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BNU Center for Policy  
Research

# BCPR

## MONTHLY SITUATIONAL **ANALYSIS REPORT**

February 2026

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## *Editor's Note*

The Beaconhouse National University (BNU) Center for Policy Research (BCPR) stands at the forefront of Pakistan's evolving policy landscape, where research, dialogue, and innovation converge to shape the country's development trajectory. Established as BNU's flagship think tank, BCPR was founded with a clear vision: to bridge the gap between academia, civil society, and the state through evidence-based policymaking and informed, interdisciplinary discourse. BCPR's remit has expanded beyond socio-economic research, to reflect the full breadth of BNU's academic diversity, allowing BCPR to engage with and provide policy recommendations across political, economic, social, and global domains.

Projects like the *China Studies Chair*, supported by the *Consulate General of China in Lahore*, anchors BCPR's work on diplomacy, connectivity, and the evolving dynamics of Pakistan-China relations, including the Belt and Road Initiative. Global institutional collaborations such as the *Enriching American Studies (Track II Diplomacy)* with the *Royal Norwegian Embassy*, alongside joint initiatives on *Unity in Diversity Project* with *Friedrich-Ebert-Stiftung (FES)* Pakistan, reflect BCPR's commitment to fostering constructive international engagement, strategic partnerships, and research-based bridge-building across borders.

In a relatively short span, BCPR has emerged as a trusted convening space for national and international thought leadership. Through dialogue platforms such as the **Pakistan Talks** series, to the convening of regular workshops, roundtables, seminars and conferences, BCPR has demonstrated how research can translate into practice-oriented solutions; by engaging policymakers, academics, diplomats, and practitioners to address issues ranging from governance reform and climate resilience to regional geopolitics and national identity.

Complementing these outputs are BCPR's broader publications, including research papers, policy reports, and **The Policy Beacon**, its periodic policy review series where academics share their research. Together, these works illustrate BCPR's role in producing actionable, academically grounded recommendations while strengthening research capacity among students, faculty, and early-career scholars.

This publication, the *Monthly Situational Analysis Report*, reflects that very commitment: to foster informed dialogue and provide analysis on pressing national, regional, and international issues of the previous month. Each edition offers concise yet contextualized analyses of major developments, spanning governance, economic policy, foreign relations, climate, national security, and socio-economic trends. These insights provide a deeper understanding of Pakistan's place within shifting global dynamics.

Guided by its Strategic Direction 2025-2030, BCPR continues to expand its reach through innovative research, inclusive partnerships, and impactful policy engagements. Its growing portfolio reflects a sustained commitment to building a durable bridge between scholarly research and real-world policymaking. As BCPR advances its mission to strengthen Pakistan's voice in regional and global policy debates, it reaffirms its role as a hub for knowledge diplomacy, institutional collaboration, and evidence-based reform, positioning itself as a vital contributor to Pakistan's policy discourse and its future trajectory.

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# BCPR

## Situational Analysis Report

February 2026



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## Executive Summary

February 2026 was defined by profound systemic instability, culminating in a catastrophic structural collapse of the Middle Eastern security architecture. As the post-Cold War international order continued to fragment under the weight of concurrent crises, traditional diplomatic frameworks gave way to unilateral coercion, active military deterrence, and urgent economic hedging. What began as a month of high-stakes brinkmanship and naval posturing spectacularly devolved into open, multi-front regional warfare. Concurrently, major powers and regional actors were forced to aggressively recalibrate their defense postures and supply chain dependencies to navigate an increasingly volatile, unconstrained multipolar landscape.

### Key developments this month include:

- **Pakistan's Western Deterrence and Operation Ghazab lil-Haq:** Following escalating cross-border hostilities, Pakistan launched a major military offensive, initiating comprehensive airstrikes on Afghan Taliban military installations in Kabul, Kandahar, and Paktika. This operation signals a definitive hardening of Islamabad's deterrence doctrine and underscores the severe regional spillover risks of unchecked militant sanctuaries.
- **Middle East Regional War and the Collapse of Gulf Neutrality:** The month's acute escalation risks culminated on February 28 when the *United States and Israel* launched a massive joint military offensive against *Iran*, effectively shattering the fragile Geneva nuclear negotiations. In an unprecedented transnational retaliation, Tehran declared all US and Israeli assets legitimate targets, launching ballistic missile strikes against Israel and US military installations hosted by sovereign Gulf Arab states, including Qatar, Bahrain, and the UAE.
- **The Unmonitored Nuclear Era & Munich Security Discourse:** The formal expiration of the New START treaty removed the last binding limits on US and Russian strategic arsenals, sparking an unconstrained modernization race that increasingly involves China. Concurrently, debates at the Munich Security Conference highlighted the deep struggles of traditional alliances to manage these overlapping global risks.
- **Middle East Brinkmanship and Shifting Alliances:** The Gulf faced acute escalation risks amid a tense US-Iran naval standoff and the progression of a Sino-Iranian defense pact. Amidst this volatility, Indian Prime Minister Modi's high-profile visit to Israel underscored New Delhi's intent to deepen bilateral technological and defense ties, reflecting complex, multi-vector hedging in the region.
- **Economic Realignments and Tariff Volatility:** The sudden imposition of a 15 percent global tariff by the United States severely disrupted international markets. This erratic shift prompted key partners, notably India, to suspend major trade negotiations, catalyzing a broader global trend of states actively diversifying their supply chains to reduce superpower reliance.

## 1. Pakistan's Evolving Landscape: Strategic Deterrence and Complex Multilateralism

In February 2026, Pakistan's statecraft was defined by a delicate balancing act between robust internal security enforcement and agile external diplomacy. Domestically, the state confronted a severe surge in militant violence, prompting an aggressive, intelligence-driven military response in Balochistan and along the western border. Externally, Islamabad positioned itself as a specialized diplomatic partner, facilitating high-stakes US-Iran backchannels and securing critical international endorsements for its macroeconomic reforms and civil nuclear ambitions.

### 1.1 Internal Security: The "Black Storm" and Cross-Border Deterrence

The security establishment faced coordinated insurgent offensives, leading to a hardened stance against militant safe havens and the neighboring regime perceived to be harboring them.

- **The Balochistan Escalation:** Security forces neutralized 145 BLA militants in a massive 40-hour counteroperation. This response followed the synchronized "Black Storm" attacks targeting civilians and infrastructure in key districts like Quetta and Gwadar, which claimed nearly 50 lives. Officials reported that the military's fierce response prevented major strategic losses despite the insurgents' use of human shields.<sup>1</sup>
- **Striking TTP and ISKP Sanctuaries:** Driven by conclusive evidence linking border sanctuaries to deadly suicide bombings in Islamabad and Bajaur, Pakistan launched intelligence-based operations to eradicate TTP and ISKP hubs. This action represents a critical enforcement of strategic deterrence in response to the Afghan interim government's persistent failure to uphold its Doha Agreement commitments.<sup>2</sup>
- **Operation Ghazab lil-Haq and Strategic Inflection:** On February 26, the cross-border deterrence narrative reached its peak as Pakistan launched "Operation Ghazab lil-Haq" following unprovoked fire by Afghan Taliban forces. Evolving beyond limited pressure tactics, the Pakistan Air Force executed comprehensive airstrikes destroying Taliban military installations, ammunition depots, and brigade headquarters across Kabul,

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1 "Pakistan Forces Kill 145 Militants After Attacks, Balochistan Chief Minister Says," Reuters, February 1, 2026, <https://www.reuters.com/world/asia-pacific/pakistan-forces-kill-145-militants-after-attacks-balochistan-chief-minister-says-2026-02-01/>.

2 "Pakistan Says It Carried Out Cross-Border Strikes in Afghanistan," Reuters, February 22, 2026, <https://www.reuters.com/world/asia-pacific/pakistan-says-it-carried-out-cross-border-strikes-afghanistan-2026-02-22/>.

Kandahar, and Paktika. Driven by the accumulation of Torkham border tensions and Kabul's failed Doha compliance, this direct escalation marks a strategic inflection point, indicating Islamabad is now willing to risk a protracted conflict to enforce its western security red lines.<sup>3</sup>

- **The Islamabad Mosque Blast & Beijing's Guarantee:** Domestic vulnerabilities were starkly highlighted by a deadly attack on an Islamabad Mosque. In response, Beijing swiftly condemned the blast and pledged unwavering support for Pakistan's national security efforts. This public assurance underscores that China views Pakistan's internal stability not merely as a neighborly issue, but as a critical requirement for the safety of its extensive corridor investments.<sup>4</sup>
- **Diplomatic Severance over Security:** Reflecting a rigid "security-first" doctrine, Islamabad refused to reopen the border for 947 stranded Pakistani students in Afghanistan. This protracted standoff indicates a willingness to sacrifice historical educational leverage and people-to-people ties to coerce the Taliban into dismantling militant networks.<sup>5</sup>
- **The Pre-9/11 Warning:** Escalating the diplomatic pressure, President Zardari equated Taliban-led Afghanistan to the pre-9/11 era, warning of a renewed global danger while explicitly accusing India of supporting proxy networks to destabilize Pakistan.

## 1.2 Diplomatic Hedging: The "Board of Peace" and Regional Mediation

Pakistan successfully leveraged its diplomatic access to both Western and Middle Eastern capitals, securing influence while attempting to insulate itself from the fallout of unilateral American initiatives.

- **Brokering the US-Iran Thaw:** Islamabad was officially invited to high-stakes talks in Turkey, confirming its critical back-channel role in mediating the volatile nuclear standoff between Washington and Tehran. The inclusion of Foreign Minister Ishaq Dar underscored the US administration's reliance on regional partners to engineer an off-ramp and avert a wider war.

<sup>3</sup> "Pakistan Forces Give 'Effective Response' to Taliban Regime's Unprovoked Border Action: Info Ministry," Geo News, February 25, 2026, <https://www.geo.tv/latest/653134-pakistan-forces-give-effective-response-to-taliban-regimes-unprovoked-border-action-info-ministry>.

<sup>4</sup> "China Condemns Islamabad Mosque Attack, Pledges Support to Pakistan," Reuters, February 8, 2026, <https://www.reuters.com/world/china/china-condemns-islamabad-mosque-attack-pledges-support-pakistan-2026-02-08/>.

<sup>5</sup> "Border Closure Leaves 947 Pakistani Students Stranded in Afghanistan, Minister Tells NA," Dawn, February 11, 2026, <https://www.dawn.com/news/1972436/border-closure-leaves-947-pakistani-students-stranded-in-afghanistan-minister-tells-na>.

- **Navigating the Munich Security Discourse:** During the Munich Security Conference (MSC), the month's premier forum for shaping European security and US multilateralism, Pakistan maintained a calculated diplomatic distance. Rather than fully aligning with Western-centric security architectures regarding Ukraine or the Indo-Pacific, Islamabad's positioning vis-à-vis the MSC's agenda reflected a strategy of non-alignment, choosing instead to preserve its multilateral capital for immediate, regional crisis management.<sup>6</sup>
- **Calculated Engagement with the "Board of Peace":** Prime Minister Sharif attended the first meeting of Trump's alternative "Board of Peace," cementing a strategic alignment with Washington to secure a stake in Gaza's post-war governance. However, Islamabad carefully insulated itself from domestic and regional backlash by explicitly refusing to join the International Stabilization Force if its mandate involves forcefully disarming Hamas.
- **Defending Palestinian Sovereignty:** Balancing its engagement with the US, Deputy Prime Minister Dar led a high-profile intervention at the UN Security Council to challenge Israel's de facto annexation of the West Bank. By advocating for the enforcement of Resolution 2803, Pakistan reinforced its traditional role as a key Palestinian advocate.<sup>7</sup>

### 1.3 Economic Stabilization and Technical Partnerships

The government pursued aggressive economic modernization strategies, securing vital validations from international institutions to project fiscal stability.

- **Macroeconomic Lifelines:** World Bank President Ajay Banga's inaugural visit to Islamabad cemented a new "Country Partnership Framework," signaling robust international confidence in Prime Minister Sharif's structural reform agenda. Concurrently, Pakistan projected strict adherence to structural benchmarks to unlock a critical 1.2 billion USD IMF tranche, providing vital macroeconomic breathing room ahead of the federal budget cycle.<sup>8</sup> However, this stabilization narrative is heavily contested domestically; the political economy of implementing these structural reforms threatens to exacerbate ongoing inflationary pressures, testing the political sustainability of the government's austerity measures.

<sup>6</sup> "Questions and Answers: The Proposed Digital Euro," European Commission, February 19, 2026, [https://ec.europa.eu/commission/presscorner/detail/da/qanda\\_26\\_415](https://ec.europa.eu/commission/presscorner/detail/da/qanda_26_415).

<sup>7</sup> "Curtain Raiser: Deputy Prime Minister and Foreign Minister's Official Visit to New York (18 February 2026)," Ministry of Foreign Affairs Pakistan, February 18, 2026, <https://mofa.gov.pk/press-releases/curtain-raiser-deputy-prime-minister-and-foreign-ministers-official-visit-to-new-york-18-february-2026>.

<sup>8</sup> "Pakistan Well-Positioned for IMF Review to Unlock \$1.2b Fund: FinMin," *The Express Tribune*, February 20, 2026, <https://tribune.com.pk/story/2594516/pakistan-well-positioned-for-imf-review-to-unlock-12b-fund-finmin>.

- **Nuclear and IT Diplomacy:** Prime Minister Sharif's visit to Austria secured vital IAEA validation, normalizing Pakistan's nuclear status by shifting the global narrative toward its responsible stewardship and civil technical leadership. Domestically, the Prime Minister launched a 1 billion USD AI roadmap designed to modernize the economy and integrate the youth demographic into the digital workforce.<sup>9</sup> Nevertheless, the feasibility of this ambitious tech agenda remains highly questionable, as its execution is severely constrained by Pakistan's chronic power infrastructure deficits and widespread digital literacy gaps.
- **Central Asian Integration:** Islamabad operationalized its "Look North" policy by cementing a landmark cross-border banking pact between Meezan Bank and Kazakhstan's Bank Center Credit to eliminate transactional friction. This financial corridor was supplemented by the inauguration of the "Dostyq" Sports Center and academic research hubs, establishing a "knowledge corridor" to sustain long-term alignment with Astana.

Domain	Event / Metric	Status & Strategic Impact (Feb. 2026)
<b>Cross-Border Deterrence</b>	Operation Ghazab lil-Haq & TTP Strikes	Launched massive PAF airstrikes on Afghan Taliban installations (Kabul, Kandahar, Paktika) and conducted intelligence-driven strikes on sanctuaries, marking a strategic inflection point in enforcing western red lines.
<b>Internal Security</b>	Balochistan "Black Storm"	Neutralized 145 BLA militants following coordinated insurgent attacks; averted major strategic losses.
<b>Multilateral Diplomacy</b>	Munich Security Conference (MSC)	Maintained a calculated diplomatic distance at the MSC, preserving non-alignment to focus on regional crisis management rather than Western-centric architectures.
<b>Diplomatic Mediation</b>	US-Iran Nuclear Talks	Invited to Turkey to facilitate high-stakes back-channel negotiations, projecting regional diplomatic utility.
<b>Foreign Policy</b>	"Board of Peace" & Gaza	Attended Trump's parallel peace board but successfully insulated state from demands to militarily disarm Hamas.
<b>Economic Stabilization</b>	IMF & World Bank Support	Secured new WB Partnership Framework; projected fiscal stability to unlock critical 1.2B USD IMF tranche, though required structural austerity threatens domestic political sustainability amidst inflation.
<b>Tech &amp; Nuclear</b>	IAEA & 1B USD AI Roadmap	Secured IAEA validation for civil nuclear expansion; launched major AI initiative to modernize youth workforce, though feasibility is severely constrained by chronic power deficits and digital literacy gaps.
<b>Central Asia Ties</b>	Kazakhstan Banking Pact	Established Meezan Bank financial corridor and "knowledge corridor" to deepen Eurasian integration.

Table 1: Pakistan's Strategic & Economic Matrix (Feb. 2026)

<sup>9</sup> "Pakistan to Invest \$1bn in Artificial Intelligence by 2030: PM Shehbaz," *Geo News*, February 20, 2026, <https://www.geo.tv/latest/649904-pakistan-to-invest-1bn-in-artificial-intelligence-by-2030-pm-shehbaz>.

## 2. South Asia: The Erosion of Indian Hegemony and Economic Volatility

The geopolitical architecture of South Asia underwent significant stress testing. New Delhi's strategic ambitions faced severe headwinds from unpredictable US trade policies, internal technological embarrassments, and a definitive collapse of its traditional sphere of influence in Bangladesh. As India scrambled to diversify its economic and defense dependencies, the region witnessed a broader recalibration, with neighboring states actively leveraging the shifting multipolar order to secure their own strategic autonomy.

### 2.1 India's Economic Whiplash and Defense Realignment

New Delhi's attempt to seamlessly integrate into the US economic sphere was abruptly derailed by Washington's erratic protectionism, forcing India into a frantic scramble to diversify its trade alliances.

- **The Energy Pivot and Tariff Chaos:** Initially, India executed a massive strategic capitulation by halting orders for discounted Russian crude. This move, heavily influenced by Washington's authorization for Indian refiners to source US-controlled Venezuelan oil, was designed to secure an American trade pact and a reduction in punitive tariffs. However, following the US Supreme Court's invalidation of executive tariffs, President Trump unilaterally imposed a new 15% global levy. This chaotic circumvention forced New Delhi to abruptly suspend its massive trade delegation and freeze a proposed 500 billion USD import commitment, exposing the severe risks of tying Indian economic growth to Washington's volatile trade policies.<sup>10</sup>
- **Aggressive Trade Diversification:** To insulate itself from US unpredictability and European regulations, India accelerated alternative trade frameworks. New Delhi relaunched free trade negotiations with the Gulf Cooperation Council (GCC), initiated trade talks with Canada, and pivoted its steel exports toward the Middle East and Asia to bypass the EU's restrictive Carbon Border Adjustment Mechanism (CBAM).
- **Defense Procurement Blitz:** Militarily, India tacitly acknowledged the severe supply chain bottlenecks paralyzing its indigenous "Tejas" fighter program. To counter perceived two-front threats, the government authorized a 40 billion USD defense outlay, prioritizing

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<sup>10</sup> "India Delays US Trade Talks After Supreme Court Rejects Trump Tariffs, Source," Reuters, February 22, 2026, <https://www.reuters.com/world/india/india-delays-us-trade-talks-after-supreme-court-rejects-trump-tariffs-source-2026-02-22/>.

immediate procurement of foreign platforms like the French Rafale and US P-8I, thereby deepening its reliance on Western security guarantors.<sup>11</sup>

- **Strategic Defiance and the Israel Pivot:** In a highly consequential standalone diplomatic event, Prime Minister Modi visited Israel, the first such visit since the onset of the Gaza conflict. This engagement signaled New Delhi's willingness to maintain and upgrade defense cooperation with Tel Aviv despite intense international pressure and the sensitivities of Arab Gulf partners. The visit focused on securing advanced defense technology, drone procurement, and deepened intelligence sharing. Strategically, it firmly embeds India within evolving regional defense frameworks, such as the Hexagonal Alliance, sending a clear message that New Delhi's foreign policy calculus prioritizes its core military modernization over Middle Eastern diplomatic polarization.<sup>12</sup>

## 2.2 The Tech Illusion and Digital Sovereignty

India's aspiration to project itself as a self-reliant global AI superpower suffered significant reputational and optical setbacks.

- **The Plagiarism Scandal:** New Delhi's technological narrative was severely undermined at its flagship AI summit when a highly publicized "indigenous" robot was exposed as a rebranded Chinese model. This plagiarism scandal embarrassed the administration, highlighting the institutional pressure to fabricate innovation and exposing the fragility of India's claim as a viable alternative to Chinese tech dominance.<sup>13</sup>
- **Optical Setbacks and Sovereign Investments:** The abrupt cancellation of Nvidia CEO Jensen Huang's visit further dampened foreign investor momentum. In an attempt to offset these failures and US tech restrictions, the Indian government doubled its semiconductor funding to 4.8 billion USD and introduced the AI-driven "Bharat-VISTAAR" agricultural platform to project domestic competence.<sup>14</sup>

11 "India Clears Proposal to Buy 114 Rafale Fighter Jets from Dassault, Reports Say," Reuters, February 12, 2026, <https://www.reuters.com/world/india/india-clears-proposal-buy-114-rafale-fighter-jets-dassault-reports-say-2026-02-12/>.

12 "Modi Heads to Israel to Deepen Strategic, Trade Ties," *The Diplomatic Insight*, February 27, 2026, <https://thediplomaticinsight.com/modi-heads-to-israel-deepen-strategic-trade-ties/>.

13 "Indian University Faces Backlash for Claiming Chinese Robodog as Own at AI Summit," BBC News, February 24, 2026, <https://www.bbc.com/news/articles/cge8nd5ve00o>.

14 "India Approves Proposal to Buy 114 Rafale Fighter Jets from France's Dassault: Reports," *Arab News*, February 12, 2026, <https://www.arabnews.com/node/2631496/world>.

- **The Munich Security Consensus and Global AI Governance:** India's domestic tech setbacks occurred against the backdrop of critical discussions at the Munich Security Conference (MSC), which heavily featured debates on AI governance, technology sovereignty, AI in warfare, and the resilience of chip supply chains. As global powers at the MSC sought to establish new rules for digital dependencies, India's internal technological embarrassments weakened its negotiating posture, forcing New Delhi to defensively recalibrate its tech ambitions to align with emerging international standards rather than leading them.<sup>15</sup>
- **Automated Censorship:** Domestically, the government severely tightened its control over the digital narrative by implementing a draconian three-hour takedown rule for tech platforms. This impossible compliance window effectively mandates automated censorship, subordinating digital due process to state directives.

### 2.3 Bangladesh's Geopolitical Pivot

The political landscape in Dhaka experienced a structural break, effectively ending the era of Indian geopolitical dominance in its eastern neighborhood.

- **The Post-Hasina Reality:** The national elections, marked by the total exclusion of the ousted Awami League, catalyzed a decisive shift in power dynamics. Incoming Prime Minister Tarique Rahman of the BNP was sworn in, anchored by an alliance with a Gen Z-backed Islamist coalition, including the rebranded Jamaat-e-Islami.<sup>16</sup>
- **Strategic Rebalancing:** This new administration signals a profound geopolitical realignment. Rahman's government is expected to prioritize securing stalled IMF funding while adopting a much harder line against India, driven by conservative domestic pressure. This pivot transforms Bangladesh from a predictable Indian buffer state into a fiercely contested strategic void, actively opening doors for deepened economic and diplomatic integration with China and Pakistan.
- **Implications for Pakistan:** For Islamabad, the collapse of Indian dominance in Dhaka presents a major strategic opportunity. The Rahman government's geopolitical pivot actively opens political and trade space that was firmly closed during the Hasina era. By

<sup>15</sup> "India's AI Governance Push Takes Center Stage at Summit," DW, February 24, 2026, <https://www.dw.com/en/indias-ai-governance-push-takes-center-stage-at-summit/a-76058826>.

<sup>16</sup> "Bangladesh Election Candidates: Old Guard Returns to the Fray," CNN, February 9, 2026, <https://edition.cnn.com/2026/02/09/asia/bangladesh-election-candidates-old-guard-intl-hnk>.

swiftly re-engaging with the new administration, Pakistan has a unique window to repair bilateral ties, rebuild its economic footprint in the east, and strategically dilute New Delhi's regional hegemony.

Country / Actor	Key Event (Feb. 2026)	Strategic Implication
India	Suspension of US Trade Talks	Abruptly halted negotiations after Trump's 15% global tariff levy; exposes vulnerability of US reliance.
India	Energy Realignment	Dropped Russian oil orders for US/Venezuelan crude, though the strategy was disrupted by tariff chaos.
India	40B USD Defense Outlay	Prioritized foreign platforms (Rafale) over indigenous Tejas; admits domestic manufacturing delays.
India	Modi's Visit to Israel	Upgraded defense/drone ties and intel sharing, signaling integration into the Hexagonal Alliance despite Gulf sensitivities.
India	AI Summit Scandal	Plagiarized Chinese robot embarrassed New Delhi; undercuts narrative of indigenous tech supremacy ahead of MSC AI governance talks.
Bangladesh	Election of PM Tarique Rahman	BNP and Islamist coalition take power; decisively ends the pro-India geopolitical alignment of the Hasina era.
Pakistan	Dhaka Re-engagement	Leverages the post-Hasina pivot to repair bilateral ties and dilute Indian regional hegemony.
Regional Trade	GCC & Canada Pacts	India advanced FTAs with Middle Eastern and North American partners to hedge against US volatility.

Table 2: Key South Asian Developments (Feb. 2026)

### 3. The Shifting Global Order: The End of Arms Control and Tariff Volatility

February 2026 marked a perilous transition in global governance as the last remnants of Cold War-era nuclear guardrails collapsed. The expiration of the New START treaty thrust the world into an unmonitored, trilateral arms race involving the US, Russia, and an ascendant China. Concurrently, the global economic system faced severe shocks as the Trump administration, legally constrained by the US Supreme Court, resorted to chaotic, blanket tariff levies that alienated key allies. These widening transatlantic fissures were crystallized at the Munich Security Conference (MSC), where European leaders forcefully pushed back against US unilateralism, elevating urgent debates on European defense autonomy and the future of NATO burden-sharing. In Europe, the diplomatic push to end the Ukraine war stalled, revealing a stark misalignment between Washington's desire for a rapid exit and Kyiv's existential security requirements.

#### 3.1 The Collapse of Nuclear Guardrails and Tri-Polar Arms Race

The formal expiration of the New START treaty extinguished the final binding limits on US and Russian strategic arsenals, effectively ending five decades of verifiable arms control.

- **The Provisional Truce:** To avert an immediate, unconstrained buildup, Washington and Moscow neared an informal "gentleman's agreement" to voluntarily adhere to New START

limits for six months. However, this stopgap lacks a binding legal framework and remains highly precarious.<sup>17</sup>

- **Targeting Beijing's Nuclear Sprint:** The core of Washington's strategy pivoted toward constraining China, which is aggressively expanding its arsenal by approximately 100 warheads annually to reach ICBM parity by 2030. The US advanced a multilateral nuclear treaty framework in Geneva, attempting to pressure a highly resistant Beijing into accepting formal tripartite parity and transparency obligations.<sup>18</sup>
- **Manufacturing a Pretext:** Washington also levied specific nuclear testing accusations against Beijing, challenging the CTBTO's detection capabilities. This maneuver appears designed to delegitimize China's compliance claims and potentially manufacture the domestic political cover needed for the US to resume its own underground testing.

### 3.2 US Protectionism and The Tariff Chaos

Global markets were thrown into turmoil as the White House's trade agenda clashed with domestic legal constraints, resulting in erratic retaliatory economics.

- **The 15% Global Levy:** Following a US Supreme Court ruling that invalidated roughly 175 billion USD in executive tariffs, President Trump immediately imposed a new 15 percent global levy. This circumvention demonstrated a determination to weaponize trade policy regardless of legal boundaries, deeply unsettling Indo-Pacific allies and threatening to permanently fracture established supply chains.<sup>19</sup>
- **USMCA and Coercive Ambiguity:** Washington escalated its brinkmanship by weighing a withdrawal from the USMCA, risking North American trade chaos to extract deeper concessions from Canada and Mexico. Furthermore, the administration threatened selective tariff escalation beyond the 15% baseline, weaponizing ambiguity to coerce nations into rushed bilateral deals.
- **The Sino-Centric Alternative:** Beijing aggressively capitalized on this transatlantic and transpacific friction. By pursuing bilateral free-trade agreements and embedding itself

<sup>17</sup> "US, Russia Close to Deal to Extend New START Nuclear Arms Treaty, Axios Reports," Reuters, February 5, 2026, <https://www.reuters.com/world/us-russia-close-deal-extend-new-start-nuclear-arms-treaty-axios-reports-2026-02-05/>.

<sup>18</sup> Simon Tisdall, "China Is Leading the Charge to Nuclear Armageddon – and Starmer Barely Noticed," *The Guardian*, February 1, 2026, <https://www.theguardian.com/commentisfree/2026/feb/01/trump-xi-putin-china-nuclear-armageddon>.

<sup>19</sup> "Asian Economies Weigh Impact of Fresh Trump Tariff Moves, Confusion," Reuters, February 21, 2026, <https://www.reuters.com/world/china/asian-economies-weigh-impact-fresh-trump-tariff-moves-confusion-2026-02-21/>.

within frameworks like the CPTPP, China systematically weaponized Washington's protectionist retreat to construct an insulated, Sino-centric multilateral order, forcing middle powers to weigh US security dependence against indispensable Chinese market integration.<sup>20</sup>

### 3.3 Russia-Ukraine: Winter Weaponization and Diplomatic Deadlock

Peace negotiations in Abu Dhabi and Geneva exposed the vast chasm between the warring parties and their respective mediators.

- **Coercion via Attrition:** Russia strategically weaponized the harsh winter to degrade Kyiv's negotiating leverage. Breaking a fragile energy truce just hours before the Abu Dhabi summit, Moscow launched a record-breaking missile barrage against critical heating infrastructure. This deliberate civilian attrition aimed to manufacture leverage and extort territorial concessions.
- **The "Land-First" Ultimatum:** The Geneva talks stalled significantly as President Zelenskyy rejected President Trump's "land-first" ultimatum. Washington's prioritization of a rapid diplomatic win ahead of mid-term elections risked forcing Kyiv into a binary choice: cede sovereign territory or lose essential American support.<sup>21</sup>
- **The Munich Security Conference and the "Victory Plan":** The Munich Security Conference served as the critical venue for transatlantic alignment in Ukraine. President Zelenskyy utilized the forum to publicly present his "Victory Plan" to European leaders, successfully securing reaffirmations of long-term military support from NATO allies in stark contrast to Washington's "land-first" posture. The MSC also produced pivotal public statements committing to increased European defense spending, explicitly driven by mounting concerns over the reliability of the United States as Europe's primary security guarantor.<sup>22</sup>

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<sup>20</sup> "How China Plans to Dominate Global Trade Long After Trump," Reuters, February 19, 2026, <https://www.reuters.com/world/china/how-china-plans-dominate-global-trade-long-after-trump-2026-02-19/>.

<sup>21</sup> "Latest Russia-Ukraine Peace Talks in Geneva End With No Breakthrough," *The Guardian*, February 18, 2026, <https://www.theguardian.com/world/2026/feb/18/latest-russia-ukraine-peace-talks-geneva-no-breakthrough>.

<sup>22</sup> "Outcomes of the Munich Security Conference 2026," National Institute for Strategic Studies, February 25, 2026, <https://niss.gov.ua/en/doslidzhennya/mizhnarodni-vidnosini/outcomes-munich-security-conference-2026>.

Actor / Bloc	Stance on Ukraine ("Victory Plan")	Stance on US Multilateralism	Strategic Trajectory
<b>United States (Trump Admin)</b>	Pushed "Land-First" rapid settlement; conditional aid.	Highly transactional; demands increased European defense spending.	Divesting from European security guarantees; prioritizing Indo-Pacific/Middle East.
<b>European Union / NATO Allies</b>	Reaffirmed long-term military support; rejected US land concessions.	Deeply skeptical; viewing US as an increasingly unreliable partner.	Accelerating push for "European Defense Autonomy" and localized military industrialization.
<b>Ukraine</b>	Demanded full territorial restoration via "Victory Plan".	Reliant on US aid but actively diversifying diplomatic appeals to the EU.	Attempting to bypass US bottlenecks by securing binding bilateral European security pacts.

Table 3 Transatlantic Posture Matrix (Munich Security Conference 2026)

- **Limits of Asymmetric Warfare:** Washington's geopolitical priorities were laid bare when it issued a formal demarche to Kyiv over a Ukrainian strike on the Russian port of Novorossiysk. This rebuke signaled that American economic stability, specifically regarding global oil flows, supersedes Ukraine's unfettered asymmetric warfare against Russian infrastructure.

### 3.4 Institutional Fragmentation and Arctic Tensions

- **The Call for Overhaul:** UN Secretary-General Antonio Guterres formally acknowledged the collapse of the post-World War II global order, issuing an urgent appeal to restructure the international security framework to manage contemporary multipolar chaos.
- **Rejection of the "Board of Peace":** Trump's alternative diplomatic architecture, the "Board of Peace," faced critical transatlantic pushback. Staunch allies like Poland and Italy officially refused to join, citing constitutional barriers, concerns over Russian inclusion, and fears that the body undermines the UN by granting Washington unchecked executive power.<sup>23</sup>
- **Arctic Medical Diplomacy:** In the High North, Washington weaponized medical diplomacy by deploying a hospital ship to Greenland. This unsolicited move aimed to manufacture a humanitarian pretext for territorial acquisition, deepening the rift with Denmark and forcing NATO allies to accelerate the fortification of the Arctic against both adversaries and opportunistic partners.<sup>24</sup>

<sup>23</sup> "Poland Will Not Join Board of Peace Under Current Circumstances, PM Says," Reuters, February 11, 2026, <https://www.reuters.com/world/poland-will-not-join-board-peace-under-current-circumstances-pm-says-2026-02-11/>.

<sup>24</sup> "Greenland Does Not Need US Hospital Boat Sent by Trump, Says Denmark," *The Guardian*, February 22, 2026, <https://www.theguardian.com/world/2026/feb/22/greenland-does-not-need-us-hospital-boat-sent-by-trump-says-denmark>.

- **UK Monarchy's Shield Shatters:** The unprecedented arrest of the King's brother on charges of misconduct in public office regarding international trade secrets dismantled the traditional impunity shielding the British monarchy. This crisis threatens to severely erode the UK's soft power while exposing the Crown to transnational legal vulnerabilities.
- **European Democratic Backsliding and Rule of Law:** The continent's institutional fragmentation was further compounded by intensifying internal debates over democratic backsliding and the erosion of the rule of law. Throughout February, the European Union faced mounting pressure over its failure to effectively sanction illiberal member states or curb the normalization of anti-democratic narratives. This inability to enforce foundational human rights and rule-of-law commitments threatens to hollow out the EU's normative power from within, precisely when internal cohesion is most required on the global stage.<sup>25</sup>

Domain	Key Event (Feb. 2026)	Strategic Implication
<b>Arms Control</b>	New START Expiry	Final US-Russia nuclear limits expired; sparks tri-polar arms race involving China.
<b>Global Trade</b>	15% Global Tariff Levy	Trump bypassed Supreme Court ruling with global levy; deeply unsettled international supply chains.
<b>Ukraine War</b>	Geneva Talks Stall	Zelenskyy rejected US "land-first" ultimatum; Russia weaponized winter grid attacks for leverage.
<b>Transatlantic Sec.</b>	Munich Security Conference	NATO allies backed Zelenskyy's "Victory Plan" and debated European defense autonomy, contrasting US policy.
<b>Geopolitics</b>	USMCA Exit Threats	US weighed exiting North American pact; weaponized trade ambiguity to force concessions.
<b>Global Gov.</b>	Allied Peace Board Rejection	Poland & Italy refused to join Trump's parallel peace body; signals European resistance to US unilateralism.
<b>EU Governance</b>	Rule of Law Debates	Internal fragmentation deepened over the EU's inability to halt democratic backsliding and enforce institutional norms.
<b>Arctic Sec.</b>	Greenland "Medical Ship"	US deployed hospital ship; manufactured humanitarian pretext to advance territorial ambitions.

Table 4: Major Global Power Shifts (Feb. 2026)

#### 4. Escalating Conflicts: Coercive Diplomacy and Truce Collapses

February 2026 saw the Middle East plunge into a catastrophic regional conflict. While the month was initially defined by high-stakes brinkmanship and coercive naval diplomacy, these fragile containment efforts spectacularly collapsed on February 28 with a joint US-Israeli military offensive against Iran. Concurrently, the fragile diplomatic frameworks in Gaza and Syria began to unravel under the weight of operational violations and shifting US military footprints. As Iran launched sweeping transnational retaliations, regional allies who had

<sup>25</sup> "EU: Rights Failings Undermine Democracy, Rule of Law," Human Rights Watch, February 4, 2026, <https://www.hrw.org/news/2026/02/04/eu-rights-failings-undermine-democracy-rule-of-law>.

attempted to erect defensive firewalls found themselves violently dragged into an active, multi-front warzone.

#### 4.1 The US-Iran Standoff and Gulf Neutrality

The confrontation between Washington and Tehran escalated from rhetorical threats to active military posturing, pushing the region to a hair-trigger war footing.

- **Armada Diplomacy and Brinkmanship:** President Trump deployed the USS Abraham Lincoln strike group to the Gulf and issued a stark ten-day ultimatum, weaponizing the threat of immediate military strikes to compel a hasty nuclear agreement. In response, Tehran designated all EU military forces as "terrorist groups" following the bloc's blacklisting of the IRGC and executed live-fire drills in the Strait of Hormuz to establish a deterrent posture. Iran explicitly rejected the concept of a "limited strike," warning that any US action would trigger a comprehensive regional conflict.<sup>26</sup>
- **Geneva and Oman Negotiations:** Diplomacy proceeded under extreme duress. Tehran strategically shifted early talks to Oman to enforce a bilateral format, successfully shielding its ballistic missile program from US demands. Subsequent negotiations in Geneva yielded a tentative agreement on "guiding principles," creating a vital, albeit fragile, diplomatic off-ramp that temporarily paused the slide toward kinetic engagement.
- **The UAE's Defensive Firewall:** In a critical blow to US operational planning, the United Arab Emirates categorically refused to allow its territory, airspace, or waters to be used for US military attacks on Iran. This denial of logistical support, despite hosting thousands of American troops at Al Dhafra, highlighted a distinct break in Gulf alignment, as Abu Dhabi prioritized regional de-escalation and self-preservation over Washington's coercive campaign.
- **Sino-Iranian Missile Pact:** The standoff's lethality was drastically amplified by Beijing's willingness to supply advanced supersonic anti-ship missiles to Tehran. By blatantly defying reinstated UN weapons embargoes, this arms transfer directly challenges American naval hegemony in the Persian Gulf and forces the US to recalibrate its containment strategy to avoid devastating maritime casualties.<sup>27</sup>

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<sup>26</sup> "Iran Says Any US Attack Including Limited Strikes Would Be 'Act of Aggression'," *Dawn*, February 24, 2026, <https://www.dawn.com/news/1975200>.

<sup>27</sup> Reuters. (2026, February 24). Iran nears deal to buy supersonic anti-ship missiles from China. <https://www.reuters.com/world/china/iran-nears-deal-buy-supersonic-anti-ship-missiles-china-2026-02-24/>

- The February 28 Joint Offensive:** Shattering the fragile Geneva off-ramps, the US and Israel launched a massive, joint military offensive against Iran. The strikes targeted military, defense, and civilian infrastructure across Tehran and southern provinces, including a strike in Minab that resulted in severe civilian casualties. Washington framed the operation as a preemptive defense, while Prime Minister Netanyahu explicitly positioned it as an effort to spur regime change. Strategically, analysts assess the strike was heavily driven by Israeli efforts to permanently derail the ongoing US-Iran nuclear negotiations and force Washington into a direct kinetic confrontation.<sup>28</sup>

Attacking Entity	Target Location / Asset	Stated/Assessed Objective	Strategic Implication
<b>US &amp; Israel</b>	Tehran (Military/Civilian Infrastructure) & Minab, Iran	"Preemptive defense" / Derail nuclear talks & spur regime change.	Shattered Geneva backchannels; crossed Iranian "red lines" regarding homeland strikes.
<b>Iran</b>	Northern Israel	Retaliation against Israeli homeland.	Normalized direct state-on-state kinetic exchanges between Tel Aviv and Tehran.
<b>Iran</b>	Al Udeid Air Base (Qatar) & US 5th Fleet HQ (Bahrain)	Retaliation against US forward-operating bases.	Erased Gulf neutrality; dragged Qatar and Bahrain into active conflict.
<b>Iran</b>	US Assets in UAE & Kuwait	Raise the cost of hosting American military infrastructure.	Proved US regional defense umbrellas cannot fully shield host nations from ballistic blowback.

Table 5 Kinetic Target Matrix – February 28 Regional Escalation

- Iranian Retaliation and Gulf Implication:** In immediate retaliation, Iran abandoned all localized containment protocols, declaring all US and Israeli assets in the Middle East legitimate targets. Tehran launched sweeping ballistic missile strikes not only at northern Israel but directly at US military hubs hosted by sovereign Gulf states. Blasts struck Al Udeid Air Base in Qatar, the US Navy's 5th Fleet headquarters in Bahrain, and targets in the UAE and Kuwait. This transnational retaliation purposefully raised the cost of American alliances, forcefully dragging neutral Gulf states into the crossfire, effectively ending their attempts at maintaining a defensive firewall, and plunging the broader Middle East into a multi-front conventional war.<sup>29</sup>

<sup>28</sup> "Explosions in Downtown Tehran, Smoke Seen Rising," Al Jazeera, February 28, 2026, <https://www.aljazeera.com/news/2026/2/28/explosions-in-downtown-tehran-smoke-seen-rising>.

<sup>29</sup> "Explosions in Downtown Tehran, Smoke Seen Rising," Al Jazeera, February 28, 2026, <https://www.aljazeera.com/news/2026/2/28/explosions-in-downtown-tehran-smoke-seen-rising>.

## 4.2 Gaza: The "Yellow Line" Truce and De Facto Annexation

The US-brokered ceasefire in Gaza visibly frayed, while Israel leveraged the diplomatic focus on Iran to accelerate territorial consolidation in the West Bank. Israel's bureaucratic annexation maneuvers in the West Bank posed such an existential demographic threat to Jordan that Amman was forced to militarily fortify the Jordan Valley to block a potential "soft transfer" of refugees, risking a freeze of the Wadi Araba peace treaty.

- **The Truce Unravels:** The "Yellow Line" buffer mechanisms designed to sustain the October ceasefire rapidly eroded. A wave of lethal Israeli airstrikes targeting displacement camps, justified by the IDF as tunnel interdiction operations, killed dozens and undermined the humanitarian premise of the truce. Although the Rafah crossing was partially reopened, it remained under strict Israeli remote surveillance, offering minimal relief while cementing an operational stranglehold over the enclave.<sup>30</sup>
- **Conditioned Reconstruction:** President Trump's "Board of Peace" advanced its mandate by conditioning massive reconstruction funds on the immediate, forced disarmament of Hamas. In support of this stabilization effort, Indonesia controversially pledged 8,000 troops, risking domestic backlash to secure a role as a geopolitical broker in the post-war administration.<sup>31</sup>
- **West Bank Annexation:** Moving to preclude any future Palestinian statehood, the Israeli security cabinet authorized measures to simplify settler land purchases and unprecedentedly approved West Bank land registration. These bureaucratic maneuvers effectively erased the legal distinction between occupied territory and sovereign Israel, solidifying a strategy of irreversible de facto annexation.
- **International Legal Pressure and Mediation:** Israel's annexation maneuvers and military conduct in Gaza triggered severe international blowback that increasingly shaped the conflict's diplomatic trajectory. The European Union and the Arab League issued unified condemnations of the West Bank land registration, framing it as fatal to the two-state solution.<sup>32</sup> Concurrently, international legal pressure mounted significantly as the

<sup>30</sup> "Israeli Airstrikes Kill 9 in Gaza, Including at Tent Camp, Palestinian Officials Say," Reuters, February 15, 2026, <https://www.reuters.com/world/middle-east/israeli-airstrikes-kill-9-gaza-including-tent-camp-palestinian-officials-say-2026-02-15/>.

<sup>31</sup> "Indonesia Preparing to Deploy up to 8,000 Soldiers to Gaza," BBC News, February 25, 2026, <https://www.bbc.com/news/articles/cvgjwpx9j2do>.

<sup>32</sup> "Arab League Denounces Israel's West Bank Land Registration Decision," Xinhua, February 16, 2026, <https://english.news.cn/20260216/c0732ff4b09c4d16aab9cb4f24bf79be/c.html>.

International Court of Justice (ICJ) advanced proceedings regarding Israeli actions in Gaza. Amidst this deteriorating legal and humanitarian environment, Qatar and Egypt intensified their critical mediation efforts to establish sustainable humanitarian corridors, attempting to bypass the operational bottlenecks at Rafah and mitigate the enclave's catastrophic civilian toll.

### 4.3 The Levant: Syrian Realignment and Lebanese Coercion

The security architecture in the Levant shifted dramatically as US forces withdrew from critical zones and Israel escalated its deterrence strategy against Hezbollah.

- **US Pullout and Kurdish Integration:** The systematic dismantling of America's military footprint in northeastern Syria signaled a definitive end to its partnership with Kurdish forces. By ceding the territory and delegating the anti-ISIS security mandate to President al-Sharaa's consolidating regime, the US effectively abandoned the Syrian Democratic Forces' territorial autonomy, forcing them to integrate into the post-Assad central state.<sup>33</sup>
- **Turkey's Strategic Expansion:** Militarily, Ankara emerged as the primary strategic beneficiary of the American withdrawal. Turkey rapidly expanded its military and diplomatic footprint in northern Syria, moving decisively to secure its border against Kurdish elements and permanently cement its sphere of influence in the vacuum left by departing US forces.<sup>34</sup>
- **Gulf Re-engagement and Arab League Integration:** Diplomatically, the transition in Damascus spurred rapid regional normalization. Driven by a desire to stabilize the Levant and counterbalance Iranian influence, key Gulf states, notably Saudi Arabia and the UAE, accelerated their diplomatic re-engagement with President al-Sharaa. These states actively spearheaded efforts to fully reintegrate Syria into the Arab League framework, signaling a definitive end to Damascus's decade-long regional isolation.
- **Holding Lebanon Hostage:** Anticipating potential fallout from the US-Iran nuclear standoff, Israel explicitly threatened to annihilate Lebanese civilian infrastructure if Hezbollah escalated its operations. By holding the fragile Lebanese state hostage,

<sup>33</sup> "US Military Begins Withdrawing From Main Base in Northeast Syria, Syrian Sources Say," Reuters, February 23, 2026, <https://www.reuters.com/world/middle-east/us-military-begins-withdrawing-main-base-northeast-syria-syrian-sources-say-2026-02-23/>.

<sup>34</sup> Emine Gider, "Türkiye's Expanding Military Reach Boosts Diplomatic Clout, Analysts Say," *Daily Sabah*, February 13, 2026, <https://www.dailysabah.com/politics/turkiyes-expanding-military-reach-boosts-diplomatic-clout-analysts-say/news>

Jerusalem aimed to force Beirut to rein in the militant group, weighing Hezbollah's ideological loyalty to Tehran against domestic political survival.

Theater	Key Event (Feb. 2026)	Strategic Implication
<b>Iran / Gulf</b>	US Armada & Ultimatum	US deployed naval strike groups and issued a 10-day ultimatum, attempting to force nuclear concessions via military coercion.
<b>Iran / Israel</b>	Feb 28 Joint Military Offensive	US and Israel launched major strikes on Iran; shattered nuclear talks and initiated open regional conflict.
<b>Gulf Security</b>	Iranian Transnational Retaliation	Iran struck US bases in Qatar, Bahrain, UAE, and Kuwait; dragged neutral Gulf states into a multi-front war.
<b>Gaza</b>	"Yellow Line" Truce Frays	Airstrikes on displacement camps undermined the ceasefire; Rafah reopened under strict Israeli surveillance.
<b>West Bank</b>	Land Registry Approval	Israel authorized West Bank land registration, advancing irreversible de facto annexation to block Palestinian statehood.
<b>Gaza / Diplomacy</b>	ICJ Proceedings & Mediation	Mounting legal pressure on Israel; Qatar/Egypt mediated humanitarian corridors amid EU/Arab League condemnations.
<b>Syria</b>	US Northeast Pullout	US ceded NE Syria to the Damascus regime, ending Kurdish autonomy and forcing SDF integration.
<b>Syria</b>	Gulf Normalization & Turkish Expansion	Saudi/UAE pushed to reintegrate Damascus into the Arab League; Turkey expanded its military footprint in the post-US vacuum.
<b>Lebanon</b>	Infrastructure Threats	Israel threatened Lebanese civilian targets to deter Hezbollah involvement in the US-Iran standoff.

Table 6: Key Conflict Escalations & Status (Feb. 2026)

## 5. Technological & Strategic Futures: Digital Sovereignty and Climate Survivalism

The technological and strategic landscape fractured further along geopolitical lines. The global consensus on climate mitigation effectively collapsed, giving way to nationalist adaptation strategies, while developing nations and European allies alike accelerated efforts to insulate their digital and financial infrastructures from both American corporate monopolies and Chinese hardware vulnerabilities. Simultaneously, the rapid advancement of generative AI forced a fundamental rethinking of global cybersecurity and digital regulation.

### 5.1 The AI Race, Cyber Resilience, and Digital Firewalls

The proliferation of generative AI fundamentally altered the balance of technological power, prompting state actors to erect new regulatory and legal firewalls.

- **The Shift to Cyber Resilience:** As generative AI drastically lowered the barrier to entry for executing sophisticated cyberattacks, enterprise security architectures began inevitably

pivoting from traditional perimeter defense to guaranteed operational resilience. This market transformation signals the rapid replacement of legacy backup solutions with autonomous, continuous recovery platforms capable of neutralizing catastrophic downtime. Consequently, global regulatory bodies are expected to mandate these dynamic systems as the new compliance baseline for critical infrastructure.<sup>35</sup>

- **Generative Video and Disinformation:** ByteDance's release of Seedance 2.0 marked a critical inflection point in the commoditization of high-fidelity video generation. While threatening traditional media production models, this technological leap amplified the global risks of sophisticated disinformation campaigns and is likely to trigger tighter US export controls aimed at stifling Beijing's momentum.<sup>36</sup>
- **Global South Sovereign AI:** Growing resistance against forced reliance on American or Chinese platforms pushed developing nations toward localized, sovereign AI models. By leveraging open-source architectures, these countries aim to build autonomous digital infrastructure tailored to their unique linguistic and socio-economic needs, strategically diluting the monopolistic influence of superpower tech conglomerates.
- **The MSC and AI in Warfare:** At the Munich Security Conference, the integration of AI into military operations dominated the strategic technology agenda. Discussions highlighted the urgent need for international frameworks governing lethal autonomous weapons systems (LAWs) and AI-enabled cyber operations. As global powers accelerate the deployment of algorithmic warfare, the MSC exposed a critical regulatory vacuum, with consensus remaining elusive on how to mitigate the escalatory risks of machine-speed decision-making in conflict zones.<sup>37</sup>
- **Hardware Purges and Social Media Bans:** Legal and regulatory offensives against foreign tech platforms intensified. The state of Texas launched a critical lawsuit against TP-Link, setting a precedent that explicitly rejects the "corporate spinoff" defense and

<sup>35</sup> "Israeli AI Cyber Firm Gambit Security Raises \$61 Million," Reuters, February 25, 2026, <https://www.reuters.com/technology/embargoed-israeli-ai-cyber-firm-gambit-security-raises-61-million-2026-02-25/>.

<sup>36</sup> "ByteDance's New AI Video Model Goes Viral in China, Looks for Second 'DeepSeek Moment'," Reuters, February 12, 2026, <https://www.reuters.com/business/media-telecom/bytedances-new-ai-video-model-goes-viral-china-looks-second-deepseek-moment-2026-02-12/>.

<sup>37</sup> "From Destruction to Reconstruction: Munich Security Conference 2026 – ELIAMEP's Experts Share Their Views," Hellenic Foundation for European and Foreign Policy (ELIAMEP), February 23, 2026, <https://www.eliamep.gr/en/from-destruction-to-reconstruction-munich-security-conference-2026-eliameps-experts-share-their-views/>.

threatens to systematically purge Chinese-linked consumer electronics from the US market.<sup>38</sup> Concurrently, the Czech Prime Minister's endorsement of a social media ban for users under 15 signaled the rapid consolidation of a pan-European regulatory firewall, setting the stage for a high-stakes confrontation with Silicon Valley over platform liability.

## 5.2 Climate Survivalism and Energy Realignment

The global environmental framework fractured, forcing states to prioritize sovereign energy security over multilateral mitigation targets.

- **Collapse of the Paris Accord:** The imminent breach of the 1.5°C threshold, compounded by Washington's dismantling of environmental multilateralism, signaled the functional end of the Paris framework. This collapse marks a hinge toward aggressive nationalist adaptation, or "climate survivalism", where diplomatic energy shifts from emission targets to fierce geopolitical contests over dwindling resources, migration controls, and ecological liability.<sup>39</sup>
- **Europe's Wind Pact and Gas Ban:** In response to both climate and geopolitical pressures, European leaders at the Hamburg North Sea Summit committed to a massive expansion of offshore wind capacity, targeting 100 GW through joint cross-border projects. Underpinned by the EU's simultaneous final approval of a complete ban on Russian gas imports by 2027, this €1 trillion mobilization aims to permanently decouple the bloc's industrial base from Moscow and secure a sovereign clean energy hub.<sup>40</sup>

## 5.3 The Weaponization of Financial Infrastructure

Major economic blocs accelerated the development of alternative financial mechanisms to bypass US-dominated institutions.

- **BRICS Autonomous Networks:** Dismissing future US ties, Russian Foreign Minister Sergei Lavrov signaled that Moscow will aggressively accelerate the creation of autonomous financial infrastructure within the BRICS bloc. This strategic hardening aims

<sup>38</sup> "Texas Sues TP-Link Alleging Chinese Government Access to Its Devices," Reuters, February 17, 2026, <https://www.reuters.com/legal/litigation/texas-sues-tp-link-alleging-chinese-government-access-its-devices-2026-02-17/>.

<sup>39</sup> "Climate Crossroads: A Decade After the Paris Agreement," Reuters, February 16, 2026, <https://www.reuters.com/sustainability/cop/climate-crossroads-decade-after-paris-agreement-2026-02-16/>.

<sup>40</sup> "Sustainability," Reuters, accessed February 26, 2026, <https://www.reuters.com/sustainability/>.

to permanently sanction-proof the Russian economy and institutionalize a rival non-dollar trading sphere, progressively eroding the efficacy of Washington's economic statecraft.<sup>41</sup>

- **The Digital Euro:** Europe targeted a 2029 rollout for the digital euro, fundamentally shifting the financial landscape by establishing a sovereign alternative to US-controlled networks like Visa and Mastercard. This geopolitical sovereignty play threatens to permanently compress the profit margins of traditional international payment processors, forcing private financial institutions to innovate or risk being sidelined in a state-backed ecosystem.<sup>42</sup>
- **Implications for Pakistan:** These accelerating global technological and financial shifts present acute vulnerabilities for Islamabad. Pakistan's 1 billion USD AI roadmap risks structural marginalization if it fails to develop sovereign architectures capable of navigating the intensifying US-China tech bifurcation.<sup>43</sup> Financially, as Russia and the BRICS bloc consolidate non-dollar networks and Europe advances the digital euro, Pakistan finds itself precariously positioned. Heavily reliant on Western-dominated institutions like the IMF for macroeconomic survival, Islamabad has limited maneuverability to integrate into these emerging alternative financial ecosystems without risking severe secondary sanctions or alienating its primary creditors.

Domain	Key Event (Feb. 2026)	Strategic Implication
<b>Cybersecurity</b>	Shift to Cyber Resilience	AI-driven threats forced a pivot from perimeter defense to autonomous, continuous recovery platforms.
<b>Artificial Intelligence</b>	Sovereign AI Push	Global South embraced open source to build localized tech architectures, bypassing US/China monopolies.
<b>Global Security</b>	MSC AI Warfare Debates	Exposed a critical regulatory vacuum regarding lethal autonomous weapons and algorithmic conflict.
<b>Generative Tech</b>	ByteDance Seedance 2.0	Advanced video AI commoditized deepfakes; amplified global disinformation and tech supremacy races.
<b>Climate Strategy</b>	Paris Accord Collapse	Breach of 1.5°C triggered a shift from multilateral mitigation to nationalist "climate survivalism".
<b>Energy Security</b>	EU 100 GW Wind Pact	Europe invested €1 trillion in offshore wind and banned Russian gas by 2027 to secure sovereign energy.
<b>Financial Autonomy</b>	BRICS / Digital Euro	Russia accelerated non-dollar BRICS networks; EU advanced Digital Euro to bypass US payment giants.
<b>Pakistan Matrix</b>	Structural Tech/Finance Risks	Western financial reliance limits integration into BRICS networks; sovereign AI needed to survive tech bifurcation.

Table 7: Technological & Strategic Shifts (Feb. 2026)

41 "Russia's Lavrov Sees No 'Bright Future' for Economic Ties With US," *Arab News*, February 18, 2026, <https://www.arabnews.com/node/2632322/world>.

42 "Digital Euro to Cost EU Banks 4-6 Bln Euros Over 4 Years, ECB Estimates," *Reuters*, February 19, 2026, <https://www.reuters.com/business/finance/digital-euro-cost-eu-banks-4-6-bln-euros-over-4-years-ecb-estimates-2026-02-19/>.

43 "PM Launches Ambitious AI Roadmap," *The Express Tribune*, February 27, 2026, <https://tribune.com.pk/story/2591737/pm-launches-ambitious-ai-roadmap>.