

INDEX

(e- Scan 16-28 Feb 2022)

S No	Rank & Name	Country	Page(s)
1.	Brig RK Bhutani (Retd)	CHINA	2-3
2.	Gp Capt GD Sharma, VSM (Retd)	UNITED STATES	3-4
3.	Col DM Govil	PAKISTAN	4-6
4.	Col DM Govil	SRI LANKA/ MYANMAR & NEPAL	7-10
5.	Gp Capt Puneet Bhalla	ASEAN	10

ENVIRONMENT SCAN: 16-28 FEB 2022

CHINA (Geo-Strat, Geo-Politics & Geo-Economics)

China's Xi Jinping Speaks to Vladimir Putin, Calls for 'Negotiation' with Ukraine.

(<https://economictimes.indiatimes.com/news/international/world-news/chinas-xi-jinping-speaks-to-vladimir-putin-calls-for-negotiation-with-ukraine/articleshow/89828795.cms>)

China will not come to Russia's Rescue: US Official over Ukraine Crisis.

(<https://timesofindia.indiatimes.com/world/china/china-will-not-come-to-russias-rescue-us-official-over-ukraine-crisis/articleshow/89871391.cms>)

Comments. After Moscow launched an invasion of Ukraine on 24 February, in a call with Russian President Vladimir Putin next day, China's President Xi Jinping said he supported solving the Ukraine crisis through talks. Beijing has adopted a cautious diplomatic approach on the crisis and refused to call it an "invasion" or condemn the actions of Russia being its close ally. Though, Russian President Putin would have expected much more from Xi but China is in a precarious situation to balance its close Russia ties with major economic interests in Europe. Except for abstaining from UNSC voting, China has provided no more support to Russia. Without naming any country in particular, Xi made a generalised statement, "attach importance to and respect the reasonable security concerns of all countries, and form a balanced, effective and sustainable European security mechanism through negotiations".

In a parallel development, a senior Biden Administration Official has said, "China does not seem to be helping Russia with the Western financial sanctions on Moscow over its aggression in Ukraine." Rather, it was reported that China was actually restricting some of its banks to provide credit to facilitate energy purchases from Russia, which suggests that much like has been the pattern for years and years, China has tended to respect the force of US sanctions.

An economically weakened Russia further battered by war losses, is in the interest of China to exploit it later, to further its ambition of becoming a great power, competing with the United States.

Wuhan Market was Epicenter of Pandemic's Start, Studies Suggest.

(<https://www.nature.com/articles/d41586-022-00584-8>)

(<https://www.nytimes.com/interactive/2022/02/26/science/covid-virus-wuhan-origins.html>)

Comments. The question of whether the coronavirus outbreak began with a spillover from wildlife sold at the market, a leak from a Wuhan virology lab or some other way has given rise to pitched geopolitical battles. There were adequate evidences produced earlier by a team of scientists that SARS CoV 2 or novel coronavirus spread because of a leak from Wuhan virology lab and it was objected to by China and called it a Western bias. This group of scientists led by Michael Worobey, an evolutionary biologist at the University of Arizona, have released a pair of extensive studies on 26 February that point to a market in Wuhan, China, as the origin of the coronavirus pandemic. Analyzing data from a variety of sources, they concluded that the coronavirus was very likely present in live mammals sold in the Huanan Seafood Wholesale Market in late 2019 and suggested that the virus twice

spilled over into people working or shopping there. They said they found no support for an alternate theory that the coronavirus escaped from a laboratory in Wuhan.

The Chinese had destroyed all the evidence, which could lead to zero patient. It is apparent that when the United States and Western countries are seized with Ukraine crisis, China could find the time appropriate to repair its damaged reputation by manipulating scientists to support its own theory of spillover from wildlife sold at the Wuhan wet market.

UNITED STATES

Recognise India's Russia Ties but it must Use Leverage in Constructive Way: US.

<https://www.hindustantimes.com/india-news/recognise-india-s-russia-ties-but-it-must-use-leverage-in-constructive-way-us-101645898414131.html>

Comments. In the ongoing Russia Ukraine war, India in consistent with its foreign policy has maintained a neutral stance and abstained from the voting in the Security Council and in the UN general assembly. There was a speculation in the strategic circles about India's voting choice on Russian invasion of Ukraine but, considering that India' has close ties with both strategic partners, the United States and Russia, we have taken care to avoid aligning with nations led by the United States and European Union or Russia and have acted in support of our national interest. Seen holistically, in the instant case, both parties i.e., Russia and United States / NATO were wrong in one way or the other. We believe that territorial integrity of any nation is sacrosanct and beyond infringement. Especially in the instant case, as Ukraine along with Belarus, Kazakhstan had been given such an assurance by the P5 nations at the Budapest conference on 05 Dec1994 after these were persuaded to give up their nuclear weapons and adhere to the Treaty of Non-proliferation. On this count, Russia and other P5 nations including the United Sates are at fault. Russia being an aggressor has flouted this assurance. At the same time, other P5 states too have failed to protect Ukraine from the Russian attack. A nuclear Ukraine would have deterred Russia from its current aggression and annexation of Crimea in 2014.

The United States and North America Treaty Alliance (NATO) are further guilty of allowing the situation from going out of hand and by maintaining an aggressive stance against Russia and not acceding to the Russian demand of giving a guarantee that Ukraine will not be inducted in the NATO alliance. It is also on record that Ukraine President despite his plea to US and NATO to induct in the grouping had also looked at the diplomacy to solve the developing feud with Russia. NATO's and United States obstinacy has fueled the avoidable conflict.

Admittedly, Russian security concern seems genuine since the NATO's has increased its sphere of influence Eastward by taking in its fold the break-up states of erstwhile Soviet Union. Besides, NATO has taken aggressive stance by deploying weapons in many of these which Putin says is threatening especially as Russia has no done any counter deployment of weapons in and around the United States and NATO nations.

We do not condone Russian aggression at the same time, we also appreciate Russian concerns and firmly believe that aggression should be halted and all concerned should revert to diplomacy to solve the problems. India Foreign Minister had already given hints of this approach to the QUAD members during the Foreign Minister's conference (12 Feb22) at Melbourne, Australia and Indo- Pacific meet at France (21 Feb22). We believe that the

unilateralism must be shunned and multilateralism and a rules-based order must be supported by all nations in letter and spirit.

Our neutral stance mainly flows from our national Interest. It is clear that we could not annoy either United States or Russia. Supporting US/ NATO could result Russia moving away from our partnership. This has implications on weapon procurement from Russia and our joint manufacturing ventures. While we are diversifying our weapons procurement and making efforts for self-reliance in defence weapons, yet we still have huge dependence on Russia. At the same time, supporting towards Russian stand on Ukraine could affect our QUAD and Indo-Pacific interests. Under the circumstances, India has skillfully managed its relations with both US and Russia. We need to continue our efforts in capacity building and with self-reliance defence weapons.

It appears that after failing to pressurize India, the United States is compelled to appreciate Indian stand and wants India to use its leverage with Russia to revert to diplomacy to solve the problem. As per the media reports, imposition of the stringent sanction regime including barring some Russian banks from the Society for Worldwide Interbank Financial Telecommunications (SWIFT) system will help since sanctions have failed to have bring expected results in case of Iran and North Korea. Russia is better endowed in natural resources and economic strength hence, these will create hardships for the Russian but, will eventually fail. But, the Western sanctions could adversely affect India and Russia defence trade. The situation is still evolving and clear import of this move is still not clear.

Chinese aggression on India-China Line of Actual control in Ladakh in June 2020, and military assertiveness with its maritime neighbours in the South China Sea, Nagorno-Karabakh conflict in 2020 and now Russian invasion of Ukraine has lessons for us and the world at large that strong military power will always be tempted to use hard power. This hits at the developing belief in the military that time for the kinetic war is over. Therefore, there is no alternative to own military capacity building and self reliance for homeland protection.

PAKISTAN

Pakistan's Khan Wants TV Debate with Indian Counterpart to Resolve Issues.

<https://www.straitstimes.com/asia/south-asia/pakistans-khan-wants-tv-debate-with-indian-counterpart-to-resolve-issues>

Pakistani Prime Minister Imran Khan, he would like to have a televised debate with his Indian counterpart, Mr Narendra Modi, to resolve differences between the two neighbours. It would be beneficial for the billion people in the subcontinent if differences could be resolved through debate. "India became a hostile country so trade with them became minimal," Mr Khan said, stressing his government's policy was to have trade relations with all countries. Pakistan's top commercial official, Mr Razzak Dawood, he supported trade ties with India, which would benefit both sides.

Comments. The nuclear-powered rivals have shared antagonistic relations since gaining independence 75 years ago, fighting three wars, with ties strained recently over the northern Muslim-majority region of Kashmir, which both claim in full. India and Pakistan should pursue a peace process and a complex dialogue to resolve the Kashmir issue. They must make an explicit commitment to seek reconciliation by negotiating the conflict in

Kashmir. The renewed ceasefire between India and Pakistan in February 2021 has led to a major improvement in the security situation along the LoC. The ceasefire is just the first step in the long road to normalisation of bilateral relations with Pakistan. Pakistan needs to take tangible action against the terror infrastructure operating from its soil for an upward trajectory in bilateral relations. Steps that can be undertaken to improve bilateral trade include remove non-tariff barriers and bureaucratic hurdles that are currently impeding trade, cut down duties, improve customs clearance procedures and proportionate trade is beneficial for both sides and is possible through the right government policies. Measures that can be taken to promote soft diplomacy include use of Indus Waters Treaty to promote hydro diplomacy. Steps must be taken to facilitate travel between the two countries, ease up visa regimes, provide security for tourists, set up student and faculty exchanges, and invite professionals, intellectuals and artists to events to promote the bilateral ties.

Putin and an 'Excited' Imran Khan Discuss Cooperation and Exchange Views on Regional Issues.

<https://www.wionews.com/south-asia/putin-and-an-excited-imran-khan-discuss-cooperation-and-exchange-views-on-regional-issues-456140>

In the midst of the conflict between Russia and Ukraine, Pakistan Prime Minister Imran Khan met with Russian President Vladimir Putin. "The leaders of the two countries are discussing the main issues of bilateral cooperation. An exchange of views is taking place on topical regional topics, including the situation in South Asia," the Kremlin. Pakistan Prime Minister Imran Khan who met Russian president Vladimir Putin raked up Kashmir issue during his bilateral. A statement issued by Pakistan PMO said that the Imran Khan highlighted the 'serious human rights' situation in Jammu and Kashmir and called for the resolution of Jammu and Kashmir dispute.

Comments. Khan had a two-day visit to Russia, the first by a Pakistani Prime Minister in more than two decades. The visit, which was thought of to be a game changer owing to regional geo-strategic realignments, but the same did not happen. Some leaders belonging to his own political party, Pakistan Tehreek-e-Insaf (PTI) were baffled as Imran chose a time when the opposition parties were gearing up for a no-confidence motion against his government in the National Assembly. The lack of any visible concern for the deepening economic crisis in the country added to the woes of Pakistan government to visiting a country engaged in conflict. Moreover, despite repeatedly raising bilateral issues involving its larger neighbour India, Imran could not manage to attract Russian leadership's attention on the same. Imran Khan was hoping to push for the construction of a long-delayed Pakistan Stream Gas Pipeline to be built in collaboration with Russian companies part from some small agreements, but no statement had been given on this issue by Russian Government. The sequence of events left Imran Khan isolated and prone to attack from media, political circles in Pakistan and the international community. Pakistan and Russia were bitter adversaries during the Cold War years, as Pakistan aligned itself with the U.S., but recent years have seen Pakistan and Russia collaborate on military exercises and an attempt to help Pakistan overcome energy shortages. We will keep monitoring for future implications.

Politicisation by Some Countries, says Pakistan on FATF Grey List.

<https://www.wionews.com/south-asia/politicisation-by-some-countries-says-pakistan-on-fatf-grey-list-454549>

The global financial crime monitoring watchdog has put Pakistan on the grey list with PM Imran's government keen to exit from the list. "We have faithfully complied with and completed all technical requirements and hope that the outcome would be in the positive direction," Pakistan's foreign office said. However, in a remark aimed at India, Pakistan's foreign office added that "there are issues of politicisation by some countries, and that remains a problem".

Comments. The FATF had listed actions to be completed with several focused on money laundering. Pakistan government says it has completed most of the listed tasks. The FATF has 34-point action plan needed to be completed out. The Paris-based watchdog had retained Pakistan on its 'grey list' after the country failed to check money laundering and terror financing activities on its soil and asked the government to take steps against UN-designated terror groups, including Hafiz Saeed and Masood Azhar. The country was put on the grey list for the first time in 2018. Pakistan's continued presence in the grey list makes it difficult for the government to get financial aid from international banks including the International Monetary Fund (IMF), World Bank and Asian Development Bank (ADB). Last year, FATF had put Turkey on its grey list over its failure to combat money laundering and terror financing. The other countries in the grey list include Yemen, South Sudan, Syria, Morocco, Albania and Zimbabwe.

Afghanistan, Pakistan to Hold Discussion over Durand Line.

<https://www.wionews.com/south-asia/afghanistan-pakistan-to-hold-discussion-over-durand-line-457033>

Taliban members and Pakistan officials will hold a meeting at Torkham over trade flows and people's movement across the Durand Line, according to local media. Heading a high-level delegation, Commerce Adviser Razak Dawood will hold talks with the Islamic Emirate of Afghanistan's commerce minister.

Comments. Differences between the Taliban and Pakistan continue to persist over the issue of the Durand Line. Spin Boldak district of Kandahar has witnessed a fight between Talibani and Pakistani forces, leaving 20 injured and 3 killed during the scuffle. Bilateral relations between Pakistan and the Taliban are turning hostile over the issue of Durand Line and cross-border "terror activities" of groups like the Tehreek-e-Taliban Pakistan (TTP) against Islamabad. Pakistan intends to bring the tribal areas near the Durand Line under its control and complete its Durand barbed wire fencing. Fencing has been a contentious issue in Pakistan-Afghanistan ties because the Afghans dispute the border demarcation done during the colonial period. Pakistan has not changed its bilateral policy and the country wants to get rid of international criticism, which has been accused of training and financing terrorism for years. We will keep monitoring for future implications.

SRI LANKA

Sri Lanka Running Low on Fuel as Foreign Exchange Reserves Dry Up.

<https://timesofindia.indiatimes.com/world/south-asia/sri-lanka-running-low-on-fuel-as-forex-reserves-dry-up/articleshow/89736491.cms>

Sri Lanka is trying to arrange a payment of \$35 million for a shipment of 40,000 tonnes of diesel with just a few days of stocks left, warning of a looming fuel shortage as foreign exchange runs short. Reserves in Sri Lanka, which typically spends about \$450 million each month on fuel imports, dwindled to \$2.4 billion by the end of January. The shipments reached the port of Colombo the port. Energy ministry was in talks with the finance ministry and the central bank to release the funds. According to Sri Lanka's energy minister Udaya Gammanpila, the country is unable to pay for the two shipments of fuel due to the acute shortage of forex reserves.

Comments. Sri Lanka's worsening foreign-exchange shortage has seriously impacted the energy sector, which depends entirely on imports for its oil needs. The island nation reportedly has just six days of diesel left since the country does not have enough foreign exchange to pay for fuel imports. The country's national petrol corporation has been rationing distribution just enough to keep pumping stations operating in the country. The fuel crisis has led to power supply shortages in the country with residents experiencing daily load shedding as thermal power stations have been hit. Fuel stations have been running dry amid the shortage. Sri Lanka's state-run fuel retailer Ceylon Petroleum Corporation (CPC) is unable to buy fuel from abroad due to economic conditions in the country. The shortages come from rupees injected into the banking to maintain low interest rates which has pushed up credit and demand for all imports. CPC says it is losing 551 million rupees a day due to rising fuel prices. Unless prices are increased it cannot find the rupees to buy dollars. In the past losses were covered by tax cuts and loans from state banks. The Indian Oil Corporation had sent 40,000 metric tonnes of diesel and petrol to Sri Lanka as the Indian government had announced a \$900 million loan to Sri Lanka. The country has also witnessed food shortage and rising inflation with its key industry tourism hit badly due to the coronavirus pandemic in the last two years. The island was handed temporary relief with a US\$500 million credit line from India last month to finance oil purchases sufficient for about six weeks. Sri Lanka has also sought more loans from Beijing to help repay its existing Chinese debt, which accounts for about 10 per cent of the country's external borrowings.

Sri Lanka Says Open to Talks with IMF as Economic Situation Worsens.

<https://www.straitstimes.com/asia/south-asia/sri-lanka-says-open-to-talks-with-imf-as-economic-situation-worsens>

Sri Lanka is open to discussions with the International Monetary Fund (IMF) and other multilateral lenders for assistance, as it faces its worst economic crisis in years. "Sri Lanka has sought IMF assistance multiple times in the past and we are still open to that option," Cabinet spokesman and Plantation Minister Ramesh Pathirana said.

Comments. Sri Lanka's foreign exchange reserves have plummeted to US\$2.36 billion hitting imports of essential goods, including fuel, and inflation. The island nation of 22 million people also faces debt repayment obligations of about US\$4 billion. Opposition leaders and economists are pushing the government to seek assistance from the likes of the IMF. Sri Lanka is going through an unprecedented economic crisis. Sri Lanka is also

seeing a scarcity of rice, automotive parts and cement, with supermarkets forced to ration some staple foods.

Sri Lanka Getting Closer to India to Deal with Chinese 'Debt Trap'.

<https://www.wionews.com/south-asia/sri-lanka-getting-closer-to-india-to-deal-with-chinese-debt-trap-454776>

Sri Lanka is moving away from China while getting close to India over the failure of Colombo to pay back Chinese loans worth \$4.5 billion, amidst fears of a "debt trap". The country is on the verge of defaulting. President Gotabaya Rajapaksa told visiting Chinese Foreign Minister Wang Yi that "it would be a great relief to the country if attention could be paid to restructuring the debt repayments as a solution to the economic crisis that has arisen in the face of the COVID-19 pandemic."

Comments. Sri Lanka struggled to pay off its fuel import bills. India, a committed partner and a true friend of Sri Lanka is helping in these unprecedented economic crises. The High Commissioner handed over a 40,000 MT fuel consignment to Sri Lanka. India and Sri Lanka partnership continues to work towards energy security of Sri Lanka. Last year, the Department of Agriculture in Colombo detected the highly contaminated organic fertilizer sent by China and cancelled the fertilizer and requested India to export nano nitrogen liquid fertilizer. Fears have also been rife in Colombo regarding Chinese loans, as the country has previously been forced to hand over strategic projects like Hambantota port to the Chinese on lease for non-repayment of loans. India has always stood with Sri Lanka, and will continue to support that country in all possible ways for overcoming the economic and other challenges posed by the COVID-19 pandemic. As close friends and maritime neighbours, both India and Sri Lanka stand to gain from closer economic inter linkages.

MYANMAR

EU Expands Sanctions on Myanmar Military Junta Regime.

<https://www.wionews.com/south-asia/eu-expands-sanctions-on-myanmar-military-junta-regime-455174>

The European Union added 22 officials of Myanmar's military junta to the bloc's sanctions list. Sanctions have also been imposed on four companies tied to the military regime. The latest move means that 65 Myanmar officials have till now been hit by EU asset freezes and visa bans. Number of firms under sanctions has come to 10. Among those targeted by the latest round of sanctions were the ministers for investment, industry and information, officials at the election commission and senior members of military. Two state mining and energy firms were also added to the list, along with two private firms linked to the junta.

Comments. The European Union is deeply concerned by the continuing escalation of violence in Myanmar and the evolution towards a protracted conflict with regional implications. Since the military coup, the situation has continuously and gravely deteriorated. EU, ASEAN has called for Myanmar Junta for an immediate cessation of all hostilities and an end to the disproportionate use of force. Myanmar has been in chaos, its economy paralysed, and more than 1,500 civilians have been killed in a military crackdown since February 2021. India has to do a tightrope walk between promoting democracy in Myanmar and its strategic and security interests in that country. As a major democracy, India does not wish to be seen to be siding with a military dictatorship. In the past, the Myanmar army had helped Indian security forces in breaking up camps of

northeastern militant outfits. India's Myanmar policy is based on supporting the democratisation within Myanmar and also engaging with the military which has played an important role in the country's political transition. Myanmar occupied a central place in India's vision and approach of rebuilding its Eastern connections.

New ASEAN Myanmar Envoy says Wants to Meet Junta Opponents.

<https://www.wionews.com/world/new-asean-myanmar-envoy-says-wants-to-meet-junta-opponents-454056>

A regional special envoy to Myanmar urged its junta to allow him to meet a shadow government it has branded "terrorists" in order to break a deadlock between the military and opponents of the coup. Cambodian foreign minister Prak Sokhonn, its new special envoy to the country, told a meeting of the bloc's foreign ministers he planned to visit in March and meet with top junta officials.

He added a request to be allowed to meet with members of a "National Unity Government" dominated by lawmakers from Aung San Suu Kyi's ousted party that is working to overthrow the junta.

Comments. The Association of South East Asian Nations has led diplomatic efforts to end the chaos unleashed in Myanmar, which triggered mass protests and a deadly crackdown on dissent. The junta has declared the NUG "terrorists" and jailed several high-ranking members of Suu Kyi's party. Most NUG members are in exile or in hiding. Myanmar's military-appointed foreign minister ie Wunna Maung Lwin was barred from meeting in Phnom Penh over a lack of progress on a peace plan (five point of consensus) which was agreed to by country's top general last year. However, they were allowed to listen on discussions held at Cambodia. More than 1,500 people have been killed and over 12,000 arrested in a military crackdown since the coup. We will keep monitoring for future implications.

NEPAL

India, Nepal Agree on Joint Development of Cross Border Transmission Lines.

<https://www.wionews.com/south-asia/india-nepal-agree-on-joint-development-of-cross-border-transmission-lines-456561>

Reaffirming that power sector cooperation is a strong pillar of the India-Nepal partnership, both the nations have agreed to pursue joint development of generation projects in Nepal, joint development of cross-border power transmission infrastructure among others. During the JSC and JWG meetings, according to the Indian Embassy in Nepal, both the nations have "agreed to pursue joint development of generation projects in Nepal, joint development of cross-border power transmission infrastructure, power trade under respective domestic regulations and policy framework, and capacity building assistance."

Comments. There was an agreement to increase the volume of power to be traded through this transmission line once the 400kV Hetauda-Dhalkebar-Inaruwa transmission line is completed, possibly by December 2023. The 400 KV transmission line will span 140 Km (20 km in Nepali territory and the remaining 120 km in Indian territory). The government of Nepal has to manage the budget to construct the project on its side. Exporting more power to India before the onset of monsoon has been one of the major agendas of the meetings. This comes at a time when Nepal is caught in a dilemma over

whether to ratify the Millennium Challenge Corporation-Nepal Compact, a \$500 million US grant to Nepal to be used in the construction of electricity transmission lines and road maintenance.

ASEAN

India and the Philippines to Work towards Maritime Security, Indo-Pacific and Deeper Defence.

<https://www.financialexpress.com/defence/india-and-the-philippines-to-work-towards-maritime-security-indo-pacific-and-deeper-defence/2435738/>

India's external affairs minister, Dr S Jaishankar visited Philippines from 13 -15 February. During his visit, he met his counterpart Teodoro L Locsin Jr., Secretary of Foreign Affairs of the ministers of Defence, Finance and Agriculture of the government of Philippines. The focus of the meetings was on further strengthening cooperation in various sectors like defence, finance and agriculture and identified new areas, such as space, cyber security, traditional medicine, blue economy, FinTech, and renewable energy for cooperation.

Comments. Dr. Jaishankar's two-day visit to the Philippines came days after India signed a historic deal to export BrahMos missiles to the Southeast Asian nation. The visit is to be seen in the backdrop of both countries' maritime and territorial issues with China as both countries have decided to have a closer partnership under the Indo-Pacific strategic construct, with an eye on China.