



GEOSTRATEGIC SCAN

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

Xi Draws Lessons for Conquering Taiwan from Ukraine War: Report

(<https://theprint.in/world/xi-draws-lessons-for-conquering-taiwan-from-ukraine-war-report/1032760/>)

Chinese President Xi Jinping on his 69th birthday called Vladimir Putin to reassure the Russian leader that “bilateral relations have maintained a sound development momentum in the face of global turbulence and transformations.” Xi pledged to Moscow for more support on “sovereignty and security”.

Comments. The latest telephonic exchange between Xi Jinping and Vladimir Putin on June 15 highlights the growing ties between the two countries in the wake of the Ukraine conflict. It is apparent that the Chinese leader is disdainfully dismissing all earlier warnings from the West that China risked major reputational damage by not condemning the Kremlin. Further, what is more worrying for the leaders in the West is that Xi has pledged to deepen strategic coordination between the two countries.

According to analysts, China is keenly watching the conflict that has been unfolding for the past four months, in a bid to draw lessons for a possible invasion of Taiwan. It is being argued that one of the main reasons why the U.S. and NATO have thus far spared the rod with respect to the invasion of Ukraine is Putin’s nuclear threats. The lesson other nations have learned is undoubtedly that nuclear threats work. Reportedly, if an attempted Chinese conquest of Taiwan also enters a period of stalemate, Xi’s first priority would be to prevent Chinese domestic anti-war activists from using international public opinion to enhance their strength and promote political change.

Xi may also accelerate the internationalization of the Chinese Yuan and build an international commercial network based on it, freeing it from the entanglement of dollar (USD).

Regardless of whichever side wins the Russia-Ukraine war, as long as Putin survives, it is in the Xi regime’s best interests, because Moscow will continue to draw the attention of the democratic world against long-term threats to it.

Security Threats to China-Pakistan Economic Corridor (CPEC) Worry Beijing.

(<https://timesofindia.indiatimes.com/world/china/security-threats-to-china-pakistan-economic-corridor-worry-beijing/articleshow/92743098.cms>)

Over the years, China has been putting pressure on Islamabad in various ways, to ensure the safety and security of its citizens living and working in Pakistan on CPEC-related projects. Recently, many Chinese nationals in Pakistan have been killed in a number of incidents in the country. Following this, in early June, China’s Ministry of State Security reportedly asked the Pakistani government to allow a Private Security Company (PSC) to operate inside the country to protect its citizens and assets.

Comments. Nikkei Asia had reported that the Shahbaz Sharif government had turned down a Chinese request for its PSCs to operate on Pakistani soil, but it is likely that China will continue pushing for such an arrangement.

Notably, China has more than 6,000 private security companies, 20 of which operate internationally. The basic Chinese idea is to replicate the model of using private security agencies, already active in Africa and Central Asia, in Pakistan. The very notion that China wants to bring in its own security to protect CPEC leads to the conclusion that it has completely lost trust in Pakistan's capacity to protect its interests.

Reportedly, resentment against China will increase if Chinese security companies are allowed to guard Chinese interests in Pakistan. This is especially true in Balochistan, where anti-Chinese sentiment is already very high. Baloch insurgents see China as agents of colonization of Balochistan and primary exploiters of the province's natural resources in the name of the CPEC. This anti-China sentiment was visible when Gwadar fishermen protested the presence of Chinese trawlers towards the end of last year. The Chinese strategy of land grab and providing employment to its own people at the cost of the local population is an established fact now. Hence, the anti-China sentiment in Pakistan overall is also quite high.

Pakistan may well manage to avoid, at least for now, an invitation to Chinese PSCs to operate on their soil but in the long run, circumstances may well force Islamabad to change its stance.

China's Economy Brakes Sharply in Q2, Global Risks Darken Outlook.

(<https://www.reuters.com/world/china/china-cbank-keeps-medium-term-policy-rate-unchanged-sixth-month-2022-07-15/>)

China's GDP in the April-June quarter grew a tepid 0.4 percent from a year earlier, according to the official data released on 15 July. That was the worst showing for the world's second-biggest economy since the data series began in 1992, excluding a 6.9 percent contraction in the first quarter of 2020 due to the initial COVID shock. It marked a sharp slowdown from 4.8 percent growth in the first quarter. On a quarter-on-quarter basis, GDP fell 2.6 percent in the second quarter from the previous quarter.

Comments. Full or partial lockdowns were imposed in major centres across the country in March and April, including the commercial capital Shanghai, which saw a year-on-year contraction of 13.7 percent in GDP in the second quarter. Output in the capital Beijing shrank 2.9 percent year-on-year in the same quarter.

While many of those curbs have since been lifted, and June data offered signs of improvement, analysts do not expect a rapid economic recovery. China is sticking to its tough zero-COVID policy amid fresh flare-ups, the country's property market is in a deep slump and the global outlook is darkening.

The imposition of new lockdowns in some cities and the arrival of the highly-contagious BA.5 variant have heightened concerns among businesses and consumers about a prolonged period of uncertainty.

There may be capital outflows, as the U.S. Federal Reserve, and other economies, aggressively raise interest rates to fight soaring inflation.

The employment situation remained fragile. Youth unemployment climbed to a record of 19.3 percent in June. A shaky recovery in China's capital-starved property sector is being

pressured further by a growing number of homebuyers across the country halting mortgage payments until developers resume construction of pre-sold homes.

China has been ramping up policy support for the economy but it's hard to see how the government's target of 'around 5.5 percent' growth this year can be attained without doing away with its strict zero-COVID strategy.

PAKISTAN

IMF Agrees to Resume Inflation-Hit Pakistan's Loan After Fuel, Tax Hikes

<https://www.wionews.com/south-asia/imf-agrees-to-resume-inflation-hit-pakistans-loan-after-fuel-tax-hikes-497232>

The International Monetary Fund (IMF) and Pakistan had reached an agreement to begin a loan programme that had been put on hold. This will inject \$1.17 billion into the faltering economy. The new accord comes after months of profoundly unpopular belt-tightening by Shehbaz Sharif's government, which gained power in April and has virtually scrapped gasoline subsidies while also introducing new measures to increase the tax base.

Comments. The money is subject to approval by the IMF's Executive Board. About \$1,177 million will become available, bringing total disbursements under the program to about \$4.2 billion.

Pakistan is desperate for international support for its economy, which suffers from poor revenue collection and dwindling foreign reserves to pay its crippling debt. The new government has slashed a raft of subsidies to meet the demands of global financial institutions but risks the wrath of an electorate already struggling under the weight of double-digit inflation. In a bid to secure the IMF loan, Prime Minister Sharif has imposed three fuel price hikes — cumulatively totalling 50 per cent — and raised the cost of electricity to effectively end the subsidies introduced by Imran Khan. Islamabad has already received \$3 billion from the initiative, but they had requested an extension until June 2023 since the facility was set to close later this year. The latest budget has earmarked 3.95 trillion rupees (\$18.8 billion) just to service the country's whopping debt of \$128 billion. Pakistan had also agreed to continue power sector reforms, introduce a proactive monetary policy to tackle inflation, strengthen governance, combat corruption, and improve the social security net.

Pakistan, China Hold Joint Naval Exercise 'Sea Guardians 2022'

<https://arynews.tv/pakistan-china-hold-joint-naval-exercise-sea-guardians-2022/>

'Sea Guardians 2022' bilateral exercise between Pakistan Navy and Chinese People's Liberation Army Navy was held in China's Shanghai, according to a statement issued on Friday. According to the spokesperson of Pakistan Navy, a new addition to the Navy-PNS Taimur participated in the exercise along with ships, aircraft and submarines of the Chinese Navy. Admiral Liu Wensheng of the People's Liberation Army Navy, claimed that the exercise is routine and is neither related to the geopolitical situation nor focused on any third party.

Comments. The exercise aimed at sharing professional expertise against maritime threats and further boosting maritime cooperation. The exercise will play an important role in promoting safe and stable maritime environment in the region. With a stated aim of "Joint Response To Maritime Threats", the exercise was divided into two phases, the planning phase and the practical phase. Covering operational planning, technical

exchange and cultural and physical activities in the first phase, and surface combat, tactical manoeuvring, anti-submarine and anti-air warfare, joint resupply and support of stricken vessels in the second phase.

Featuring mainly Eastern Theater Command Naval assets on the Chinese side, units in the exercise include the frigates Type 054A Xiangtan, Type 056A Shuozhou, supply ship Qiandaohu, one submarine, one early warning aircraft, two fighter jets, and one helicopter. The Pakistani participating force is the Type 054A/P PNS Taimur, itself recently commissioned at Shanghai. This was the second exercise of the 'Sea Guardians' series.

The previous Sea Guardian exercise was held in January 2020 in the Arabian Sea over nine days and involved eight vessels, covering similar subjects and was shadowed by an Indian Navy carrier. And the current exercise is held north of Taiwan's territorial waters after a surge of Chinese Air Force activities into Taiwan's Air Defense Identification Zone.

SRI LANKA

Sri Lanka President Gotabaya Rajapaksa Resigns Amid Turmoil in the Country

<https://www.wionews.com/south-asia/sri-lanka-president-gotabaya-rajapaksa-resigns-amid-turmoil-in-country-497374>

Sri Lanka President Gotabaya Rajapaksa has resigned from his post. He has e-mailed his resignation to the speaker of the country's parliament. The former president of the country in unprecedented chaos landed in Singapore from Maldives. He had fled Sri Lanka on a military plane to go to Maldives. It is being reported that Rajapaksa e-mailed his resignation to speaker of the Sri Lankan parliament.

Comments. Sri Lanka is currently witnessing unprecedented chaos due a major economic crisis that has seen acute shortage of food, medicine and fuel among others. There have been massive protests across the country and huge mobs of angry Sri Lankans have ransacked official residences of Prime Minister Ranil Wickremesinghe and now former President Gotabaya Rajapaksa. As President, Rajapaksa enjoyed immunity from arrest. He had agreed to step down in the wake of massive protests. He fled the country and went to Maldives to Singapore.

Sri Lanka's Prime Minister also agreed to resign after party leaders in Parliament demanded both he and the embattled president step down on the day protesters stormed the President's residence and office in a fury over a worsening economic crisis.

Sri Lanka's Prime Minister Ranil Wickremesinghe has been sworn in as acting president after the speaker of the parliament accepted a resignation letter sent by embattled President Gotabaya Rajapaksa after he fled the country. Wickremesinghe asked legislators to work towards a consensus to establish an all-party government and said he would follow the constitutional process and establish law and order after months of anti-Rajapaksa protests in a country faced with crippling fuel shortages and runaway prices of basic items.

The Indian approach, so far, has been sensible. Be seen as non-interventionist as far as politics is concerned. Step up support as far as economics and relief is concerned. But in both respects, more needs to be done. Sri Lanka needs a variant of a Marshall Plan to rebuild its economy. While the International Monetary Fund and other international donors

have to play a key role, India should consider how it can step up its assistance and whether, in consultation with Sri Lanka authorities, once a new government is in place, it can offer a massive medium-term, multi-sectoral assistance package that helps Sri Lanka rebuild its finances and economy. This is the moment to be generous. And that generosity is not necessarily driven by altruism. Stability in the island is essential to prevent refugee flows and for regional security. Goodwill through aid will win geopolitical points in the context with China, which is down but not out.

The protests underscored the dramatic fall of the Rajapaksa political clan that has ruled Sri Lanka for most of the past 20 years. A military strategist whose brutal campaign helped end the country's 26-year civil war, Rajapaksa and his brother Mahinda Rajapaksa, who was president at the time, were hailed by the island's Buddhist Sinhalese majority. Despite accusations of wartime atrocities, including ordering military attacks on ethnic Tamil civilians and abducting journalists, Rajapaksa had remained popular among many Sri Lankans..

Fall of the Rajapaksas will have a 'Big Impact' on China's Close Ties with Sri Lanka: Experts.

<https://timesofindia.indiatimes.com/world/south-asia/fall-of-the-rajapaksas-will-have-a-big-impact-on-chinas-close-ties-with-sri-lanka-experts/articleshow/92832801.cms>

The economic and political chaos gripping Sri Lanka and the fall of the Rajapaksa brothers, who backed massive Chinese projects for over two decades in the strategically located island nation will have a “big impact” on Beijing’s close ties with Colombo besides investments, experts have warned.

Comments. The Rajapaksa family, headed by Mahinda Rajapaksa, which has dominated Sri Lankan politics for nearly two decades, was considered friendly to Beijing. When Mahinda Gotabaya’s older brother was in power from 2005 to 2015, he opened up Sri Lanka to massive Chinese projects including the Hambantota port, which China obtained for 99-year deal as part of a controversial debt-for-equity swap besides the unfinished Colombo port project being built on reclaimed land from the sea.

Though Chinese investments in Sri Lanka may suffer some losses, Sri Lanka is unlikely to move away from China, one of its biggest creditors and a key foreign investor in the nation. During the current crisis, China has provided USD over 33 million dollars of aid and recently sent a large shipment of rice but for inexplicable reasons did not provide the large-scale monetary assistance sought by the Rajapaksas and their pleas to defer repayment of Chinese loans. Following the economic crisis, Sri Lanka also defaulted on USD 51 billion in foreign debt which included Chinese loans. Bilateral foreign debt to China only accounts for 10 per cent of Sri Lanka’s total outstanding foreign debt. China is closely following the latest developments in Sri Lanka.

With this spectrum of complex political dynamics and uncertainties, India needs to move cautiously in Sri Lanka. India has huge stakes in Lanka’s political stability and economic growth as it is geostrategically and civilisationally closer to the island than any other major Asian powers. The creeping expansion of Chinese strategic and economic presence in Sri Lanka has been matter of concern for India in recent years. India has focused its policies so far on providing relief to the people for fuel, food and medicines, while distancing itself from the corrupt regime. India has invested \$3.8 billion to that end. It also pleaded with the IMF and other international agencies to help Sri Lanka withstand its economic difficulties.

MYANMAR

Myanmar Hosts 1st Regional Meeting Since Army Takeover

<https://arunachaltimes.in/index.php/2022/07/05/myanmar-hosts-1st-regional-meeting-since-army-takeover/>

Myanmar's military government has hosted its first high-level regional meeting since the army took power last year, with Chinese Foreign Minister Wang Yi and counterparts from Mekong Delta nations attending. Wang met with his colleagues from Myanmar, Laos, Thailand, Cambodia and Vietnam in the Lancang-Mekong Cooperation group meeting held under the theme "Solidarity for Peace and Prosperity."

Comments. The grouping is a Chinese-led initiative that includes the countries of the Mekong Delta, a potential source of regional tensions due to an increasing number of hydroelectric projects that are altering the flow and raising concerns of ecological damage. China has built 10 dams along the upper stretch of the Mekong, the part it calls the Lancang. China has been criticized for the dams upstream on the Mekong River which affect water levels and downstream fisheries that are important to several Southeast Asian nations' economies.

Dialogue with Suu Kyi 'Not Impossible' says Myanmar Junta.

<https://www.straitstimes.com/asia/se-asia/dialogue-with-suu-kyi-not-impossible-says-myanmar-junta>

Dialogue between Myanmar's junta and ousted leader Aung San Suu Kyi to end the bloody crisis unleashed by the toppling of her government last year is "not impossible", a junta spokesman said.

The South-east Asian nation has been in chaos, with renewed fighting with ethnic rebel groups, dozens of "People's Defence Forces" springing up to fight the junta and the economy in tatters. "We cannot say that (negotiations with Suu Kyi) are impossible." "Several countries" had urged opening dialogue with the Nobel laureate, he said, without giving details.

Comments. Ms Suu Kyi, 77, has been kept virtually incommunicado by the military and was recently transferred from house arrest to solitary confinement while she faces multiple trials that could see her sentenced to more than 150 years in jail. Diplomatic efforts led by the Association of South-east Asian Nations (ASEAN) - of which Myanmar is a member - have so far failed to halt the bloodshed. Last year, the bloc agreed on a "five-point consensus", which calls for a cessation of violence and constructive dialogue, but the junta has largely ignored it. ASEAN envoy and Cambodian Foreign Minister PrakSokhonnis in Myanmar. His main aim is to start a dialogue between the junta and opponents. The junta has not allowed him to visit Ms Suu Kyi. Fighting continues across swathes of the country, with local media reporting killing and burning sprees by junta troops as they struggle to crush opposition to the coup.

China is a major arms supplier and ally of the junta and has refused to label the military's power grab a "coup". Many in Myanmar suspect China of supporting last year's military takeover. China is Myanmar's biggest trading partner and an old ally. Beijing has invested billions of dollars in Myanmar's mines, oil and gas pipelines and other infrastructure and is its major arms supplier, together like Russia. China says it follows a policy of non-

interference in other countries' affairs. Myanmar's rulers have stymied ASEAN efforts to organize a meeting with ousted civilian leader Aung San Suu Kyi.

Chinese Foreign Minister Wang Yi's Myanmar Visit Lent Credibility to Military Regime

<https://theprint.in/world/chinese-foreign-minister-wang-yis-myanmar-visit-lent-credibility-to-military-regime/1040517/>

Chinese Foreign Minister Wang Yi visited Myanmar to attend the seventh Lancang-Mekong Cooperation (LMC) Foreign Ministers' Meeting. Wang Yi's visit was his first to Myanmar since the military coup on February 1, 2021. The meeting was focused on promoting the "Solidarity of Peace and Prosperity" among the member countries, which are Cambodia, China, Laos, Myanmar, Thailand and Vietnam.

Comments. Wang Yi's visit came at a time when the Tatmadaw's (Armed Forces of Myanmar) legitimacy was being increasingly contested in domestic politics and on international platforms. Wang attended the LMC meet, perceived by opposition groups in Myanmar as an attempt to bolster the legitimacy of the Tatmadaw. It is well known that since the coup, the Tatmadaw has not been welcome at ASEAN leaders' meetings. However, the LMC Foreign Ministers' Meeting, by engaging the Tatmadaw leadership, demonstrated a continental-maritime divide among Southeast Asian countries in their responses to developments in Myanmar. Given the growing dependence of the Tatmadaw on China for support on international platforms, Beijing is working to deepen its economic presence in Myanmar.

It is possible that in the coming months, Chinese leaders will intensify their efforts to persuade Tatmadaw to facilitate the construction of the railway line from Kunming, China, to Kyaukpyu, Myanmar. Such a railway would dramatically enhance China's access to the Indian Ocean, said Pulipaka. To start with, the Tatmadaw and the Chinese authorities are reportedly negotiating the modalities for constructing the Muse-Mandalay Railway project. Railway connectivity to Mandalay also implies that Chinese goods will be able to reach Yangon Port much faster.

For China, Myanmar is also an important platform for the internationalization of its currency. Last December, Myanmar and China agreed to settle their border trade in the renminbi, official currency of PRC of China. On the sidelines of the LMC meeting, Myanmar Foreign Minister WunnaMaung Lwin and Wang Yi agreed to "explore the 'CMEC plus' cooperation at a proper time." Interestingly, the discussions between the two ministers also dealt with the need to "guarantee the operation of China-Myanmar oil and gas pipelines." There are concerns in Beijing about sporadic attacks on Chinese business interests in Myanmar.

NEPAL

Nepal, China to Initiate Bilateral Mechanisms to Solve Border Issues

<https://www.wionews.com/south-asia/nepal-china-to-initiate-bilateral-mechanisms-to-solve-border-issues-497482>

Nepal and China agreed to carry out a joint inspection of the border through mutual consultation. As per the Nepalese Foreign Ministry, Lok Bahadur Thapa, Head of North East Asia Division, the meeting took stock of the overall state of Nepal-China relations and held a discussion on various matters relating to boundary and border management

between the two countries. This comes after a committee formed by Nepal's Ministry of Home Affairs came up with a report highlighting issues along the border between two countries in the Humla district.

Comments. The report was commissioned last September following claims that China has been trespassing in the district of Humla, in the far west of Nepal. The First Nepal-China Border Joint Inspection Committee was formed in May 1977 and was completed in 1979 and the Boundary Protocol was signed for the second time. As per the decision to conduct joint border inspections every ten years, the second was carried out in 1989. The third Joint Inspection was carried out in 2006 and there hasn't been one since. To find a permanent solution to the border issue should be included in Nepal's state policy. Such sensitive and bilateral matters related to the border need to be addressed through a permanent mechanism. The report outlined a series of issues along the border by the Chinese side including that of a missing border pillar, wiring and fencing of the border pillar and restrictions imposed on Nepalese locals by the Chinese authorities.

Both sides agreed to resume two-way trade through Rasuwagadhi/ Keyrung border port, following COVID-19 health protocol and guidelines. The trade between the two countries is suspended since the COVID-19 pandemic, severely affecting the traders and business people in the Himalayan nation. With a view to supporting the livelihood of people in the northern Himalayan region of Nepal, the two sides decided to open Hilsa/ Purang border port for transportation of goods and construction materials from China, by putting in place necessary COVID-19 health protocol and guidelines.

NORTH KOREA & SOUTH KOREA

Leaders of South Korea, U.S. and Japan Agree Closer Cooperation over North Korea Threat

(<https://www.reuters.com/world/asia-pacific/us-skorea-japan-cite-ongoing-concerns-over-nkorea-missile-tests-2022-06-29/>)

At the NATO Summit held on 29 June 2022 in Spain, South Korean President Yoon Suk-yeol, American President Joe Biden and Japanese Prime Minister expressed concerns over North Korea's rising missile tests which are taking place at an unprecedented rate and agreed to address it through closer cooperation and collaboration. In their dialogue, they highlighted that North Korea's nuclear and missile tests not only hampered the security of the Korean peninsula but also posed a threat to East Asia. The three leaders agreed to enhance and explore the potential of "extended deterrence" against North Korea - the ability of the United States military, especially its nuclear forces to deter attacks on US allies through security cooperation. They expressed the need to augment the deterrence capabilities of Japan-U.S. and U.S.-Republic of Korea in order to enhance the trilateral partnership between the countries.

Comments. North Korea launched eight short-range missiles on 5 June 2022, breaking the record for the highest number of missile tests conducted in a day by North Korea. In 2022 itself, it has conducted 31 missile tests and is in all likelihood preparing to conduct a nuclear test in the near future. Officials from the three governments met in February 2022 in Hawaii to discuss contingency plans for thwarting North Korea's nuclear and missile tests that have led to increasing tensions around the world. These tests are a destabilising force for regional security and a violation of several United Nations Security Council resolutions. South Korea, U.S. and Japan have agreed to resume their combined missile warning and tracking exercises in order to efficiently deter North Korea's weapon testing.

There is an increased need for international resolution and dialogue for North Korea's actions. It is pertinent to note that as the security cooperation between the US, South Korea and Japan increases, North Korea will continue to enhance its nuclear capabilities.

North Korea Approves Plans to Strengthen 'War Deterrent' and Slams US-South Korea-Japan's Military Cooperation

<https://www.aljazeera.com/news/2022/6/24/kim-n-korea-military-approve-plans-to-strengthen-war-deterrent>

<https://www.independent.co.uk/asia/east-asia/north-korea-us-asia-nato-b2114711.html>

Presiding over the Enlarged Meeting of the 8th Central Military Commission, Kim Jong Un is said to have "approved an important issue of providing a military guarantee for further strengthening the country's war deterrent" according to state-run Korean Central News Agency (KCNA). The report outlined that officials at the meeting have decided to enhance the operational duties and capabilities of the country's front line units by proposing "an important military action plan". Furthermore, it was reported that Kim Jong Un instructed his army to "go all out" in carrying these plans forward in order to bolster the nation's military muscle and consolidate "powerful self-defence capabilities for overwhelming any hostile forces and thus reliably protect the dignity of the great country". While the KCNA has not elaborated further on the plan of action, analysts believe that North Korea could possibly be planning to deploy tactical battlefield nuclear weapons on their front-line as part of their new operations targeting South Korea along their heated border.

Comments. In retaliation to the United States' increasing influence in Asia and the economic sanctions imposed by it on North Korea, Kim Jong Un seems determined to enhance the operational capabilities of its army. Kim Jong Un accused the US of building an Asian NATO alongside criticising South Korea, Japan and the US for strengthening their military cooperation. Kim Jong Un's reinforcement of capabilities comes right after the three allies' meeting on the sidelines of the NATO Summit on 29 June 2022.

As the three countries plan to launch tripartite joint military exercises to counteract North Korea's increasing nuclear and missile capabilities, the Foreign Ministry of North Korea claims that, "The prevailing situation more urgently calls for building up the country's defence to actively cope with the rapid aggravation of the security environment of the Korean Peninsula and the rest of the world," slamming the responsibility of its nuclear and missile tests as a response to the military build-up by South Korea, Japan and the U.S.

South Korean President Yoon Suk-yeol Warns NATO Summit of a Threat to 'Universal Values'

<https://www.reuters.com/world/asia-pacific/south-koreas-yoon-warns-nato-summit-threat-universal-values-2022-06-30/>

At the NATO Summit held on 29 June 2022, the South Korean President Yoon Suk-yeol highlighted the threat to universal values in the wake of Russia's aggression in Ukraine and China's engagement with Russia. President Yoon is said to have stated that "As a new structure of competitions and conflicts is taking shape, there is also a movement that denies the universal values that we have been protecting". Without having named Russia or China, President Yoon signalled that the international community is facing imminent security threats that cannot be resolved by a single country and requires international cooperation.

Comments. President Yoon Suk-yeol is the first South Korean leader to attend a NATO Summit. Given an unpredictable international situation and North Korea's build of nuclear arsenal and missiles, South Korea seeks to establish partnerships with NATO countries so as to promote international cooperation against North Korea's nuclear ambitions. South Korea having remained quiet on international issues, President Yoon Suk-yeol now feels the need to position itself within a certain narrative to foster a strong international image and forge partnerships with other countries on shared views.

INDO-PACIFIC AND THE QUAD

Japan and Philippines strengthen defense ties in the Indo-Pacific

<https://www.pna.gov.ph/articles/1178496>

<https://asia.nikkei.com/Politics/International-relations/Indo-Pacific/Japan-Philippines-to-aim-for-new-defense-cooperation-pact>

The Japanese and Philippines governments seek to strengthen defence cooperation in the Indo-Pacific region to achieve their common goal of a "free and open Indo-Pacific". On the 68th anniversary of the Japanese Self-Defense Forces, the Japanese Ambassador to the Philippines Koshikawa Kazuhiko stated that the regional security environment has become "more testing and uncertain at a remarkably faster speed". The two like-minded countries seek to collaborate closely based on the rule of law, democracy and freedom and regard each other as reliable regional partners. Given that they face a threat from China in the South China Sea, the two countries question whether the United Nations Convention on the Law of the Sea (UNCLOS) is being respected. In order to challenge China's maritime sovereignty claims, Japan and Philippines seek to further the Reciprocal Access Agreement under which restrictions are eased on the transportation of weapons and supplies for joint training exercises and disaster relief operations.

Comments. In view of China's increasing assertiveness in the East and South China seas which is getting exacerbated with a rise in unlawful maritime claims, militarization, and coercive activities, it has become essential for regional partners to enhance bilateral relations and give a boost to defence operations to counteract China's dominance. China's routine navigation operations near the Japan-administered Senkaku Islands which it claims to be its own and territorial disputes with Philippines over the South China Sea create an atmosphere of tension. In order to provide a foundation for deliberations revolving around defence and foreign affairs, the Philippines and Japan have launched 2+2 ministerial dialogues which would help the two countries enhance strategic and security interests in the South and East China seas.

'Quad' Aims to Enhance Energy Security through Clean Power Promotion

<https://www.japantimes.co.jp/news/2022/07/13/national/quad-energy-security/>

The Quad Energy Ministers met in Australia on July 13, 2022, to promote the transition to clean power generation in order to improve their countries' energy security in the future. Japan's Economy, Trade, and Industry Minister, Koichi Hagiuda, stated that the Quad member countries want to advance zero-emission technologies such as the use of hydrogen and ammonia as fuels. They discussed that in order to improve energy security, it is critical to strengthen the energy supply chain by hastening the spread and development of zero-emission technology.

Comments. The Quad has been working towards carving out a solution-oriented approach to deescalate the climate and energy crisis. In May 2022, the Quad launched the Quad Climate Change Adaptation and Mitigation Package which is committed towards decarbonization in the Indo-Pacific and will require substantial efforts from all governments. This comes at a time when the Quad nations are trying to reduce their reliance on Russia for fuel. While the Quad member states are seeking to enhance their own collaborative activities, they are also making an attempt to provide countries with an alternative who often get caught up in China and Russia's helm.

WEST ASIA

SCO to admit Iran as a full member; Belarus applied for membership: SG Zhang Ming

[\(https://theprint.in/world/sco-to-admit-iran-as-a-full-member-belarus-applied-for-membership-sg-zhang-ming/1040658/\)](https://theprint.in/world/sco-to-admit-iran-as-a-full-member-belarus-applied-for-membership-sg-zhang-ming/1040658/)

Secretary General Zhang Ming mentioned the expansion of the Shanghai Cooperation Organisation with admission of Iran as its ninth member. The decision to admit Iran was made in last year's Dushanbe summit and Belarus has submitted its application, Zhang told a media briefing in lieu of the forthcoming summit to be held in Samarkand in Uzbekistan on September 15-16.

Comments. This is the first expansion of the SCO after India and Pakistan were admitted to the grouping in 2017. This move has been observed by many as an attempt to mobilise the grouping to counter the West after Russia's military campaign in Ukraine. The grouping stands to benefit from Iran's membership of SCO. India on the other hand, may derive benefits through increased regional cooperation.

Pakistan Expects Turkey to Join CPEC Soon

http://en.ce.cn/Insight/202207/12/t20220712_37860525.shtml

According to Federal Minister for Planning Ahsan Iqbal, Pakistan expects Turkey to soon join the China-Pakistan Economic Corridor (CPEC). He stated, "Prime Minister Shehbaz Sharif has floated a proposal to China to include Turkey in CPEC, and we expect a positive response". He further noted, "For regional countries, we are even more willing to welcome joint efforts. CPEC is a massive plan for the whole region and beyond."

Comments. The invite extended to Turkey has received a cordial response. Turkey's ambassador Yurdakul vowed to strengthen relations with Pakistan. He expressed, "The Turkish people always consider Pakistan as their second home, and we wish to see this country always strong and prosperous." While India has protested against the laying of CPEC, there has been no official comment pertaining to this "trilateral arrangement".

CENTRAL ASIA & EURASIA

Central Asia: Armenia, India Sign High Impact Community Development Projects

<https://armenpress.am/enq/news/1087895.html>

https://mea.gov.in/press-releases.htm?dtl/35473/Eighth_IndiaArmenia_IGC_Meeting_at_Yerevan

The 8th session of the India-Armenia Intergovernmental Commission on Trade, Economic, Scientific and Technological, Cultural and Educational Cooperation (IGC) was held in

Yerevan on 04 July 2022. Armenia and India signed a Memorandum of Understanding at the end of the 8th session of Armenian-Indian Intergovernmental Commission on Cooperation in the Fields of Trade, Economy, Technology, Science, Education and Culture in Yerevan on July 4.

The Agreed Minutes of the IGC 8th Session and the Memorandum of Understanding between the Government of the Republic of Armenia and the Government of the Republic of India regarding Indian Grant Assistance for Implementation of High Impact Community Development Projects were signed by the end of the 8th session of Armenian-Indian Intergovernmental Commission on Cooperation in the Fields of Trade, Economy, Technology, Science, Education and Culture.

At the IGC, both sides discussed and reviewed the current state of cooperation in diverse fields such as trade, investments, health, tourism, infrastructure, culture, connectivity, information technology, agriculture, FinTech and education. Both sides discussed and reviewed the current state of cooperation in diverse fields such as trade, investments, health, tourism, infrastructure, culture, connectivity, information technology, agriculture, FinTech, and education. India and Armenia also signed an MoU on High Impact Community Development Projects in Armenia with financial and technical assistance from India.

Comments. India and Armenia, sharing common geopolitical interests are exploring “long-term” concrete cooperation as part of their efforts to deepen long term bilateral relations. In the recent past, India has backed international efforts to settle the Karabakh conflict spearheaded by the United States, Russia and France. It has also effectively sided with Armenia in an Armenian-Azerbaijani border dispute that broke out in May 2021.

Indian-Armenian trade soared by over 40 percent but still stood at a modest \$181 million last year. Indian investors and entrepreneurs have an array of possibilities in Armenia as the potentials are immense. These figures do not reflect the full potential of our bilateral trade and economic cooperation. There are foreseeable prospects of drastic increase in trade turnover volumes in the coming years.

Armenia's strong interest in having direct transport and economic link with India reflects that Armenia wants to be directly linked with India in any possible way, North-South international transport corridor and Iran’s initiative of “Persian Gulf-Black Sea” international transport corridor will be fruitful projects in this case. Negotiations are already underway for the "Persian Gulf - Black Sea" corridor and Chabahar Port can be very valuable for transiting Armenian goods that can be transported through Iranian territory to Armenia and to the Black Sea.

Central Asia: Russian President Putin’s Central Asia Tour

<https://www.russia-briefing.com/news/russian-president-putin-s-central-asia-tour-tajikistan.html/>
<https://www.themoscowtimes.com/2022/06/30/what-was-putin-doing-in-tajikistan-a78160>

Russian President Vladimir Putin has started a mini tour of two Central Asian nations, arriving in the Tajikistan capital Dushanbe on June 29, 2022. It is the second time Putin and Rahmon have met in two months – Rahmon was in Moscow in May to discuss trade. Putin will travel afterwards to Ashgabat, in Turkmenistan.

Rahmon’s spokesman Abdufattoh Sharifzoda stated that no documents will be signed during Putin’s visit, adding that Putin is on a working trip and all talks will be held face-to-face. Sharifzoda also said that the two presidents will discuss “bilateral ties, the

development of cultural and economic relations, and regional and global issues, especially the situation in Afghanistan.” Putin aide Yury Ushakov was quoted by Russian media as saying that Putin and Rahmon will also discuss “issues related to military cooperation and Tajik migrant workers in Russia” in addition to Tajikistan joining the Eurasian Economic Union.

Comments. Russia today is keen to stabilise the relations with the Central Asian States as the Russian presence in the Central Asian Region has been stonewashed to some extent in the last few years. Central Asian states have been facing the indirect economic wrath of Covid and the Ukrainian Special Military Operations (SMO), Tajikistan too have a substantial reliance on the remittances sent by Tajik migrant workers engaged in Russia. In particular Tajikistan is of interest to Russia as Russia is Tajikistan’s key trading and economic partners.

Apart from the Economic and Social verticals Moscow is also concerned about the evolving power turf in Dushanbe wherein 69 year old Rahmon who has run the country since the early 1990s is looking forward to introduce his 34-year-old son, Rustam Emomali, as his successor. Putin will want assurance that Emomali will also be close to Moscow, especially as the United States has also recently been active in Tajikistan and providing military aid and other equipment.

Kabul is also according importance between both nations given Afghanistan’s porous 1,357-kilometer border with Tajikistan, Dushanbe’s difficult relations with the Taliban, great power game in the Central Asia and the fact that Russia’s largest military base abroad is in Tajikistan and Interestingly China has also positioned military on the Tajik border with Afghanistan.

Central Asia: Putin Visits Turkmenistan, Discusses Trade & Attends the Caspian Summit

<https://www.russia-briefing.com/news/putin-visits-turkmenistan-discusses-trade-attends-the-caspian-summit.html/>

Russian President Putin, fresh from his visit to Dushanbe to meet with Tajik President Emomali Rahmon, arrived in Ashgabat last Wednesday to discuss matters over the development of the Caspian Sea and hold one-to-one meetings with the Turkmenistan and Iranian Presidents.

Western media mainly mocked the meeting for the size of the table its leaders used, in examples here, here and here amongst several others. This attitude is misplaced when considering the importance of the summit and the future developments of the Caspian Sea in transportation and energy supplies.

Putin supported the Kazakh and Azerbaijani Presidents intent to increase the capacity for a rapid response to natural and man-made incidents in the Caspian Sea, and suggested holding a meeting of the countries – signatories of the Framework Convention for the Protection of the Marine Environment of the Caspian Sea, also known as the 2003 Tehran Convention, which serves as a legal basis for addressing different issues in the Caspian region.

Comments. The Caspian Sea has tremendous potential for economic and energy cooperation. Western media focuses on table sizes while the Summit discusses Caspian transportation and logistics that affect the EU, Middle-East, India, South Asia and China. President Putin highlighted great opportunities of energy cooperation for the five littoral

states. He noted agreements already implemented on joint exploration of the sea's resources, which "makes it possible to reasonably and efficiently, respecting the interests of the parties, use the natural resources of the Caspian Sea both in traditional and innovative, alternative energy sectors." Putin, however, did stress biodiversity and conservation issues, which have formed the bedrock of Moscow's objection to new pipelines across the sea.

As Europe has advertised hopes to replace two-thirds of its Russian gas imports by the end of the year through a combination of LNG, renewables, pipeline diversification, and other methods. Moscow is worried about a trans-Caspian pipeline helping Europe to diversify its natural gas supplies. This is the reason why Moscow is trying to mask it under the concern for the biodiversity and conservation as the bedrock of Moscow's objection to new pipelines across the sea. And Iran - which has also objected to the pipeline plan on similar grounds - could also benefit diplomatically from getting out of the way, not only with the Central Asian countries but European partners, too.

In total, Putin's Central Asia tour was a walking of familiar paths, repeating familiar platitudes and shaking the same hands over the same assurances. Russia remains the region's oldest friend, even if it has not always been the best of partners.

Eurasia: Russia Looks to Mongolia to Further Develop China Trade & Connectivity

<https://www.russia-briefing.com/news/russia-looks-to-mongolia-to-further-develop-china-trade-connectivity.html/>

Russia's Foreign Minister Sergey Lavrov visited the Mongolian capital, Ulaan Baatar, on 5th July for talks with his Mongolian counterpart, chairman of Great Khural State and the President of Mongolia.

The two countries' top diplomats have a detailed discussion of key issues on the bilateral agenda, and the progress Russia and Mongolia have made in the implementation of agreements reached at the highest and high levels to develop further mutually advantageous cooperation in economy, transport, infrastructure, and energy the Russian Foreign Ministry said earlier. Enhancing cooperation both on the international arena and in the region will also be discussed.

Comments. Arctic gas transit to China and increased Russia-China rail capacity on the agenda. Russia is now redirecting previously EU-bound Western Siberia gas fields via pipelines to China, with the construction of a Russian-Chinese natural gas pipeline transiting through Mongolia. Mongolia is well known for its unrealized yet significant reserves of rare earths other exotic minerals and metals. Mongolia is also an important transit point for Russia-China trade. This vests Mongolia with a strategic leverage demands strategic connectivity and trade ports with its neighbours. Owing to this Mongolia is also in discussions with China and Russia over the Trans-Mongolian LNG pipeline, which would transport gas from Russia's Yamal Arctic peninsula through to China.

The country is also well known for metals which Russia especially will need to source for its IT industry given the Western sanctions imposed upon it. Mongolia is also discussing a Free Trade Agreement with the Eurasian Economic Union, and Ulaan Baatar's price to join may well be increased rail capacity – paid for by Moscow. Lavrov's visit should start to unlock some of these mineral and transit commodities as the new, Asia-focused Russia begins to emerge.