

Headlines:

- **Fuel Price Hike Triggers Risk of Social Unrest**
- **US Incites China to War**
- **US Pours Money into Ukraine**

Details:

Fuel Price Hike Triggers Risk of Social Unrest

Bangladesh's government hiked fuel prices by 42-51%, which is the highest increase in the country's history. The price hike will aggravate Bangladesh's already high inflation as the rise in fuel prices impacts sectors like agriculture and transportation. Bangladesh has seen sporadic protests since the hike. Bangladesh recently approached the IMF, World Bank and Asian Development Bank about bolstering its depleting foreign exchange reserves. The government has also imposed several austerity measures like a pause in imports of natural gas, scheduled power cuts to different regions, restrictions on the import of luxury items and cost cuts to government spending.

US Incites China to War

China has responded to U.S. House Speaker Nancy Pelosi's visit to Taiwan on 3rd August. China's defense ministry announced live-fire drills for Aug. 4-7 in six areas in the waters surrounding Taiwan. Then on Aug. 4, Taiwan's Maritime and Port Bureau claimed that China had added a seventh area and extended the maritime drill. The drills have so far involved Chinese naval and aerial incursions across the Taiwan Strait median line (a de facto dividing line between the two countries) and missile tests in the designated areas. This was an insignificant response from China. Many ships and planes fired a great deal of ordnance, none of which struck Taiwan or a hostile vessel. The response demonstrated that China has a navy, but it did not show how the balance of power might change if China shot down an incoming missile. The worst thing for China would be to go to war and fall for US provocations, China's economic and trade influence over Taiwan and has integrated the island into the mainland China and any aggrieve moves could see China get bogged down as Russia is now in Ukraine.

US Pours Money into Ukraine

The US will send \$1 billion in additional military aid to Ukraine, the largest single drawdown of equipment since the start of the war. The latest package will include additional ammunition for high mobility artillery rocket systems (Himars), tens of thousands of rounds of artillery and mortar ammunition, anti-armour systems and armoured medical treatment vehicles. Including this package, the US has now given approximately \$9.8 billion in security aid to Ukraine since President Joe Biden took office. The new US aid comes as Kyiv prepares to mount a fresh offensive in the south, where it hopes to take back the city of Kherson and end Russia's use of the Dnipro river as a natural barrier. Separately, the US Agency for International Development announced it would provide an additional \$4.5bn to the Ukrainian government to cover part of its budget deficit. The continues to pour money into the conflict as western nations prepare for shortages in energy and a winter of discontent. Russia continues to weaponize its energy resources and many European nations, including Germany depend on Russian energy. Whilst the US has been able to incite Russia to launch a war, the US does not possess all the ace cards in the conflict.