

# CENJOWS

# GEO-STRATEGIC SCAN: 16-30 APR 2022

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

#### China's Xi Calls for 'All-Out' Infrastructure Splurge to Rescue Economy.

#### (https://edition.cnn.com/2022/04/27/economy/china-xi-infrastructure-push-covid-lockdowns-intlhnk/index.html)

President Xi Jinping told a meeting of senior economic officials on 26 April that "all out efforts" must be made to boost construction to increase domestic demand and promote growth. He said that the nation's infrastructure was still "incompatible" with the needs of national development and security. *Xi called for more projects in transportation, energy and water conservancy, as well as new facilities for supercomputing, cloud computing and artificial intelligence.* 

**Comments.** Covid-19 lockdowns have brought the world's second biggest economy to "near breaking point". Tough restrictions in Shanghai and other major Chinese cities are just the latest blow. However, China was already feeling the impact of a real estate slump and a crackdown on private enterprise. Unemployment hit a 21-month high in March.

A number of investment banks have slashed their forecasts for Chinese growth in the past month. And the International Monetary Fund last week said it expected growth of 4.4% this year, down from a previous forecast of 4.8%, citing risks from Beijing's strict zero Covid policy. This is well below China's official forecast of around 5.5%. Beijing is growing increasingly worried about the country's worsening growth outlook, and is falling back on a policy it had downplayed in recent years to ease pressure on local government finances and promote growth through consumption.

It is not disclosed how much China plans to spend on the new infrastructure push but according to the most recent government statistics, infrastructure investment already increased 8.5% in the first quarter of 2022 from a year earlier. Xi rarely sets out detailed economic plans, leaving that to his Prime Minister Li Keqiang.

It is believed that China's infrastructure investment is likely to surge by 8% in 2022, sharply higher than the 0.4% increase seen in 2021.

This isn't the only move made by Chinese policymakers this week to calm nerves and boost growth. On 25 April, the People's Bank of China cut the amount of foreign exchange banks must hold as reserves to 8% from 9%. This move would effectively increase the supply of dollars in the market, and analysts widely believe the decision is intended to stem a rapid drop in the yuan. The Chinese currency has weakened rapidly in recent days, plunging to the lowest level since November 2020, as rising Covid-19 cases in Beijing sparked fears that the Chinese capital could join Shanghai and other major cities in lockdown.

Chinese stocks also slumped deeper into a bear market earlier this week, with the Shanghai Composite Index down 21% so far this year, making it the second worst performing market in the world after Russia.

# President Xi Elected as Delegate to CPC Congress All set to get Endorsement for Rare Third Term.

https://www.theweek.in/wire-updates/international/2022/04/22/fgn60-china-xi-ld-election.html

Xi, 68, was elected delegate to the 20th National Congress of the Communist Party of China (CPC) at the party's Guangxi regional Congress by a unanimous vote on 22 April.

**Comments.** China's ruling Communist Party has set the ball rolling for a rare third term for President Xi Jinping as he was "unanimously elected" as a delegate for the once-in-five-year party Congress to be held in the next few months which was widely expected to put a seal of approval for his continuation.

The Congress, which is due to be held in November, has been preponed apparently as the leadership get-on with it early in view of complex and fluid national and international situation starting from relapse of COVID-19 virus in the country paralysing Shanghai and the deepening Russia-Ukraine war in which Beijing was caught in the middle with mounting US pressure to break off from close ally Moscow.

This year, Xi will be completing the 10-year tenure. All his predecessors retired after two five-year terms. By virtue of elevation to the status of a "core" leader he will continue to remain in power for another five-year term and perhaps for life.

The Congress will usher in a completely new set of officials, including a new Premier as incumbent Li Keqiang, who has the status of number two after Xi, has already announced that he will be stepping down.

#### Taiwan Details New Advanced Missile And Drone Attack Capabilities.

#### https://www.reuters.com/world/asia-pacific/taiwan-details-new-advanced-missile-drone-attackcapabilities-2022-04-22/

Taiwan is developing missiles that can attack enemy air bases and bring down cruise missiles, and drones that can target their firing locations. Taiwan last year approved T\$240 billion (\$8.20 billion) in extra military spending over the next five years as tensions with China have hit a new high and Chinese military planes have repeatedly flown through Taiwan's air defence identification zone.

**Comments.** Taiwan plans to more than double its yearly missile production capacity to close to 500 this year, the island's defence ministry said last month, as it boosts its combat power.

Taiwan's military-owned National Chung-Shan Institute of Science and Technology provided details about the missiles and drones it is developing. The **Hsiung Sheng land-attack missile** could have a range of up to 1,000km - comes in two versions: one with a high-explosive warhead to hit bunkers and hardened command centres, and other with "dispersal" munitions to take out airfield facilities. Hsiung Sheng could reach most bases under the People's Liberation Army's Eastern Theatre Command, including those near Shanghai and the province of Zhejiang. According to experts, It would greatly boost the national army's capacity to delay or paralyse the Communist forces' pace of an invasion of Taiwan, making it hard for them to achieve a rapid war.

The advanced **Sky Bow III surface-to-air missile** is designed to take down ballistic and cruise missiles, as well as fighter jets.

Taiwan's plans predate Russia's invasion of Ukraine, but the war has prompted conversations about the lessons Taiwan could apply to fighting off a Chinese attack, including how Ukraine has resisted a numerically-superior force.

According to a Taiwan-based Western security source, although Taiwan was getting Harpoon anti-ship missiles from the United States, its own missile programme would help ensure the island would not have to rely on foreign supplies, as Ukraine has.

The defence ministry has previously announced plans to start manufacturing unspecified "attack drones" with an annual production target of 48 such aircraft. Little has been disclosed about the domestically produced drones. The first batch of U.S.-made MQ-9 Reaper drones, which can be armed with missiles and operate at long range, will enter service with Taiwan by 2025.

About 64% of Taiwan's extra military spending, which came on top of planned military spending of T\$471.7 billion for 2022, will be spent on anti-ship weapons such as land-based missile systems, including a T\$148.9 billion plan to mass-produce homegrown missiles and "high-performance" ships.

Taiwan President Tsai Ing-wen has made modernising the military a top priority, pushing for defence projects including a new class of stealthy warship and home-grown submarines. Tsai has championed what she calls **"asymmetric warfare"**: developing high-tech, highly mobile weapons that are hard to destroy and can deliver precision attacks.

### IRAN

#### Violence in Sistan Baluchistan

#### Iran Revolutionary Guard general survives attack; bodyguard dead | Islamic Revolutionary Guard Corps News | Al Jazeera

An Iranian general of the Islamic Revolutionary Guard Corps was fired upon in the Sistan – Balochistan area. The general survived however, his security guard was killed. The security guard was also the son of another serving general in the IRGC. The region is a major smuggling route of opium and remains flashpoint of fights between various drug cartels. The attack came two days after three individuals were arrested on grounds of espionage for Mossad.

**Comments**. The instability in Afghanistan and resurgent Baluchistan rebel effect is having ripple effect in Iran. There were reports of stone pelting on Iranian consulate in Afghanistan. With thousands of Afghan refugees in moving to Iran, the country has to face violence owing to poverty and drug cartels as a long term effect. Iran has to form a strategy to counter such activities and involve China, Pakistan and India in resolving the same.

#### Iran – Saudi Talks

#### Iran executions: Alarming rise in use of death penalty in 2021 - report - BBC News Iran, Saudi Arabia hold fifth round of talks in Baghdad | Politics News | Al Jazeera

Fifth round of talks were held between the two countries after the diplomatic ties were cut in 2016. Saudi has influence in Gulf countries and could assist Iranian economy whereas at the same time, Iran has substantial hold on Houthi rebels in Yemen. The talks progressed despite Iranian objection to Saudi – Kuwait agreement to develop Arash – Dorra maritime oilfield. The dispute is decades old.

**Comments.** A better relation between the two countries is a win win situation for both and the region. Both have to reduce draconian laws and actions to gain influence. Recently Saudi executed 81 prisoners in a single day most of which were Shia's. Iran too has reportedly executed 333 individuals since last. The action eclipsed the positive outcomes of the previous talks but the two countries have gone ahead with the fifth round of talks. With the US exiting the area, stability created by these two regional powers would be crucial.

# **AFGHANISTAN**

#### Series of Violence

#### Can the Afghan Taliban contain the threat from ISIL? | Taliban News | AI Jazeera

Twin blasts in Mazar – E – Sharif in vehicles, blast in Mazar – E – Sharif in a mosque, blast in a school in Kabul all targeted against Shia's created a fresh wave of violence in Afghanistan who had little to cheer about in the holy month of Ramadan. The attacks were attributed to ISIL.

**Comments.** As Afghanistan struggles to find economic means even for subsistence, new powerful players are already creating troubles. ISIL activities started soon after US left, they subsided and are again rising. Taliban has very limited means to contain the situation. Moreover, as the target is mostly Shia community, there is a ever present danger of Iran getting involved in a harsher way by means of further economic stoppages and also handling of refugees. The Taliban supreme leader Haibatullah Akhunzada made a rare appearance during Ramadan urging the world to provide support to Afghanistan. This time the west is fighting Taliban economically and is possibly having a good effect in maintaining pressure. Taliban is being forced to re-think its approach over inclusivity.

#### Tension Along Pakistan- Afghanistan Border

Pakistan used Air Force to strike in border areas of Waziristan. Air raids carried out in three villages of the Spera district of Khost, as well as in Chogam village in the Sheltan district of Kunar left over 47 dead. The attack came as a response to fighting along the border and killing of Pakistani Soldiers on Pakistani outposts. It was not clear who attacked from Afghanistan side though the most likely culprit is said to be ISIL and TTP.

#### At least 47 dead in Afghanistan after Pakistan attacks: Officials | Military News | Al Jazeera

**Comments.** There were speculations of Afghanistan –Pakistan connivance staging fight at the border, however, use of Air Forces shows that Pakistan is concerned about the border and spread of violence in Pakistan from Afghanistan. Pakistan has used a disproportionate force as it knows very well that spread of such violence from Afghanistan can be destructive for Pakistan.

# WEST ASIA

#### Turkey Improving Relation with Neighbors

#### Are Turkish-Saudi relations set for a reset? | Politics News | Al Jazeera

#### NUMBER OF TOURISTS IN ISTANBUL FALLS TO 5 MILLION – RESIDENCE PERMIT TURKEY APPLICATION, VISA

Turkish President Recep Tayyip Erdogan met with Saudi Arabia's crown prince on 28 April to restart relations in his first visit since the 2018 killing of journalist Jamal Khashoggi soured the relations. This is a part of Erdogan effort to improve relations with neighbors.

**Comments.** The economic crisis faced by turkey catapulted by falling tourism owing to the ongoing regional war is forcing Turkey to improve relations with all its neighbors. Turkey is also playing a balancing role in its relation with US and Russia, providing refuge to Russian billionaires who are arriving to avoid western sanctions and at the same time closing Air Space to Russia for flights to Syria.

#### Elon Musk Face off With Saudi Prince

#### Elon Musk faces off with Saudi Prince Talal over Twitter sale | News | Al Jazeera

The offer of 43 bn USD made by Elon Musk for Twitter was considered too low by Saudi Prince Talal who owns 5.2% of Twitter. Musk questioned via Twitter the quantum of stakes held by Saudi Arabia, to which no reply was given.

**Comments.** The social media platform indicates the gigantic value and importance of such soft power platforms. Such platforms are very popular around the world and have the power to quickly shape opinion. India must always remain extremely wary of such platforms as it is evident that they are controlled by big powers and can be utilized for unauthorized purposes with ease.

# <u>ASEAN</u>

#### <u>Tremors in the Indo-Pacific: ASEAN Nations, China and Australia Ramp up Defence</u> <u>Spending.</u>

#### https://www.news18.com/news/world/tremors-in-the-indo-pacific-asean-nations-china-and-australiaramp-up-defence-spending-5052955.html

In 2021, the world's military expenditure surpassed the two trillion US dollar mark for the first time, reaching \$2113 billion; 0.7 per cent higher than in 2020 and 12 per cent higher than in 2012. Asia led the rise, with the region's military spending expanding more than 3.5%. China's defence expenditure made a jump of 4.7% over 2020. Other noticeable increases were – Japan with a significant increase of 7.3%, Singapore 7.1%, South Korea 4.7% and Australia 4%. The SIPRI report pointed out that defence spending of China, South Korea, Australia, Indonesia, Singapore and Thailand has grown by 72%, 43%, 42%, 35%, 24% and 16% respectively, since 2012.

**Comments.** China's military spending has continued to grow to support its superpower ambitions. Its continued assertiveness in the South and the East China seas and the U.S. efforts to contain it have resulted in a restive Indo-Pacific region. This has been a major driver of military spending by countries in the region and will have an adverse effect on the stability of the region.

#### US to Host ASEAN Leaders in Mid-May.

#### <u>https://www.hindustantimes.com/world-news/us-to-host-asean-leaders-in-midmay-</u> <u>101650235893297.html</u>

President Biden will host the Leaders of the Association of Southeast Asian Nations (ASEAN) in Washington, DC on May 12 and 13 for a U.S.-ASEAN Special Summit. The

Statement by the U.S. Press Secretary Mr. Psaki stated, "The Special Summit will demonstrate the United States' enduring commitment to ASEAN, recognizing its central role in delivering sustainable solutions to the region's most pressing challenges, and commemorate 45 years of U.S.-ASEAN relations. It will build on President Biden's participation in the October 2021 U.S.-ASEAN Summit, where the President announced \$102 million in new initiatives to expand our engagement with ASEAN on COVID-19 recovery and health security, fighting the climate crisis, stimulating broad-based economic growth, promoting gender equality, and deepening people-to-people ties...Our shared aspirations for the region will continue to underpin our common commitment to advance an Indo-Pacific that is free and open, secure, connected, and resilient."

**Comments.** This is another move to show U.S. commitment to the Indo-Pacific region. The summit, originally planned for March 28-29, had been postponed, ostensibly due to scheduling issues among the participating nations. The Chinese media has called out the initiative for being used by the U.S. to counter China. SEAN countries have been cautiously maintaining relatively neutral stance amid the complicated international situation, despite facing multiple strategic/ economic issues with China. The region continues to be China's largest trading partner as a whole. The U.S. initiative would need to be followed for the deliverables and the outcomes.

### PAKISTAN

#### Baloch Group Claims Pak Suicide Blast Carried Out by Woman that Killed 3 Chinese.

#### https://www.wionews.com/world/possible-suicide-attack-in-pakistan-3-chinese-people-killed-473965

A burqa-clad woman suicide bomber struck a van on the campus of Pakistan's famed University of Karachi, killing three Chinese nationals and their local driver in a targeted suicide strike against Chinese people in Pakistan's financial centre. The Balochistan Liberation Army's Majeed Brigade has claimed responsibility for the attack on the instructors, which occurred near the university's China-built Confucius Institute, which teaches Chinese language to local students. Shehbaz Sharif, Pakistan's prime minister, condemned the incident, saying he was "deeply grieved over the loss of precious lives, including our Chinese friends," and that "the perpetrators would undoubtedly be brought to justice."

**Comments**. The woman suicide bomber responsible for an attack was a teacher who had enrolled for a master's degree at the Pakistani University. Chinese people working in Pakistan have previously been targeted by Pakistani terror groups. In the year 2021, in Pakistan's restive southwestern Balochistan region, a suicide bomber detonated his explosives near a vehicle carrying Chinese people, killing at least two children and wounding three others, including a Chinese national. Foreign Minister Wu Jianghao demanded that the Pakistani side should immediately make a thorough investigation of the incident, apprehend and punish the perpetrators to the full extent of the law, and take all possible measures to ensure the safety of Chinese citizens in Pakistan and prevent such incidents from happening again.

BLA claimed that its main objective is complete independence for Balochistan. In the province, there has been insurgency for years against the alleged unfair exploitation of resources in the mineral-rich region. Fact that Beijing is involved in huge infrastructure projects as part of its Belt and Road Initiative in Balochistan, there have been reports that separatists have attacked separatists regularly.

#### PM Shehbaz Sharif says Pakistan 'Cannot Afford to have Enmity with the US at all'.

#### https://www.wionews.com/south-asia/pm-shehbaz-sharif-says-pakistan-cannot-afford-to-haveenmity-with-the-us-at-all-474250

Pakistan Prime Minister Shehbaz Sharif is looking forward to mending ties with the friends and allies of the country including the United States. Meeting the senior journalists during lftar dinner he said "Pakistan cannot afford to have enmity with the US at all". Ever since assuming power, Sharif has reiterated that Islamabad needs to develop good ties with Washington.

**Comments**. The previous government led by the Pakistan Tehreek-e-Insaf party led by Khan had annoyed all those countries that had always helped Pakistan in difficult times, especially China, Saudi Arabia, Qatar and the United States. Pakistan Prime Minister Shehbaz Sharif said there was a need to end the mistrust between Pakistan and the United States, and both countries needed to see if they had committed any mistakes in the past. Imran Khan was ousted from power after losing a no-confidence vote in his leadership, which he alleged was part of a US-led conspiracy targeting him because of his independent foreign policy decisions on Russia, China and Afghanistan. Pakistan Tehreek-i-Insaf (PTI) staged several protests across the country against the United States for an alleged "foreign conspiracy" in ouster of Imran Khan.

#### Rockets Fired by Pakistani Forces Kill Six Afghans: Official

#### https://www.straitstimes.com/asia/south-asia/rockets-fired-by-pakistani-forces-kill-six-afghansofficial

At least five children and a woman were killed in an eastern Afghan province when Pakistani military forces fired rockets along the border in a pre-dawn assault. Pakistani helicopters bombarded four villages near the Durand line in Khost province. Only civilian houses were targeted and there were casualties. Hundreds of civilians of Khost poured into the streets chanting anti-Pakistan slogans. The Afghan foreign ministry said it had summoned the Pakistani ambassador in Kabul to protest the attacks. Pakistani military officials have not commented on this issue.

**Comments**. Since the Taliban seized power last year in Afghanistan, border tensions between the neighbours have risen, with Pakistan alleging militant groups were carrying out attacks from Afghan soil. The Taliban deny harbouring Pakistani militants, but are also infuriated by a fence Islamabad is erecting along their 2,700-km border known as the Durand line. Border areas between the two countries have long been a stronghold for militant groups such as the Tehreek-e-Taliban Pakistan (TTP), which operates across the porous frontier with Afghanistan. The Afghan Taliban and the TTP are separate groups in both countries, but share a common ideology and draw from people who live on either side of the border. Since the Taliban seized power in Afghanistan, the TTP has become emboldened and launched regular attacks against Pakistani forces. In February, six Pakistan soldiers were killed in firing by the TTP from Afghanistan. Thousands of people usually cross the border daily, including traders, Afghans seeking medical treatment in Pakistan, and people visiting relatives.

#### Pakistani Military Air Strikes Kill at least 47 People in Afghanistan.

#### https://www.wionews.com/south-asia/significant-rise-in-cross-border-attacks-on-pakistanafghanistan-border-471659

Airstrikes by the Pakistani military have killed at least 47 people in Khost and Kunar provinces located in eastern Afghanistan. Forty-one civilians, mainly women and children, were killed and 22 others were wounded near the Durand line in Khost province.

**Comments**. In the last few days, incidents along the Pak-Afghan border have significantly increased, wherein, Pakistani security forces are being targeted from across the border. Elements of banned terrorist groups in the border region, including TTP, have continued to attack Pakistan's border security posts. The Tehreek-e-Taliban Pakistan (TTP) is a Pashtun Islamist armed militant group based on the border of Pakistan and Afghanistan. It shares a similar ideology with the Afghan Taliban. This incident will result in enmity between Afghanistan and Pakistan. Both the countries must remember that the war between the them will not be in the interest of any body.

#### Troubled by Pakistanis' Crimes, Turkey Stops Granting Residence Permits for them.

#### https://www.wionews.com/world/troubled-by-pakistanis-crimes-turkey-stops-granting-residencepermits-to-them-474944

The widespread criminal activities carried out by Pakistani nationals in Turkey have alarmed the Turkish authorities. Now, Turkey has tightened its visa policies for Pakistani nationals just days after several of them were found complicit in the abduction of four Nepalese in Istanbul. Four Nepalis were kidnapped in Istanbul by Pakistani men. The Nepalese were walking around the area when they were kidnapped at gunpoint and taken to a residence. The kidnapped people were mistreated, and tapes were made of them when they were carried to the house. The Turkish government has also stopped issuing temporary residence permits to Pakistanis.

**Comments**. In Istanbul, Ankara, and other major cities around Turkey, a large number of Pakistanis reside and work. Hundreds of Pakistani nationals travel to the transcontinental country each month for tourism. The kidnappers requested a ransom of 10,000 euros for their release of Nepalese men. The suspects, who range in age from 16 to 35, were charged with robbery, kidnapping, intentional injury, and violating the gun law. Prior to the incident, Turkish authorities detained some Pakistani nationals in protest of former Prime Minister Imran Khan's removal from power. The kidnapping has been denounced by Pakistanis living in Turkey. They are concerned that similar instances elsewhere in the world may tarnish Pakistan's image. We will keep monitoring the situation.

#### SRI LANKA

#### Sri Lanka President Gotabaya Rajapaksa Agrees to Remove Brother as PM To End Political Impasse.

#### https://zeenews.india.com/world/sri-lanka-president-gotabaya-rajapaksa-agrees-to-remove-brotheras-pm-to-end-political-impasse-2458767.html

Sri Lanka's President has agreed to replace his older brother as Prime Minister, Mahinda Rajapaksa in a proposed interim government to solve a political impasse caused by the country's worst economic crisis in decades. President Gotabaya Rajapaksa agreed that a national council will be appointed to name a new prime minister and a Cabinet comprised

of all parties in Parliament. Mahinda Rajapaksa earlier reshuffled his Cabinet and offered a unity government in an attempt to quell the protests, but opposition parties refused to join a government headed by the Rajapaksa brothers.

**Comments.** The Rajapaksa family should understand the situation and put the country first to solve the current crises in Sri Lanka. The removal of Prime Minister Mahinda Rajapaksa, who also happens to be the brother of the president. The PM, however, seems to be in no mood to step down and has been saying that the President may not ask for his resignation. Both the President and Prime Minister have held on to their positions, while three other Rajapaksa family members resigned from the Cabinet earlier in April in what appeared an attempt to pacify angry protesters. It is up to the family to decide as in the near future, there may be a huge outcry if the issue is not resolved. Sri Lanka Freedom Party (SLFP) is planning a 'No Confidence Motion' if and only when all the options and remedies within the government have been exhausted. A stable government capable of implementing clear policies is the need, which can repair the economy and bring relief to the people. The main proposal is to have an all-party committee to make key decisions and the appointment of a new prime minister and a limited Cabinet. Sri Lanka is near bankruptcy and has announced it is suspending payments on its foreign loans until it negotiates a rescue plan with International Monetary Fund. It has to repay \$7 billion in foreign debt this year and \$25 billion by 2026. Its foreign reserves stand at less than \$1 billion. The foreign exchange shortage has severely limited imports, forcing people to wait in long lines to buy essentials such as food, fuel, cooking gas and medicine.

President Rajapaksa and his family have dominated nearly every aspect of life in Sri Lanka for most of the last 20 years. The Rajapaksas lost their two-thirds majority in Parliament as coalition members defected, and they're now trying to withstand the opposition's efforts to remove them from power. While the current financial troubles make an election difficult to hold at the moment, opinion surveys suggest the Rajapaksas would lose in a landslide.

#### Countrywide strike cripples crisis-hit Sri Lanka.

#### https://www.straitstimes.com/asia/south-asia/countrywide-strike-cripples-crisis-hit-sri-lanka

A general strike crippled Sri Lanka as demands grow for President Gotabaya Rajapaksa and his family members to resign over the country's worst-ever economic crisis. The island nation of 22 million people has been hit by months of acute shortages of food, fuel and medicines, prompting widespread protests. The first time the entire country had been brought to a standstill since those demonstrations began. Public transport was stopped, school attendance dropped and shops and offices remained closed across the country.

**Comments**. More than 100 trade unions, some affiliated to the Rajapaksas' ruling Sri Lanka Podujana Peramuna (SLPP) party, joined the general strike, whose participants are demanding that the President, Prime Minister and other senior officials resign. Across the country, vegetable markets were closed, while the country's tea plantations, a main export earner, were also shut down. Protesters also blame the Rajapaksa clan for years of mismanagement. Protesters who have crowded the streets since March hold them responsible for the crisis and are demanding that they quit politics. Protests are demanding the resignation of his younger brother President Gotabaya and the entire Rakapaksa family and to send home the entire 225 parliamentarians. The government has defaulted on its\$51 billion external debt. Unable to pay for fuel imports, utilities have imposed lengthy daily blackouts to ration electricity, while long lines snake around service stations as people queue for diesel, petrol and kerosene. Hospitals are short of vital

medicines and the government has appealed to citizens abroad for donations. The Rajapaksa family is in full damage control mode, racing to ensure basic goods for the citizenry while seeking emergency funds from the IMF, World Bank, China and other lenders. It has stopped paying back foreign debt, defaulting for the first time since achieving independence from the British in 1948. The current situation is purely based on the breakdown of the supply chain and governance. The government took out big loans from China to invest in projects like a deep-sea port in its home district of Hambantota on the island's southern coastline, part of an effort to turn the nation into a South Asian version of Singapore. But many projects stalled and foreign debt more than doubled between 2010 and 2020.

Fears of a broader meltdown first emerged with the pandemic, which suddenly sapped revenue from tourism and remittances. To stay afloat, the government printed money, boosting supply by 42 per cent between December 2019 and August 2021 - helping to stoke what would become Asia's fastest inflation. Last April, Sri Lanka suffered another shock: the government abruptly banned chemical fertilizer imports. In public, officials framed the move as delivering on a campaign promise to embrace organic farming and fight the "fertilizer mafia". Sri Lanka's entire agricultural chain is facing disruptions. The paddy harvest failed, forcing the government to import rice and start an expensive food aid program to support devastated farmers.

#### Sri Lanka Granted \$826 Million of Aid by World Bank Amid Economic Crisis.

#### https://www.straitstimes.com/asia/south-asia/sri-lanka-granted-826-million-of-aid-by-world-bankamid-economic-crisis

The World Bank has agreed to provide Sri Lanka with US\$600 million in financial assistance to help meet payment requirements for essential imports. The World Bank would release US\$400 million "shortly". The World Bank said it would continue to help Sri Lanka to overcome the current economic crisis. Earlier this month, Sri Lanka kicked off talks with the International Monetary Fund (IMF) for financial assistance.

**Comments**. Sri Lanka's worst financial crisis since independence in 1948 was caused by a drastic drop in its reserves that dropped 70% over the past two years, hitting US\$1.93 billion at the end of March. Country is struggling to pay for essentials, including fuel, medicines and food. Sri Lanka needs US\$3-\$4 billion to help meet its essential expenses. Sri Lankan government has also appealed to multiple countries and multilateral organisations for bridge financing including India, China, Japan, Asian Development Bank etc. India has helped Sri Lanka by assisting with US\$1.9 billion, and Colombo is in talks with New Delhi for an extra US\$1.5 billion to fund imports, including fuel. Sri Lanka is also negotiating with China for up to US\$1 billion in Ioan. The country announced a suspension on some of its foreign debt repayments earlier this month and said it would divert its meager reserves to fund essential imports. The cost of living in the country is going from bad to worse due to the price increase of essential food items including medicine, milk powder, rice, sugar, dhal, wheat flour and items such as gas, diesel, kerosene oil and petrol. We will keep monitoring for future implications.

# **NEPAL**

#### <u>Nepal Seeks Overseas Nationals' Help to Build up Forex Reserves Amid Economic</u> <u>Woes</u>.

#### <u>https://www.straitstimes.com/asia/south-asia/nepal-seeks-overseas-nationals-help-to-build-up-forex-</u> <u>reserves-amid-economic-woes</u>

Nepal is asking citizens living abroad to deposit funds in domestic banks as part of efforts to ensure the financial system has enough liquidity and to preserve foreign exchange reserves. Foreign exchange reserves fell over 18 per cent to US\$9.6 billion as at mid-March from mid-July - enough for around six months' imports. By depositing their savings in Nepal, overseas Nepalese would continue to "maintain their link as well as benefit from 6 to 7 per cent interest" offered by Nepali banks. Finance minister Janardan Sharma of Nepal said the economy is in the crisis but Nepal's situation could not be compared with Sri Lanka.

**Comments**. Nepal was facing an economic crisis despite the impact of soaring commodity prices as the tourist industry, a key source of revenues, struggles to recover after the Covid-19 pandemic. Nepal, wedged between China and India, this month imposed curbs on luxury goods imports to rein in capital outflows. In Nepal, remittances by overseas workers, which constitute nearly a quarter of the economy and are crucial for external payments, fell 3.0 per cent to US\$5.3 billion between mid-July to mid-March, compared with a 5 per cent increase in the same period a year earlier. If 100,000 Nepali nationals living abroad deposited US\$10,000 each in Nepali banks, it could go a long way to help Nepal overcome the current liquidity constrains. Earnings from tourism, which fell sharply after the start of the pandemic in 2020, are slowly picking up, but remain well below pre-Covid-19 levels. Nepal has also decided to accept US\$659 million in aid from the United States and about US\$150 million in a soft loan from the World Bank. The money to be received from the United States over five years is a (non-refundable) grant.

# **MYANMAR**

#### Myanmar's Suu Kyi Handed Five-Year Jail Term for Graft.

#### https://www.reuters.com/world/asia-pacific/myanmars-suu-kyi-handed-5-year-jail-term-corruption-2022-04-27/

A court in military-ruled Myanmar sentenced deposed leader Aung San Suu Kyi to five years in jail after finding her guilty in the first of 11 corruption cases she faces. The judge in the capital, Naypyitaw, handed down the verdict within moments of the court convening and gave no explanation. The latest case centered on accusations that Suu Kyi accepted 11.4 kg (402 oz) of gold and cash payments totalling \$600,000 from her protégé-turned-accuser.

**Comments**. The trial was politically motivated, a setback for democracy and represents another step towards the dismantling of the rule of law and a further blatant violation of human rights in Myanmar. The 76-year-old led Myanmar for five years during a short period of tentative democracy before being forced from power in a coup in February 2021 by the military, which has ruled the former British colony for five of the past six decades. The Nobel laureate and figurehead of Myanmar's opposition to military rule is charged with at least 18 offences carrying combined maximum jail terms of nearly 190 years, all but killing off any chance of a political comeback.

Destroying popular democracy in Myanmar also means getting rid of Aung San Suu Kyi. Myanmar has been in turmoil since the coup, with the military using lethal force to suppress nationwide protests and public anger. Tens of thousands of people have been arrested and many killed, tortured and beaten, in what the United Nations has called crimes against humanity. The international community has put sanctions on the military and dismissed Suu Kyi's trials as farcical. The Myanmar embassies of Britain and the United States did not immediately respond to requests for comment. The military has said Suu Kyi committed crimes and is being given due process by an independent judiciary and rejects foreign criticism as interference. The junta has refused to allow her visits, including by a special Southeast Asian envoy trying to end the crisis.

#### Myamar Junta Chief Calls for Peace Talks With Ethnic Rebels.

#### https://timesofindia.indiatimes.com/world/south-asia/myamar-junta-chief-calls-for-peace-talks-withethnic-rebels/articleshow/91000902.cms

Myanmar's junta chief called for face-to-face peace talks with the country's established ethnic rebel groups, as the military struggles to crush newer anti-junta militias that have sprung up to fight the coup. Myanmar has about 20 ethnic rebel armies — many of which control swathes of remote border territory — that have fought each other and the military for decades over the drug trade, natural resources and autonomy. Some have condemned the ouster of Aung San Suu Kyi's government and offered shelter and weapons training to "People's Defence Forces" (PDF) that have sprung up and which analysts say have surprised the military with their effectiveness.

**Comments**. The call comes amid daily clashes between Junta troops and PDF groups, some of which are fighting alongside ethnic rebels in border areas. Last week, the junta said its troops had displaced hundreds of PDF fighters as well as members of the Kachin Independence Army after days of clashes around Pinlebu town in the northern Sagaing region. Last month, Min Aung Hlaing vowed the military would "annihilate" PDF forces". More than 1,700 people have been killed in a military crackdown since the coup, according to a local monitoring group.

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. 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.

#### Myanmar: ASEAN's Failed '5-Point Consensus' a Year on.

#### https://reliefweb.int/report/myanmar/myanmar-asean-s-failed-5-point-consensus-year

Southeast Asian governments should urgently revamp their response to Myanmar's abusive junta by coordinating action with the broader international community. Despite adopting a "five-point consensus" on the crisis a year ago, the Association of Southeast Asian Nations (ASEAN) has failed to fulfill its pledges or take meaningful steps toward pressing the junta to end its human rights violations. Myanmar's junta has spent the past year committing atrocities in utter disregard for its commitments to ASEAN.

**Comments**. The Junta walked back its endorsement, announcing it would consider the suggestions made by ASEAN leaders when the situation returns to stability. Rather than halting attacks as called for, the junta ramped up its abuses. Junta violations since the coup

include mass killings, torture, arbitrary arrests, and indiscriminate attacks on civilians that amount to crimes against humanity and war crimes. Security forces have killed over 1,700 people, including at least 130 children, and arbitrarily arrested over 13,000. The military has expanded abusive operations in ethnic minority areas, displacing more than 550,000 people. Instead of heeding the consensus by allowing aid delivery, the junta has deliberately blocked humanitarian assistance from reaching populations in need as a form of collective punishment. The junta has indicated it will continue to block efforts ie special envoy to meet with Suu Kyi and other detained individuals, or with entities it has declared "unlawful," including the shadow civilian government, the National Unity Government (NUG).

The actions taken by the UN Security Council and by the Association of Southeast Asian Nations (ASEAN) have been insufficient to convince Myanmar's military to cease its violence.US who will host ASEAN members at a summit in May. US should aim to press Southeast Asian leaders to abandon their failed consensus approach and encourage greater cooperation with other countries promoting stronger action against the junta's rights abuses. They need to adopt strong measures to deter further atrocities and hold the military accountable.

# MALDIVES

# As Part of Close Maritime Cooperation, India and Maldives Jointly Unveil Navigation Chart.

#### https://www.wionews.com/south-asia/as-part-of-close-maritime-cooperation-india-and-maldivesjointly-unveil-navigation-chart-472320

As part of increased maritime cooperation, India and Maldives have jointly unveiled a navigation chart. This is the first such navigation chart produced by both countries. It was unveiled during India's Chief of the Naval Staff (CNS) Admiral R Hari Kumar's visit to Maldives. The fact that the Indian Navy chief chooses Maldives as his first overseas visit after taking charge also shows Delhi's increased engagement in the Indian Ocean and more focus on maritime. Maldives Defence Minister Mariya noted the "promptness with which India submitted the Detailed Project Report (DPR) of the Coast Guard Harbour and Dockyard to Maldives, the review of which will be completed soon."

**Comments**. The chart is part of practical cooperation between the Naval forces of the two countries and helps ships to understand the maritime topography of Maldives Exclusive Economic zones, water depths, areas to avoid etc. Last year, India and Maldives signed a pact for the development of a coast guard harbour for maritime security. The harbour will be developed at Uthuru Thila Falhu naval base. Indian Navy's has supported in the maintenance and repair of the Maldives National Defence Forces (MNDF) Coast Guard Fleet and transport of medicines and hospital consumables to Maldives during the COVID-19 pandemic. Under mission 'Sagar One' of the Indian Navy, India reached out to five Indian Ocean countries, including the Maldives. Indian Navy Ship Kesari delivered 600 tons of food items to the island country. India also handed over the hydrography equipment to consolidate the organic capabilities of the MNDF and a consignment of engineering equipment for further sustenance of MNDF ships, something that will enhance the capacity building efforts. This visit further consolidates the strong and long standing bilateral relations between two close maritime neighbours and also identified new avenues of expanding the scope of bilateral cooperation in defence and maritime domain.