

# US piloting of G7 endangers world



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*The US and UK have successfully convinced the G7 group to use the interest earned on profits*

*from Russia's frozen assets to provide \$50 billion in financial aid to Ukraine. In essence, a betrayal of trust, this plan was announced at the end of the G7 annual summit on Thursday. The US administration believes this decision will force Russia to halt its war in Ukraine.*

*The G7 summit, comprising the US, the UK, Germany, Italy, Canada, Japan, and France, plus "the non-enumerated member", the European Union, was held in Puglia, Italy. However, the summit did not consider any plans to end the Israeli blockade and genocide in Gaza, despite the UN Security Council's resolution calling for a cease-fire. Israeli brutal military operations against the populace continue, yet the G7 countries have taken no practical steps to stop them. It is impossible to ignore how the US has subordinated the NATO military alliance and wealthy European nations, and works to ensure its imperialist dominance rather than prevent wars.*

Ukrainian President Volodymyr Zelensky welcomed the G7 plan to use profits from Russia's frozen assets to provide \$50 billion in financial aid to Kyiv. Invited as a special guest to the G7 summit, Zelensky described the support package as crucial for Ukraine's victory against Russia. However, a few hours after the plan's announcement, Russian Foreign Ministry spokeswoman Maria Zakharova indicated that Moscow would respond to this betrayal, warning that the US and its European allies would face

severe consequences. Zelensky's provocative actions led Russia to take punitive measures against Ukraine in 2022, prompting several Western countries to freeze Russian central bank assets worth approximately \$300 billion, which yields an annual profit of \$3 billion. Most of these frozen assets are managed by the European Union. If the plan to earmark the profits for backing Ukraine is implemented, European countries will most likely bear the brunt of Russia's retaliatory actions.



Western businesspeople with billions in Russia are concerned that Moscow might freeze their assets in retaliation.

The US President Joe Biden (L) talks with his Ukrainian counterpart, Volodymyr Zelensky, at the G7 summit in Hiroshima, Japan, on May 21, 2023.  
● SUSAN WALSH/AP

Western businesspeople with billions in Russia are concerned that Moscow might freeze their assets in retaliation. Thus, the US is sacrificing Europe by escalating Russia-Europe tensions, potentially leading to further crises.

American officials claim that the profits from frozen Russian assets are not owed to Russia under existing agreements. The G7 sees this as a way to support Ukraine without directly seizing Russian assets, though Russia can challenge this in European courts.

US President Joe Biden and his administration aim to put pressure on Russia's economy by extending the Ukraine conflict rather than seeking a lasting resolution. Shortly after the G7 summit agreed to lend \$50 billion to Ukraine, Biden and Zelensky signed a 10-year security agreement, with Zelensky calling it a historical day. Biden also stated that the G7 measures signal to Putin that he cannot defeat them. The agreement stipulates that in the event of a future Russian attack, the US and Ukraine

must consult at the highest level within 24 hours, and that includes commitments to stabilize Ukraine's military, provide training, and support its domestic arms industry. Zelensky sees this agreement as a bridge to NATO membership, though the current conflict with Russia makes immediate membership unlikely, as it would obligate NATO countries to go to war with Russia. Yet, the Americans are using Russian funds to encourage war with the 10-year security agreement.

The decision to allocate the interest generated from frozen Russian assets for Ukraine has significant geopolitical implications and is expected to provoke a strong response from Russia. Moscow may target Western companies operating within its borders, with President Putin already authorizing the seizure of American companies' assets in retaliation for any foreign seizure of Russian assets. The US actions regarding Ukraine are likely to exacerbate rather than extinguish the conflict.

## Why more Southeast Asian countries signalled interest to join BRICS



By Asyraf Kamil  
Journalist

### PERSPECTIVE

*A desire to diversify their options in the global economic arena is among the reasons why a growing list of Southeast Asian*

*states are keen to join the BRICS group of emerging economies, say analysts, with Malaysia the latest to express interest.*

*Experts CNA spoke to also believe that leaders of those countries may want to use their standing in the international community in a bid to appeal to their electorate.*

Dr. Joseph Liow, dean of the College of Humanities, Arts and Social Sciences at Nanyang Technological University in Singapore, told CNA that countries that have expressed interest in joining BRICS are attracted to its "collective potential".

"It is part of their own calculations of their national interests, and desire to diversify their options in the global economic arena," he said.

However, with more Association of Southeast Asian Nations (ASEAN) states expressing interest in and considering joining BRICS, analysts have also raised concerns that this may lead to an overdependence on China.

Thailand's Foreign Ministry spokesperson Nikorndej Balankura on June 20 said that his country had submitted a formal request to join BRICS "a week ago", Reuters reported.

Meanwhile, in an interview with the Chinese news portal Guancha posted on June 16, Malaysia Prime Minister Anwar Ibrahim said that his country has "made a decision" to join BRICS and "will be placing the formal procedures soon".

Anwar's comments came before Chinese Premier Li Qiang made a three-day official visit to Malaysia from June 18 to June 20. Li, who is China's second most powerful leader after President Xi Jinping, is the first Chinese premier to visit Malaysia since 2015.

And in January, Indonesia's Foreign Minister Retno Marsudi said that her country "is still studying the benefits that can be gained from joining BRICS".

Others such as Myanmar and Laos have previously expressed interest in joining the bloc while Vietnam had said they were "closely monitoring the process of BRICS member-



China's Premier Li Qiang (L) shakes hands with Malaysia's Prime Minister Anwar Ibrahim during their meeting in Putrajaya, Malaysia, on June 19, 2024.  
● REUTERS

### Possible overdependence on China

However, Bhima warns of the implications of ASEAN countries joining BRICS, believing that it may give China a bigger role in the United States-China trade war as well as the conflict in the South China Sea. Beyond that, Bhima said that there may be concerns about an overdependence on China in various ways, especially from an economic perspective.

"It is actually very risky because China is experiencing slowing domestic demand for at least the next two to three years and still struggling with its property crisis. China's economy, which is expected to slow down, will also have an impact on the economic growth of countries in the ASEAN region," he said.

Liow, meanwhile, said that politics within BRICS itself could prove to be a hindrance.

"There are major obstacles as well, like the membership of countries whose own bilateral relationships face challenges, like China and India, or Saudi Arabia and Iran. Politics can easily come into the picture in a way that makes the potential (of the grouping) difficult to realise," he said.

While some Southeast Asian countries have expressed interest

ship". Meanwhile, Singapore and the Philippines for example, have yet to make their positions known.

### BRICS' appeal

Bhima Yudhistira, executive director of the think-tank Centre of Economic and Law Studies (CELIOS) in Indonesia, said that countries are "influenced by the potential for cooperation in terms of investment, trade, and infrastructure financing, especially by China and India".

"Most countries in ASEAN consider China and India as potential traditional markets," he said. BRICS was established in 2006 and initially comprised Brazil, Russia, India, and China, with South Africa joining the grouping in 2010. Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates (UAE) were invited to become members from January 1, 2024.

in joining BRICS, there are others that have kept mum on the topic. Bhima believes that it boils down to the relationship between the countries and those within the BRICS bloc.

"Singapore feels that without joining BRICS, it has already become an investment and financial hub for many Chinese companies. (It) may also be concerned about the duplication of bilateral and multilateral agreements with China and other BRICS countries. Meanwhile, the Philippines is more influenced by the issue of the South China Sea conflict. So, it is keeping its distance from China," said Bhima.

Chong, the senior fellow at RSIS, said that while China may hold an "informal" voting power within the bloc, it would hope that "its association with Russia will not translate into a negative position within BRICS." However, Bhima believes that the bloc's appeal will continue to see to its expansion for the economic benefits it may potentially yield.

"Many countries will be interested in joining BRICS if major countries such as China and India offer real investment packages, lower various export barriers to BRICS countries, increase the knowledge exchange event between political party leaders, and provide more certainty about mega-project loans that are in line with the national agenda," he said.

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