson Greer contributed an op-ed to *The New York Times*, arguing that the existing international trade system centered on the WTO is no longer sustainable and declaring the intention to establish a new trade order (the "Turnberry system"). Trump's tariffs undoubtedly violate WTO rules and undermine the most-favored-nation (MFN) principle, a core pillar of the multilateral trading system, raising concerns that disregard for the WTO will spread and that compliance with trade rules will weaken.

At the same time, it is also true that many of the prerequisites that supported the free trade system have changed. The United States, once the champion of free trade, has shifted toward protectionist policies. China's industrial subsidies, overcapacity, and other market-distorting practices continue to pose serious challenges. In addition, economic security policies such as supply chain resilience for critical goods and protection of advanced technologies amid geopolitical competition have become major trends.

The free trade system is therefore at a crossroads. Nonetheless, a rules-based free trade system remains essential for many countries. As uncertainty in trade increases, recognition of its importance is growing. There are also emerging efforts to strengthen cooperation between Europe and CPTPP members, and the Philippines and the UAE have newly applied to join the CPTPP. The use of bilateral FTAs and regional frameworks such as the CPTPP among like-minded countries is expected to expand.

◆ Recommendations

First, it is essential to endeavor to expand the CPTPP. Currently, nine economies have applied to join. Negotiations should prioritize countries capable of meeting CPTPP standards and provide a clear roadmap for accession. Japan should also strengthen cooperation with the EU and support economies such as Korea and Thailand that have expressed interest in membership. In addition,

Japan should promote a bilateral EPA with Bangladesh, strengthen engagement with MERCOSUR, and work to upgrade the RCEP.

Cooperation with like-minded countries to maintain and reform the WTO also remains critical. This includes utilizing the Multi-Party Interim Appeal Arbitration Arrangement (MPIA) as an alternative to the non-functioning Appellate Body, revitalizing plurilateral negotiations such as the Joint Statement Initiative (JSI) on e-commerce, and reviewing security exceptions in line with evolving economic security trends.

In strengthening supply chain resilience for critical minerals and other strategic goods, Japan should first seek closer cooperation with the United States, and then expand collaboration with the United Kingdom, the EU, Australia, Canada, Korea, and partners in the Global South.

(December 11, 2025, Kensuke Yanagida,
Senior Fellow, The Japan Institute of International Affairs)

¹ Kenichi Kawasaki (2025) “Economic Impact of New U.S. Reciprocal Tariffs I (Policy Analysis Focus 25-8)”, National Graduate Institute for Policy Studies.

<https://www.grips.ac.jp/uploads/about/2025/08/6127643611daf9bc0093810cf07e25701d293ec0.pdf>

² Daiwa Institute of Research https://www.dir.co.jp/report/research/economics/japan/20241218_024804.pdf

³ Primarily refers to an approach using high tariffs as leverage to lower the other country’s trade barriers and attract investment through bilateral negotiations; also known as the Trump Round

Chapter 3: US-China Coexistence and the Taiwan Situation in a Period of Fragile Stability

◆ Managing frictions in US-China relations through leader-level diplomacy

US-China relations in 2025 largely revolved around tariff negotiations initiated by the Trump administration. Washington sought to use tariffs as a tool to extract concessions from China, but it was ultimately thrown off balance by China's countermeasures – e.g., leverage over rare earths – deployed after carefully studying US tactics and vulnerabilities. At the US-China summit held on the margins of the APEC Leaders' Meeting in the Republic of Korea, the two sides agreed to temporarily suspend certain tariffs and export-control measures, halt the collection of additional port-entry fees, and increase imports of US agricultural products. These steps produced a temporary easing of bilateral frictions. Although the risk remains that tensions could again cycle between escalation and de-escalation depending on the implementation of these commitments, China at present appears willing to comply. Media reports indicate that China has already purchased about two-thirds of the agreed volume of US soybeans.

In 2026, multiple leader-level interactions are anticipated: reciprocal visits by the two presidents, as well as summit meetings on the margins of the G20 (hosted by the United States) and APEC (hosted by China). These channels of summit diplomacy are expected to help sustain a relatively stable relationship. With an eye on the midterm elections, the Trump administration is likely to remain flexible in striking deals with China that deliver tangible gains for the US economy and businesses. For its part, China has gained confidence that it can push back against US economic coercion and conduct trade negotiations on a more equal footing. While Beijing seeks stabilization and cooperation with the United States where feasible, it has not changed its view that the relationship is fundamentally one of strategic competition. China will likely continue steadily implementing national plans to foster and expand emerging and future industries.

There was no mention of Taiwan during the summit in Korea. However, after tensions in Japan–China relations rose over Prime Minister Sanae Takaichi's comments on a Taiwan contingency, a phone call in November 2025 reportedly saw President Xi Jinping devote substantial time to the Taiwan issue. The Chinese side publicly stated that President Donald Trump had understood the importance of the Taiwan issue to China. While this may reflect an intent to warn Japan, it also appears to be an attempt – reminiscent of the “new type of major-country relations” once proposed to the Obama administration – to portray a relationship in which major powers respect each other's “core interests”. President Trump likewise described the US-China relationship as a “G2”. The National Security Strategy (NSS) released by the Trump administration at the end of the year emphasizes the Western Hemisphere. The language on China has shifted markedly from previous



US-China leaders' summit held in Busan, Republic of Korea
(October 2025. Photo: Reuters/Aflo)

formulations: deterrence of conflict over the Taiwan Strait is identified as a priority, but the tone of vigilance toward China is softened. For China, 2026 presents an opportunity to shape a new major-power relationship with the United States, and Beijing may also hope through leader-to-leader ties to constrain hardline forces within the United States.

At present, there is no clear objective evidence that the Xi Jinping regime is entering a lame-duck phase, and Xi is expected to secure another term at the Party Congress in 2027. At the same time, close attention will be paid to how generational turnover proceeds and whether personnel signals begin to clarify the trajectory of the post-Xi era.

◆ Taiwan's domestic politics ahead of islandwide local elections

Following the failure of recall votes targeting Kuomintang (KMT) legislators, the Lai Ching-te administration continues to face difficult governance as a minority government. The KMT has elected Cheng Li-wen, widely viewed in practice as “pro-China”, as its new party chair.

In November 2026, Taiwan will hold islandwide local elections, a contest of great domestic political significance. Both major parties aim to nominate candidates early to gain an advantage. Social media campaign strategy is expected to be crucial, and the youth vote will be decisive. A majority of Taiwanese public opinion favors maintaining the status quo in cross-strait relations; Chair Cheng's pro-China line may backfire if it is fully reflected in the KMT's campaign strategy. Meanwhile, the Democratic Progressive Party's (DPP) slogan of “resist China, protect Taiwan” is also losing resonance.

Political turbulence in Taiwan and the KMT chair's tilt toward Beijing create a major opening for China to shape conditions favorable to the KMT, and Beijing is likely to engage in full-scale influence operations.

◆ Recommendations

- China viewed Prime Minister Takaichi's political beliefs and stance on Taiwan as problematic, and thus intensified pressure on Japan following her Diet testimony in November on “situations threatening Japan's survival” (*sonritsu kiki jitai*). The purpose of harsh measures against Japan is to engineer changes to the status quo favorable to China and to generate social anxiety and polarization within Japan. As Japan proceeds with revisions to its three strategic documents and strengthens intelligence functions, China is likely to accelerate its pressure out of wariness of these developments. Beyond responding to military and economic coercion, Japan urgently needs to build a society resilient to disinformation and cognitive warfare. China will continue to amplify globally the anti-Japan narrative that Japan is reviving militarism and challenging the postwar international order. Japan must calmly step up objective counter-messaging and proactively deliver careful explanations internationally.
- While US-China relations carry the risk of renewed tension, 2026 is expected to see up to four in-person US-China summit meetings, and the relationship is likely to remain comparatively stable. China's hardline posture toward Japan will continue in 2026, and its pressure against Taiwan will

further intensify. Japan should reinforce the Japan-US alliance and enhance necessary deterrence and response capabilities, while also maintaining persistent dialogue with China.

- China will serve as the host economy for APEC 2026 and convene the Economic Leaders' Meeting in Shenzhen. This will offer Beijing an opportunity to expand the narrative that it is a defender of free trade and a responsible, exemplary major power. The modality of Taiwan's participation will also draw attention. Japan should demand consistency between China's words and actions as a "model major power" working in coordination with other partners. Japan should also urge China as host to ensure the effective participation of all APEC economies and to contribute to progress in international cooperation.

(December 31, 2025, Yumi Iijima,
Research Fellow, The Japan Institute of International Affairs)

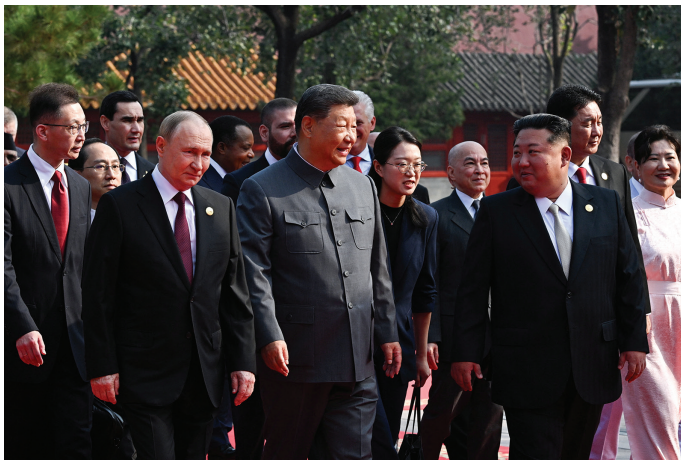
Chapter 4: The Korean Peninsula: The ROK and North Korea Seek to Expand Their “Survival Space” Amid Unrest in the International Order

◆ North Korea seeks closer relations with Russia and China

North Korea publicly announced its involvement in the Ukraine war in April 2025 and the dispatch of an engineering unit in June of the same year, emphasizing the “alliance” between Russia and North Korea. In return, North Korea is said to have received foreign currency revenues, advanced military technology, and loopholes in economic sanctions. It is also seeking to utilize drones and other modern warfare know-how to strengthen its military.

At the September Russia-North Korea summit held in Beijing, President Vladimir Putin described the relations between the two countries as “special ones of trust, friendship and alliance,” demonstrating a deepening relationship.

North Korea was also striving to further develop its relations with China, which responded favorably as it sought to expand its influence on the Korean Peninsula. Kim Jong-un’s visit to China in September (see above) led to the first China-North Korea summit in six years, in which the two countries pledged to strengthen their ties with no mention of denuclearization.



Military parade in Beijing to mark the 80th anniversary of the victory in the War of Resistance against Japan (September 2025 pool photo by Reuters/Aflo)

Kim Jong-un standing alongside President Xi Jinping and President Putin at the military parade held in September to mark the 80th anniversary of China’s victory over Japan highlighted the transformation of ties among China, Russia, and North Korea from intersecting lines to a plane.

◆ Formation of an “axis of upheaval”?

It would be more appropriate to view these developments as the result of the convergence of each country’s interests with an eye toward its relationship with the United States rather than as the formation of a China-Russia-North Korea “camp”. Furthermore, North Korea is pursuing a comprehensive military buildup with support from Russia. When comparing the economic benefits North Korea is reaping from sending troops to Russia with the benefits the ROK gained from its participation in the past Vietnam War, though, the former lacks the crucial element of securing a broad export market. Continuing its military buildup under these circumstances will distance North Korea from the “visible economic growth” that is key to regime stability. There is no sign of a reduced security risk and increased peace dividend emerging under the Russia-North Korea “alliance.”

If cooperation among China, Russia, and North Korea deepens further in the future, we can expect such developments as North Korea participating in joint Sino-Russian military exercises, North Korea conducting new nuclear tests, and Russia and China blocking the adoption of Security Council resolutions. More so than these, however, the progress made in each country’s negotiations/

relations with the United States and the degree to which cooperation becomes visible in that process will be a measure of the true state of China-Russia-North Korea relations. North Korea, mindful of the possibility that China and Russia might “abandon” it through improved relations with the United States, will likely signal its interest in dialogue even as it puts on displays of its military achievements in order to take part in arms control negotiations as a nuclear power and normalize relations with the United States in ways that would include the withdrawal of US troops from the ROK, all the while attempting to “entangle” China and Russia in the process.

◆ **Circumstances in the ROK and Japan-ROK relations**

Following the December 2024 state of emergency and the April 2025 presidential impeachment, the ROK held a new presidential election in June that was won by Lee Jae-myung of the progressive Democratic Party of Korea. President Lee was elected with the backing of a large ruling party and a strong internal base, but the vote share of progressive and conservative candidates in the presidential election was closely matched, highlighting domestic political divisions. Considering these circumstances, the Lee administration has been cautious in its governance since its inception, particularly in the field of diplomacy, where it has sought to maintain foreign relations based on “pragmatic diplomacy centered on national interests”. Furthermore, it has emphasized stable management of Japan-ROK relations by arranging a Japan-ROK summit meeting shortly after taking office, conducting joint US-ROK and Japan-US-ROK military exercises, and continuing the communication between foreign and security authorities that was restored during the Yoon Suk-yeol administration. On the Japanese side, the new Sanae Takaichi administration that took office in October 2025 has expressed its intention to place importance on Japan-ROK relations and, with the international situation becoming more fluid, relations between the two countries have remained good.

However, the Lee administration’s foreign policy is being pursued along two lines: pursuing the US-ROK alliance and easing tensions with North Korea. There is the risk that these two approaches may diverge over the medium to long term. The former is likely to escalate into discussions over increases in host nation support and defense spending, as well as the return of wartime operational control (OPCON), the involvement of United States Forces Korea (USFK) in regional security, and an expansion of the ROK military’s role outside the Korean Peninsula, leading directly to “entanglement,” something particularly abhorrent to the ROK’s progressive governments particularly abhor. The latter approach would inevitably be unilateral, given North Korea’s “two hostile states” approach. Were North Korea to reverse its current hardline stance and adopt a “dialogue mode,” it would likely seek to alienate the ROK in aspiring to direct negotiations with the United States. In that case, extremely conciliatory policies toward North Korea and calls for the elimination of sanctions could emerge within the ROK, potentially disrupting relations with the United States and Japan.

◆ **Recommendations**

- The rapprochement among China, Russia, and North Korea is the result of a shared desire to exploit the instability of the international order. Further disruption in the international order

could encourage countries to divide into camps, so Japan must accurately grasp the internal contexts of these countries and work to support the international order.

- The US’s tendency to focus on the Western Hemisphere and preference for bilateral deals are also concerning from the perspective of maintaining order on the Korean Peninsula. The US must be made aware that institutionalizing Japan-US-ROK cooperation, streamlining security cooperation, strengthening sanctions monitoring, and creating a comprehensive roadmap linking North Korea’s “dialogue mode” to denuclearization (including the resolution of the abduction issue) would also benefit US national interests. It is important for Japan and the ROK to work together in such efforts.
- Following the inauguration of the ROK’s Lee administration, concerns have been raised in Japan about the ROK’s increasingly hardline Japan policy. Meanwhile, the change in government in Japan (the launch of the Takaichi administration) has raised concerns in the ROK about Japan’s “rightward shift”, suggesting a growing possibility of a connection between domestic and foreign policy in both Japan and the ROK. It must be understood that Japan-ROK relations have once again entered a “management” phase, where mutual restraint and the separation of domestic and foreign policy are essential.
- The two countries need to avoid heightened tensions arising from the intertwining of individual historical and territorial issues; to expand cooperation in facing up to common social challenges such as global issues, declining birthrates and aging populations, and regional development; and to reaffirm and redefine issues that can become either centripetal or centrifugal forces, such as security (the Japan-ROK ACSA), economic partnership (the ROK’s accession to the CPTPP), and policy toward North Korea.

(December 31, 2025, Tomoki Imura,
Research Fellow, The Japan Institute of International Affairs)

Chapter 5: Europe's "Strategic Autonomy": The Intersection of Long-Term and Short-Term Perspectives

◆ Long-term momentum continues to build for regional defense cooperation and defense capability enhancement

The year 2025 began turbulently for European countries. During his visit to Europe in February, US Secretary of Defense Pete Hagseth mentioned the deadline for US troops stationed in Europe and, at the Munich Security Conference that followed, Vice President JD Vance expressed criticism of "freedom of speech" within Europe. Furthermore, Ukrainian President Volodymyr Zelenskyy's summit meeting with President Donald Trump during his visit to the White House ended in disagreement, revealing the new US administration's harsh view of Europe. The National Security Strategy (NSS) announced in December also voiced concern about the "civilizational erasure" in Europe, and European policy continues to be criticized.

Given these circumstances, Germany's newly appointed Chancellor Friedrich Merz surprised those around him by stating that Europe ultimately needs to "not depend on the United States." Furthermore, Germany proposed that France consider nuclear sharing, and French President Emmanuel Macron responded with a message echoing this sentiment. In July, France and the UK issued a joint statement on a new nuclear strategy, while Germany and the UK signed a bilateral defense policy agreement. This accelerates Europe's move toward "strategic autonomy." The decision at the late July NATO summit to target 5.0% of GDP for defense spending further demonstrates member states' recognition of the necessity for strategic autonomy, a direction that will undoubtedly persist.

◆ Maintaining US engagement remains paramount in the short term

Despite pursuing strategic autonomy over the long term, Europe still requires US military power. The emergency meeting between President Trump and President Zelenskyy at the Vatican in April proved "the most successful to date" (according to President Zelenskyy), and US-European relations have gradually improved since spring, as indicated by President Trump's attendance at the NATO summit despite initial doubts about his participation. Tariff negotiations, which were expected to be difficult, reached a final agreement at 15%, and the feared Anti-Coercion Instrument (also known as the "trade bazooka") was not deployed.

This improvement in relations owes much to concessions from the European side. While ultimately achieving strategic autonomy would produce a Europe no longer dependent on the United States, potentially leading to a further reduction in US engagement on the European continent, greater caution is in fact required regarding the timing and extent of such a shift, with nuclear deterrence against Russia one of the issues to be addressed. Leaders repeatedly state their military capabilities are not intended to replace the US, aiming to meet US requests while keeping the US engaged on the continent. Europe's strategy may seem contradictory at first glance, but the military threat from Russia makes US involvement indispensable, so this approach is highly likely to endure.

◆ Domestic political divisions and Europe's role in international politics

As the United States reduces its involvement in international affairs, Europe's position in international politics will inevitably change. To avoid being bypassed by US-Russia negotiations on the Ukraine

war, European nations will be increasingly required to commit more deeply to such talks. Regarding the Middle East, the example of Syrian refugees remains fresh in the memory, and European countries do indeed wish to avoid further prolonged chaos. Left-wing groups and younger generations across Europe tend to be relatively anti-Israel, and leaders without strong domestic support bases, such as those in the UK and France, cannot afford to ignore these opinions. Consequently, the UK became the first G7 nation to recognize Palestine as a state, followed by France. The US has strongly criticized these actions, suggesting that US-European relations might remain in a precarious balance. However, it seems unlikely that either the UK or France possess the diplomatic and military assets needed to take on a full-fledged mediator role in the Middle East; such activities should primarily be understood through the lens of domestic politics. While 2026 will see no major national elections in key countries, France is expected to begin primaries in late 2026 ahead of its 2027 presidential election. Additionally, Germany will hold state parliament elections in five regions, including Berlin, potentially altering the composition of the Bundesrat.



Model of the next-generation fighter jet jointly developed by Japan, the UK, and Italy (May 2025 photo: Reuters/Aflo)

◆ Recommendations

- Increased defense spending in Europe signifies market expansion, presenting a potential business opportunity for Japanese companies. To ensure the sustainability of Japan's defense industry, its competitiveness in this market must be strengthened, requiring the government to take the lead in projects such as the Global Combat Air Programme (GCAP).
- In 2025, the UK and Norway conducted a continuing series of exercises in the Indo-Pacific. Japan must further encourage European engagement in the Indo-Pacific (through joint exercises, missions to Japan, etc.) while demonstrating the contributions Japan can make in Europe and Ukraine. Participation in mine-sweeping exercises in autumn 2024 is a prime example, and additional joint exercises and technical cooperation within the European region can no doubt be promoted.
- Given the stances of both the Russian and Ukrainian governments in peace negotiations, the war in Ukraine is likely to continue. Territorial divisions and security guarantees are key to concluding a peace agreement, and building trust among the stakeholders is essential. However, the possibility of such trust-building between Russia and Ukraine is low.
- Should peace negotiations reach a settlement, Japan could contribute by assigning the Self-Defense Forces to mine clearance and mine sweeping duties, dispatching command personnel, and extending industrial cooperation on drones and other dual-use items. Infrastructure restoration

and governance support could also be considered. However, the nature of the security guarantees provided could significantly influence the scope of support Japan could offer. For Japan to engage in active reconstruction support, solid military security guarantees from the United States and NATO countries would be necessary.

- Japan and Europe should further advance political, economic, and defense cooperation as partners in shaping a rules-based international order. Particularly given that the United States cannot be expected to maintain its previous level of active engagement and contribution for the foreseeable future, we should consider what cooperation we can provide as key partners in forming and maintaining an international order based on the rule of law. Moreover, by coordinating narratives and approaches, we can reduce regional biases in our outreach to the Global South.

(December 31, 2025, Asako Takashima,
Senior Fellow, The Japan Institute of International Affairs)

Chapter 6: Will Russia's Invasion of Ukraine Ever End? The Path of Ceasefire Negotiations and the Deepening Russia-North Korea Relationship

◆ The path of ceasefire negotiations

Mediation efforts toward a ceasefire accelerated significantly with the start of the second Trump administration in the United States, as frequently promised by Donald Trump during his election campaign.

Following summit meetings with both Russia and Ukraine and mediation efforts, the Trump administration presented a new ceasefire proposal in November initially spanning 28 points. This proposal was streamlined to 20 points due to opposition from Ukraine and Europe as well as the presentation of counterproposals. Concrete negotiations are currently underway based on this revised content.

While the ceasefire proposal includes elements unacceptable to Ukraine, such as territorial concessions and weak security guarantees, Ukraine is negotiating with the US toward an agreement, driven by fears that President Trump, eager to secure a ceasefire agreement within the year for the sake of his legacy, might withdraw US support if displeased, as well as by distrust from the West stemming from Ukraine's severe domestic corruption issues. Consequently, Ukraine has effectively abandoned its NATO membership aspirations, conditional on post-ceasefire security guarantees. However, negotiations stalled during the December summit over issues pertaining to the status of Russian-occupied territories, preventing an agreement.

Russia's ceasefire conditions remain consistent: the annexation of occupied territories in eastern Ukraine and the removal of the "root causes" – namely, Ukraine abandoning its ambitions for NATO membership and its pro-Western policies, reducing its military capabilities to decrease perceived threats, and adopting a more pro-Russian stance. In negotiations with the US, Russia appears to insist that the territories remain under Russian control and that Ukraine abandon its NATO aspirations as absolute conditions. Therefore, unless an agreement acceptable to Russia is reached on these terms, it is unlikely to back down from continuing the war. Indeed, during his annual press conference in December, President Vladimir Putin rejected any concessions on ceasefire terms. He instructed the military to secure full control of the southern Zaporizhzhia Oblast, where offensives continue. Amid the stalled US-Ukraine negotiations, he maintains a hardline stance toward Ukraine and the West, seeking to further solidify Russia's current advantages.



US and Ukrainian presidents discuss peace plan with Russia
(December 2025 Photo: AP/Aflo)

Many observers view the military situation as tilted in Russia's favor, and concerns are mounting over support fatigue in Europe. Ukraine will likely be forced to choose which conditions it deems non-negotiable and what it is willing to sacrifice in return. Ceasefire negotiations are highly likely to continue into 2026. Even if a ceasefire is agreed upon involving a transfer of the occupied eastern

regions of Ukraine to Russia, concerns remain that Russia, citing the need to address the “root causes,” may violate the agreement and continue its invasion. Therefore, the sustainability of support from Europe and the West, along with a commitment to the effectiveness and sustainability of a ceasefire agreement – including security guarantees should one be reached – become even more critical.

◆ **What sustains Russia's war effort?**

While monitoring moves toward a ceasefire, Russia remains steadfast in continuing the war. Nevertheless, its domestic economy is rapidly deteriorating and real GDP is slowing. Although the domestic economy is considered healthy due to expanding military demand, civilian demand remains weak, and both exports and imports are declining. Domestic and foreign demand suggest the economy on the whole is “on the brink of recession” (as stated by Minister of Economic Development Maxim Reshetnikov in June). Sanctions imposed by the United States on major oil companies in October are expected to reduce Russia's national income over the medium to long term. That said, no significant domestic disruption has occurred. Russia is compensating by “importing” human resources, such as military manpower and labor, from North Korea to sustain its war-fighting capabilities. Moreover, economic support from China and the circumvention of sanctions via Global South countries mean this configuration is unlikely to undergo major changes.

◆ **Deepening Russia-North Korea relations and progress toward an “alliance”**

The previously unofficial mobilization of North Korean military personnel became effectively evident around April. With the participation of Security Council Secretary Sergei Shoigu in related ceremonies held in Pyongyang, Russia-North Korea relations are expanding beyond mere military coordination.

North Korea is not only providing weapons and ammunition and deploying troops but it is also sending personnel into Russia as a source of alternative labor. Russia, in turn, is not only effectively supporting North Korea through military technology transfers and enabling it to gain combat experience but it is also establishing a long-term, multifaceted framework by such means as reopening air and rail routes between Moscow and Pyongyang, initiating construction of a road bridge, and signing agreements on cooperation in higher education. As the invasion drags on, North Korea is evolving beyond a mere tool for Russia to prolong the war into an “alliance” viewed from a medium-to-long-term perspective. This progression in their relationship is likely to continue even if a ceasefire is agreed upon.

◆ **Recommendations**

- Despite economic sanctions and international criticism, the invasion persists. Should a ceasefire be achieved in the future, potentially forcing Ukraine to compromise on territorial or security guarantees, the impact on the existing international order would be significant. This could also lower the threshold for decision-making regarding unilateral changes to the status quo involving

force. While Japan is not in a position to participate in ceasefire negotiations, vigilance is required regarding the manner in which the war concludes. First, the Japanese government must remain unwavering in its continued support for Ukraine. Should a ceasefire be achieved, Japan should take an active part in Ukraine's post-war reconstruction and extend cooperation into areas such as demining and minesweeping. Furthermore, Japan must consistently maintain its opposition to attempts to unilaterally alter the status quo by force. Going forward, Japan should relax the operational guidelines of the Three Principles on Transfer of Defense Equipment and Technology to enable necessary and appropriate support for nations like Ukraine facing illegal invasions.

- While improvement in Japan-Russia relations is unlikely as long as its invasion of Ukraine continues, Russia remains Japan's neighbor. Japan-Russia relations are intertwined with the strategic relationships among the three major powers – the United States, Russia, and China – and are crucial for Japan's security. Therefore, discussions on rebuilding Japan-Russia relations after a ceasefire are indispensable. To this end, Japan should maintain and develop appropriate dialogue channels with Russia through Track 2.0 meetings and other approaches.

(December 31, 2025, Michihiro Tajima,
Research Fellow, The Japan Institute of International Affairs)

Chapter 7: Economic Security:

Current Situation, Outlook, and Recommendations

◆ **The Trump administration and economic security: shaking up international relations**

In a world where foreign policy and national security logic profoundly shapes the global economy, the reconstruction of economic systems based not only on economic rationality but also on safety and resilience has emerged as the top priority in economic security.

Amid these developments, strengthening supply chains remains a key pillar for the US government. Measures aimed at restructuring supply chains through tariff measures, along with AI promotion and technology control strategies outlined in the AI Action Plan, also serve to bolster supply chain resilience and revitalize domestic manufacturing (onshoring). Nonetheless, US economic security policies have become increasingly difficult for outsiders to comprehend due to policies and statements presented by Trump administration officials. In particular, the administration's unilateralist stance and emphasis on bilateral negotiations have raised questions about traditional forms of international cooperation. The US government has shown it is willing to risk friction with key economic security partners by, for instance, imposing strengthened tariff measures even on allies and friendly nations. Moreover, the US no longer seeks to conceal its intention of turning away from traditional international frameworks. Administration officials have expressed reluctance toward the Wassenaar Arrangement and the EU-US Trade and Technology Council (TTC) established in 2021, launching *Pax Silica* in December 2025 in a shift toward building plurilateral frameworks that differ from traditional ones¹.

From a similar perspective, the Chinese government is intensifying its efforts to enhance its own economic and technological capabilities. A key focus here is reducing China's dependence on other economies while increasing other countries' dependence on the Chinese economy. The aim is to enhance the effectiveness of coercive measures using economic power against other nations while limiting pressure from them. China's strengths in the international supply chain lie in areas such as raw material extraction and refining, and the Chinese government has also begun protecting and weaponizing these sectors. Its successive announcements in 2025 of tighter export controls on rare earths and other critical materials prompted concessions from the US government, among them a temporary suspension of its planned tariff escalation against China. Still, China has not yet achieved full control over whole supply chains in advanced industries, so improving self-sufficiency in these sectors remains a key objective.

◆ **The Trump administration's next three years and economic security**

Amid ongoing shifts in the international power balance, competition between the US and China over this equilibrium is expected to persist. The realms of security and economics will become increasingly inseparable, and enhancing economic power will remain the cornerstone of economic security for all nations. Cutting-edge fields such as AI, quantum computing, and biotechnology as well as traditional sectors such as steel and shipbuilding will be increasingly valued as technological foundations underpinning economic strength (industrial competitiveness). Economic security measures will likely be pursued as foreign policy and national security considerations increasingly permeate the international economy due to US-China competition and uncertainty grows.

With its attention drawn by the 2026 midterm elections and the 2028 presidential election, the Trump administration has not committed entirely to a hardline stance toward China. The Trump administration views a strong US economy as crucial for Republican electoral victories. Given the deep economic interdependence between the US and China and the practical impossibility of complete decoupling, the administration's apparent concessions on tariff issues and the twists and turns surrounding controls on exports of AI semiconductors to China reflect the US government's hesitation regarding potential economic and technological exchange and cooperation with China.

The Trump administration will remain in office for another three years so the US government's unilateral approach emphasizing bilateral negotiations will also endure, requiring traditional forms of international cooperation to adapt. Nevertheless, the competition between the US and China to determine the international power balance in the field of economic security is bound to continue. Indeed, the US government has not deviated from its policy of hindering the advancement of China's cutting-edge semiconductor manufacturing capabilities. While acknowledging the underlying structural competition in international politics, it is crucial to understand the implications of the specific measures taken by each government and respond to them flexibly.

◆ Recommendations

- To drive economic strength through technological prowess, efforts are needed to channel the fruits of cutting-edge technological development into society-wide technological advancement. Alongside promoting innovation, priority should be placed on nurturing engineering talent to ensure widespread application and dissemination of these achievements across society at large. Such a commitment must extend beyond a few outstanding research institutions and universities to a broad spectrum of educational institutions, including technical colleges and technical high schools.
- As foreign policy and national security logic increasingly shapes the international economic landscape, threats are emerging that transcend mere “weaponization of the economy”, e.g., “supply chain poisoning”, where backdoors, explosives or other extraneous additions are introduced into products through globally extended supply chains. To counter such threats, it is not enough to eliminate single points of failure (SPOF) in individual supply chains; an economic order must be built based on technology ecosystems and economic infrastructure grounded in principles of safety and reliability. This economic order should aim to establish economies characterized not only by economic rationality and profitability, but also by resilience and robustness. To enable businesses and citizens to conduct economic activities aligned with these principles and norms, governments must establish legal frameworks, take political initiatives, and undertake efforts to gain broad public consensus to ensure that these measures are substantive.
- Flexible reconfiguration of partners and alliances is key to preparing for the uncertainties brought about by fluid international relations. Japan should flexibly promote international cooperation to transform its economic and technological strengths into advantages while limiting its vulnerabilities. For example, Japan should take concrete steps to pursue the early warning

mechanism for supply chains agreed upon with the US and the ROK, while creating similar frameworks with partners in the Indo-Pacific region and Europe. Japan should also pursue a number of multi-layered approaches, among them being the creation of mechanisms that allow partners to share scarce materials among themselves when crises arise that cause supply chain disruptions.

(December 12, 2025, Yoshiaki Takayama,
Research Fellow, The Japan Institute of International Affairs)

¹ *Pax Silica* is a US-led international initiative aimed at building secure, resilient, and innovation-driven supply chains for foundational technologies underpinning the AI era: semiconductors, high-performance computing, silicon, critical minerals, etc. Its founding members include the US, Japan, the ROK, the Netherlands, the United Kingdom, Israel, Australia, Singapore, and the UAE (launched in December 2025).

Chapter 8: The Future of the Nuclear Order

The year 2026 will likely be remembered as a decisive turning point in the postwar international security order. The New Strategic Arms Reduction Treaty (New START), the strategic nuclear arms control framework between the United States and Russia, expired on February 5, 2026, marking the onset of an arms control vacuum where no legal framework exists to limit the number of nuclear warheads or delivery systems possessed by the two major nuclear powers. Nuclear risks intensify on three fronts: Europe, East Asia, and the Middle East/South Asia. The April-May NPT Review Conference will serve as a litmus test for the international community's crisis management capabilities and its resolve to maintain the nuclear order.

◆ Underlying tone of the US-Russia arms race

US nuclear policy could undergo a major switch in 2026. First, delays in developing the next-generation Sentinel intercontinental ballistic missile (ICBM) and building the first next-generation *Columbia*-class ballistic missile nuclear submarine (SSBN) as well as the lack of plutonium pit manufacturing capacity – a prerequisite for warhead modernization – have become the most significant bottlenecks in maintaining force levels. At the same time, the strategic environment underpinning the 2022 Nuclear Posture Review (NPR) has been eroded by the emergence of a dual-front threat posed by China and Russia. The pursuit of sea-launched nuclear cruise missiles (SLCM-N) and the development of the B61-13 nuclear bomb represent nothing less than a pivotal course correction for the US's nuclear posture. The United States is realigning its longstanding arms control orientation toward a new competitive strategy.

Russia's nuclear force modernization reveals a distinctly uneven composition: a stagnation in land-based forces vis-à-vis the prominence of maritime and asymmetric capabilities. The superheavy Sarmat ICBM has faced repeated deployment delays, requiring continued reliance on existing systems such as the Yars. In contrast, Borei-A-class SSBNs are smoothly entering service, forming the backbone of strategic deterrence. While the Avangard hypersonic glide vehicle (HGV) remains deployed in limited numbers, exotic weapons such as the Burevestnik nuclear-powered cruise missile and the Poseidon nuclear-powered unmanned submersible are touted primarily as tools for political intimidation, with announcements of “successful tests” preceding their practical deployment. The greatest concern is the normalization of tactical nuclear deployment in Belarus, coupled with the expiration of New START, which eliminates the guardrails provided by verification and enables the uploading of additional warheads onto existing missiles. This dramatically lowers the threshold of nuclear use in the European theater.



Russia conducts strategic nuclear exercises across land, sea, and air (October 2025, Courtesy of Russian Defence Ministry/ZUMA Press/AFL0)

◆ Escalating nuclear risks in Asia and the Middle East

In East Asia, military buildups by China, Russia, and North Korea are destabilizing the regional order.

China has moved beyond its traditional minimum deterrence posture and is approaching assured retaliatory capability that ensures mutual vulnerability with the United States. Its nuclear triad has seen dramatic enhancement: the DF-31AG and DF-41 missiles, along with large inland silo complexes, are operational; the JL-3 submarine-launched ballistic missile and the next-generation Type 096 nuclear-powered submarine are being developed; and the H-6N bomber has returned to nuclear missions. Sustaining this rapid expansion is the mass production of weapons-grade plutonium using the CFR-600 fast breeder reactor. The potential move to launch-on-warning (LOW) systems in the course of improving early warning capabilities, together with the upgrading of dual-use nuclear/conventional delivery systems such as the DF-26, heightens the risk of misperceptions and false signals during crises.

North Korea continues to expand its nuclear arsenal, estimated to hold approximately 50 warheads and nuclear material equivalent to up to 90 warheads. It expanded its first-use conditions in the 2022 Nuclear Policy Act and enshrined nuclear possession in its constitution in 2023, intensifying its shift toward high-alert operation. The diversification of delivery systems – including consecutive tests of the solid-fuel Hwasong-18 ICBM, short-range ballistic missiles, and the Pulhwasal 3-31 submarine-launched cruise missile – is a concern for the alliance. While evidence of ammunition and missile transfers with Russia has been growing, the actual scope of nuclear and other advanced technology transfers remains under assessment.

The risk of nuclear proliferation is also intensifying in the Middle East. Iran's nuclear program has entered a qualitatively different danger zone following the expiration of the October 2025 deadline for the “snapback” (sanctions restoration) under UN Security Council Resolution 2231. Its stockpile of highly enriched uranium has already surpassed the quantitative threshold sufficient to produce multiple nuclear warheads, and its technical breakout time has become normalized at a state close to zero (i.e., within days). The current focus is on the gap in international monitoring caused by the loss of “knowledge continuity” (the inability to track operational status) resulting from the restart and expansion of nuclear facilities such as the Fordow Fuel Enrichment Plant (FFEP) as well as restrictions on IAEA inspections. These developments potentially provide cover for the more difficult-to-detect “weaponization” phase: designing detonators, processing metallic uranium, and adapting warheads for ballistic missiles. Iran's destabilization also carries the risk of loosening the political constraints that have kept Iran a nuclear threshold state, increasing the structural pressure that could trigger a decision to deploy operational nuclear weapons.

◆ Entering an era of crisis management?

Under this pessimistic baseline for US-Russia relations, the expiry of arms control treaties eliminates deployment caps, inspections, and data exchange. This lack of verifiability could institutionalize mutual distrust, heightening the risks of covert arms buildups and miscalculations. To stabilize

relations in the absence of legal constraints, agreement on transparency and accident prevention protocols is necessary, as is continued political restraint. Next, the 2026 NPT Review Conference can be expected to produce a lowest-common-denominator risk reduction package that would include reaffirming the non-use of nuclear weapons and the unacceptability of nuclear threats and establishing norms prohibiting attacks on nuclear facilities during wartime. Additionally, international consensus should be pursued in maintaining the Comprehensive Nuclear-Test-Ban Treaty (CTBT) regime (whose international monitoring system remains indispensable even if the treaty is not in force) and placing a moratorium on the production of fissile material for weapons (a preliminary step towards negotiating a Fissile Material Cut-off Treaty [FMCT]).

The year 2026 will likely mark a transition from an era where security was guaranteed by legally binding arms control treaties to one where crisis management takes center stage in an effort to avert catastrophe amid mutual distrust, giving rise to an uncertain “era of threat management”. The instability arising from unverifiable hidden arms buildup and the intersection of new domains such as AI, cyber, and space with nuclear command, control and communications (NC3) will demand complex crisis management capabilities from national leaders. Japan, too, requires a vision and engagement to proactively address such instability.

Japan’s focus in the short term will be on reflecting its interest in arms control approaches that place greater emphasis on confidence-building and crisis management in the strategic nuclear relationships among the US, Russia, and China. Recognizing the reality that the balance of power among major powers does not necessarily translate into stability or security for other nations, however, Japan will also need to devise initiatives aimed at reducing not only risks but the threats themselves over the medium to long term.

(December 26, 2025, Nobumasa Akiyama,
Director, Center for Disarmament, Science and Technology)

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The Japan Institute of International Affairs

3rd Floor, Toranomom Daibiru-East Building

3-8-1 Kasumigaseki, Chiyoda-ku, Tokyo

Japan 100-0013

Tel : +81-3-3503-7261 Fax : +81-3-3503-7292



URL: <https://www.jiia.or.jp/en/>

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