

Week commencing 3 August 2026

COVERAGE

27 July – 2 August
2026

AUDIENCE

Executive leadership · Technology, defence and security decision-makers

HANDLING

Internal use — not for onward distribution

IF YOU JUST REMEMBER ONE THING FROM THIS BRIEFING...

China has, for the first time, put named European defence manufacturers on its rare-earth export blacklist.

Every previous round of Chinese export leverage targeted the civilian economy — electric vehicles, wind turbines, consumer electronics. This one names Rheinmetall and thirteen other European defence and advanced manufacturing suppliers directly, at the moment Europe is trying to accelerate rearmament. Ask your supply chain team this week which critical components trace back to a single Chinese source, and whether anyone actually knows.

THIS WEEK

Geopolitics, defence and security

PRIORITY

23–24 JUL

China blacklists 14 EU defence-linked firms in rare-earth retaliation

Hours after the EU adopted its 21st Russia sanctions package on 23 July — which named 14 Chinese and Hong Kong firms accused of aiding Russia's military-industrial complex — China's Ministry of Commerce added 14 EU entities to its own export control list, including Rheinmetall, French drone maker Cavok UAS and Czech vehicle maker Tatra Trucks, cutting licensed access to rare earths and other dual-use materials.

So what: map single-source dependency on Chinese magnets and dual-use materials across defence and advanced-manufacturing supply chains now, not at the next resilience review.

PRIORITY

30 JUL / 2
AUG

Russian missile crashes in Poland as Romanian drone incursions continue

On 30 July a Russian Kh-101 cruise missile crossed into Polish airspace and crashed near Tarnawa-Kolonia, some 50km from Lublin. No casualties were reported; NATO scrambled fighters and Poland did not seek Article 4 consultations. It followed Russian drone incursions into Romanian airspace from 24 July, with allied jets intercepting several and a further drone entering the Danube Delta on 2 August.

So what: exposure planning in the Baltic-to-Black-Sea corridor should assume continued, not occasional, airspace incursions this year.

PRIORITY

28 JUL

Taiwan to rehearse wartime relocation of arms production

Taiwan's defence ministry announced on 28 July that this year's Han Kuang exercise (5–14 August) will for the first time test relocating weapons production lines and converting civilian factories for military use. It will also deliberately throttle mobile internet to test communications resilience.

So what: read this as Taipei planning openly for supply disruption, not only for kinetic defence.

WATCH

13 JUL,
UNRESOLVED

Russian FSB unit exploiting routers across critical infrastructure worldwide

A joint advisory (CISA AA26-194A, 13 July) from the NSA, CISA, FBI and UK, French, Canadian, Australian and New Zealand agencies detailed continued exploitation by Russia's FSB Center 16 of poorly configured routers across communications, defence-industrial, energy and healthcare networks. It pre-dates this week but remains active and unremediated.

So what: router and edge-network hygiene — default credentials, exposed SNMP, Cisco Smart Install — is the confirmed entry point here, not a hypothetical gap. Check it this week.

WATCH LIST

Developments to track this week

DEVELOPMENT	REGION	SECTOR AFFECTED	WHAT TO WATCH NEXT
China blacklists 14 EU firms, incl. Rheinmetall	Europe / China	Defence, supply chain	Whether Beijing extends the list beyond the initial 14, and any EU countermeasure or WTO response.
Poland missile strike, Romania drone incursions	NATO eastern flank	Defence, security	Whether Article 4 or 5 consultations follow if incursions continue at this rate.
US AI chip export policy churn	United States / global	Technology, supply chain	Publication of the next formal Commerce rule; whether China licensing tightens or loosens.
Taiwan Han Kuang drills, wartime production test	Indo-Pacific	Defence, supply chain	Outcomes of the 5–14 August exercise and any Chinese response drills.
FSB Center 16 router exploitation	Global	Security, critical infrastructure	Further national CERT advisories naming new victim sectors or organisations.

REGULATORY AND SECTOR WATCH

What changed, and what is coming

In force now

- EU’s 21st Russia sanctions package (23 Jul): oil price cap frozen at \$44.10/barrel for 12 months; adds Chinese and Hong Kong entities over alleged support to Russia’s military-industrial complex.
- China’s export control blacklist covering 14 EU entities (24 Jul): immediate effect, blocks dual-use exports including rare earths without special authorisation.

Approaching

- Taiwan’s Han Kuang exercise, 5–14 August — first test of wartime arms-production relocation.
- EU Defence Readiness Omnibus (procurement simplification): provisional political agreement reached 10 June, formal adoption steps continuing — check applicability to procurement clauses.

Standing watch — GNSS interference. Jamming and spoofing across the Baltic, Black Sea and Gulf approaches continues with no sign of reduction. No change to guidance: the 13-nation-plus-Iceland January 2026 warning remains the operative baseline.

RECOMMENDED

Three things to do before next Monday

- Identify every component or material in your supply chain that traces to a single Chinese source now covered, or plausibly next covered, by an export control blacklist — starting with rare earths and permanent magnets.
- Stress-test AI compute and chip procurement plans against a tightening, not stable, US–China licensing posture.
- Confirm router and edge-network hygiene — default credentials, exposed SNMP, Smart Install — across any estate falling within the sectors named in CISA AA26-194A.

OUTLOOK — NEXT SEVEN DAYS

We assess it is likely that China will name further European entities on its export control list if the EU pursues additional Russia sanctions rounds, and a realistic possibility that another NATO member reports a Russian airspace or missile violation before the current pattern eases. Neither changes the underlying trajectory — European rearmament proceeding under Chinese material constraints, and NATO’s eastern flank absorbing near-continuous testing — but both will generate reporting that outpaces verification. Treat first accounts as provisional.

NEXT EDITION

Monday 10 August 2026. Send additions, corrections or sector intelligence to your ClearPath engagement lead.

