

## ENVIRONMENT SCAN: 15 JUL – 31 JUL 2017

### **CHINA (CONTINENTAL)**

Brig Jai Singh Yadav, VSM

At PLA's 90th anniversary parade, Xi Jinping says Chinese military capable of defeating all invading enemies

Beijing: Chinese president Xi Jinping on Sunday said the People's Liberation Army (PLA) is capable of vanquishing "all invading enemies" and praised its combat readiness as he reviewed a massive military parade to mark the 90th founding anniversary of the world's largest armed force.

Dressed in camouflage, Xi inspected 12,000 troops in various formations from an open-top military jeep at the parade held in Zhurihe - Asia's largest military training centre in the middle of a desert in Inner Mongolia.

**Over 100 fighter jets flew overhead and almost 600 types of weaponry** were on display for the occasion - nearly half of which were making their debut in public, according to the Chinese defence ministry.

In his address to the soldiers, Xi said the PLA should strictly follow the absolute leadership of the Communist Party of China and "march to wherever the Party points to."

**"I firmly believe that our gallant military has both confidence and ability to defeat all invading enemies,"** said Xi, who heads the Central Military Commission, which holds the overall command of the PLA - the world's largest army.



Chinese People's Liberation Army (PLA) troops perform a flag raising ceremony on Sunday. AP

**While there was no reference in his speech to over a month-long India-China military standoff at Doka La in the Sikkim section,** his remarks came in the midst of shrill official media campaign and assertions by the foreign and defence ministries in China accusing Indian troops of trespassing into Chinese territory at Doka La.

The Chinese defense ministry spokesman said Zhurihe was selected to highlight the PLA's combat readiness, but he emphasised that war-zone trainings had been long scheduled.

Clad in camouflage military suit, 64-year-old Xi said the Chinese military has the confidence and ability to safeguard, national sovereignty, security and development interests.

"Our military has the confidence and ability to write a new chapter in building of strong military and make new contributions to towards realisation of the China dream of great rejuvenation of the Chinese nation and safeguarding world peace," Xi said in his about 10-minute address - an event carried live on state television and radio.

The military parade was the biggest since 2015 in which army and air force displayed some of the most modern weapons including a **new tank** which reportedly held exercises in the high-altitude along the Indian border. **The other weapons included long range nuclear and conventional missiles, the new J-15 - the new aircraft based carrier.**

In his address, Xi asked the military to further improve its combativeness and modernise the national defence and armed forces. **The Chinese military has the world's second largest defence budget of \$152 billion next to the US military.**

The PLA was founded on 1 August, 1927 when the ruling CPC under the leadership of Mao Zedong carried on with his national liberation movement. It is one of the rare national armies which still continues to function under the leadership of the CPC and not the Chinese government.

He also said China needs a strong army more than ever, urging the building of PLA into a world-class military force.

### **NSA Ajit Doval, Xi meet, but fail to break Doklam logjam**

Jul 29, 2017



BEIJING: National security advisor Ajit Doval's meeting with Chinese President Xi Jinping did not yield any breakthrough that could end the current standoff in Doklam. Analysts, however, said the cool off in the recent weeks may give leaders enough time to find a solution.

Doval met Chinese President Xi Jinping and other senior officials on Friday at the summit of Brics national security advisers (NSAs) in the Chinese capital. There has only been a slight improvement of the situation that prevailed after Chinese leaders insisted for weeks that there could be **no meaningful dialogue until Indian troops withdraw** from their positions at the **disputed site in Doklam**.

**There is little possibility of Xi going back on the demand that Indian troops must withdraw ahead of the celebrations of the 90th anniversary of the People's Liberation Army on August 1, a Chinese analyst said.**

"At best, the high level of belligerence can be allowed to taper off, giving leaders enough time to find a solution. But even this is not easy because there are hawkish voices on both sides," a Chinese analyst said, requesting anonymity.

The Chinese leadership got away by imposing an air flight control zone over islands disputed with Japan and creating artificial islands in the disputed South China Sea despite US resistance. This is why it is very difficult for the government to explain India's refusal to budge an inch in Doklam, he explained.

Doklam row becoming internal crisis for China

The Doklam issue is fast becoming a domestic political problem for China's leaders who need to deal with a section of hawkish Communist Party members demanding action to "push back" Indian troops, sources said. This is happening ahead of a crucial party congress that will elect leaders to top positions later this year.

China also faces a risky situation on its border with North Korea and has hugely increased its military presence fearing some dangerous moves from Pyongyang.

In appearances before the media, both Doval and the Chinese leaders stuck to the agenda of the security dialogue of Brics countries that brought together top security officials from the member countries. Doval also joined other security officials in calling on Xi, who said that Brics should play a bigger role in international affairs. It was clear that both India and China want to keep the discussion on the Doklam stand-off restricted to the bilateral area instead of making it an issue requiring the attention of Brics. In his speech, Doval said the Brics countries should show "leadership in countering terrorism". The grouping should also play a key role on "strategic issues of regional and global importance" while focusing on "areas where we have consensus", he said.

The Chinese president said the five countries in Brics were faced with a "complex international political and economic security situation". They should communicate more on financial cooperation, cultural exchanges and security issues.

**Nawaz Sharif's disqualification and internal affair, won't affect CPEC: China**

Jul 29, 2017



**Nawaz Sharif's disqualification as Prime Minister is Pakistan's "internal affair" and will not impact the China-Pakistan Economic Corridor (CPEC) project, an official has said in Beijing.**

Chinese Foreign Ministry spokesperson Lu Kang said in a press briefing on Friday that the Pakistani Supreme Court verdict on the Panama Papers case is not going to affect bilateral ties between the two countries.

"We believe that the China-Pakistan strategic cooperative partnership will not be affected by the change of the situation inside Pakistan. China stands ready to work with Pakistan to continue jointly building the One Belt and One Road," Lu was quoted as saying by the News International newspaper.

"As a friendly neighbour, China hopes that all parties and sections in Pakistan can prioritise state and national interests, properly deal with their domestic affairs, maintain unity, stability, and keep focusing on the economic and social development," the Chinese Foreign Ministry spokesperson said. The all-weather friendship between China and Pakistan has withstood the test of times, Lu added.

### **Sri Lanka signs deal on Hambantota port with China**

29 July 2017



**Sri Lanka has signed a \$1.1bn (£837m) deal with China for the control and development of the southern deep-sea port of Hambantota.** The deal had been delayed by several months over concerns that the port could be used by the Chinese military. The government has given assurances that **China will run only commercial operations from the port, on the main shipping route between Asia and Europe.** Sri Lanka's government says money from the deal will help repay foreign loans.

Under the proposal, a state-run Chinese company will have a 99-year lease on the port and about 15,000 acres nearby for an industrial zone. The plan envisages the eviction of thousands of villagers but the government says they will be given new land.

China has pumped millions of dollars into Sri Lanka's infrastructure since the end of a 26-year civil war in 2009. Protests against the agreement, which were organized by the Port Workers Union, took place on the streets of the capital, Colombo, on Saturday.

Hambantota port, overlooking the Indian Ocean, is expected to play a key role in China's "One Belt, One Road" initiative, otherwise known as the new Silk Road, which will link ports and roads between China and Europe.

The initiative is being **keenly watched by regional trade rivals including India and Japan.**

Opponents of the project said they feared the area being turned into a Chinese colony. **There were also concerns that the Chinese navy could use the port as a base.**

**For now, Colombo insists that the Sri Lankan navy will be in charge of security at the Hambantota port and no foreign navy will be allowed to use it as a base. There are questions over how China will respond if its huge investments overseas are threatened in the future.**

In a move to ease those concerns, **the Sri Lankan government announced a revised deal to cut the Chinese firm's stake to 70%. Officials also made assurances that the port would not be used by the Chinese military.**

**Trump 'disappointed' with China after North Korea missile test.**



**US President Donald Trump says he is "very disappointed" with China for not doing enough to stop North Korea's weapons programme.**

Writing on Twitter, he said he would not allow China to "do nothing" about the reclusive state. His comments came a day after Pyongyang test-fired its second intercontinental ballistic missile (ICBM) in a month.

It later claimed the test proved that the entire US was within striking range of its weaponry. On Saturday, two US B-1 bombers conducted exercises over the Korean peninsula with South Korean and Japanese planes.

The move was a "direct response" to the North's two ICBM launches, and "part of the continuing demonstration of ironclad US commitment to our allies", the US Pacific Command said.

On Saturday, China condemned the test launch and urged restraint on all sides. But Mr Trump voiced frustration at Beijing's response, linking the US trade deficit with China with policy on North Korea.

"I am very disappointed in China. Our foolish past leaders have allowed them to make hundreds of billions of dollars a year in trade, yet they do NOTHING for us with North Korea, just talk," he wrote in two consecutive tweets. "We will no longer allow this to continue. China could easily solve this problem!"

## CHINA (MARITIME)

Capt Ranjit Seth

**President Xi Jinping's Grip on Chinese Foreign Policy.** An article in the '*Friday Study Times*', a paper of the premier academy of the Chinese Communist Party (the Central Party School) has claimed that President Xi Jinping himself was behind measures supporting the expansion of China's infrastructure work in the South China Sea, parts of which are also claimed by Malaysia, Brunei, the Philippines, Taiwan and Vietnam.

"On the South China Sea issue, President Xi personally made decisions on building islands and consolidating the reefs, and setting up the city of Sansha. These decisions have fundamentally changed the strategic situation of the South China Sea."

Analysts observe that President Xi appears to be successfully taking over decision making on China's foreign policy, including giving the go-ahead to moves in the South China Sea and the East China Sea, where china and Japan remain at a standoff over the Diaoyu/Senkaku Islands. President Xi may be consolidating power ahead of the coming national congress at which key leadership posts are expected to be shuffled and re-staffed.

**Australian Criticism of Chinese Spy Ship.** Australian defence officials were critical of the monitoring of a joint US-Australian military exercise by a Chinese spy ship from within Australia's exclusive economic zone (EEZ). China had dispatched a 6,000-tonne PLA Navy spy ship *Haiwingxing* to gather intelligence on the recent US – Aus joint exercise. China's strong response had the Australian foreign minister, Julie Bishop clarifying that the government "didn't see it that way" – as unfriendly and provocative. "China is entitled to have its vessels navigate international waters, just as Australia is entitled to navigate in international waters".

**Britain Plans to send Warship to South China Sea.** British Defense Minister Michael Fallon has said Britain plans to send a warship to the disputed South China Sea next year to conduct freedom of navigation exercises. "We hope to send a warship to the region next year. We have not finalized exactly where that deployment will take place but we won't be constrained by China from sailing through the South China Sea. We have the right of freedom of navigation and we will exercise it. We flew RAF Typhoons through the South China Sea last October and we will exercise that right whenever we next have the opportunity to do so, whenever we have ships or planes in the region". The comments by Defense Minister Fallon came after Britain's Foreign Secretary Boris Johnson said the country's two new aircraft carriers would be sent to the region.

Britain's move could also upset ties with China, undermining efforts to shore up what the two governments have called a "golden era" in their relationship as Britain heads towards a divorce with the European Union.

Earlier in July, the United States sent two bombers over the region, a few months after it sent a warship within 12 nautical miles of one of China's artificial islands. China has repeatedly denounced efforts by countries from outside the region to get involved in the dispute.

**Indian Ocean Naval Symposium Working Group Meeting.** Pakistan hosted the two-day Indian Ocean Naval Symposium (IONS) Working Group meeting on Information Sharing and Interoperability that concluded on Wednesday 26 Jul. Discussions included modalities of sharing information and improving interoperability amongst IONS nations towards the overall objective of increasing maritime cooperation amongst navies in the Indian Ocean Region.

The working group consists of 10 member nations which include Australia, Bangladesh, France, India, Iran, Oman, Pakistan, Singapore, Thailand, and UAE. Pakistan is presently chair of the Working Group.

## **PAKISTAN**

Brig Deepak Malhotra

**Nawaz Sharif Disqualified by Pak Supreme Court.** The Supreme Court disqualified Prime Minister Nawaz Sharif from holding public office in a landmark decision on the Panama Papers case. Justice Ejaz Afzal Khan, who had headed the apex court's implementation bench following its April 20 order on the Panama Papers case, announced that the larger bench had unanimously deemed PM Sharif unfit for holding office and would also order an accountability court to open references against him and his family, and other respondents. Shortly after the order, the PM House issued a notification saying that Nawaz Sharif, despite having "strong reservations" on the SC's verdict, has stepped down from his post as the premier.

**Comments.** The prime minister was in deep trouble after the JIT report came out with a damning indictment of him and his family. It went beyond the family's failure to provide a money trail for the London properties and included charges of perjury and non-disclosure of some foreign financial assets. The inglorious exit of Nawaz Sharif may have come as a serious blow to the country's most powerful political dynasty. The devastating ruling by the five-member Supreme Court bench has not only seen the former prime minister disqualified for life but has also indicted almost all the Sharifs who have dominated the country's political scene for more than three decades, whether in or out of power. But one is not sure if it marks the end of the family's political legacy. It is evident that the baton of leadership will now be passed on to Shahbaz Sharif, thus maintaining the dynastic hold over power at least for now.

**US Blocks \$350 Million Aid to Pakistan For Insufficient Action Against Haqqani Network.** The United States of America has decided to block the disbursement of USD 350 million aid to Pakistan after the Defence Secretary, Jim Mattis, told the Congress that Islamabad hadn't taken "sufficient actions" against the Haqqani network, a U.S. official said on Friday. The decision came days after the State Department, in its annual report on terrorism, named Pakistan among countries and regions providing "safe havens" to terrorists.

**Comments.** The amount is under the Coalition Support Fund (CSF), a U.S. Defense Department program to reimburse allies that have incurred costs in supporting counter-terrorist and counter-insurgency operations. This is not the first time the Pentagon has decided not to make military reimbursements. Last year, the Pentagon withheld \$300 million in reimbursements. Pakistan has been reimbursed \$550 million of the \$900 million the country was authorized to receive in fiscal year 2016. Out of remainder, \$300 million had already been reprogrammed for other purposes, but had not been previously reported. Mattis' latest decision affects the remaining \$50 million.

## **IRAN**

Brig Deepak Malhotra\_

**Iran, US Trade Blame over Naval Incident.** Iran and the US have accused each other's naval forces of provocative maneuvers in the Gulf that culminated in a US helicopter firing warning flares at Iranian vessels. Iran's Revolutionary Guards said in a statement that the USS Nimitz, accompanied by another US warship and a helicopter, behaved in an "unprofessional and provocative" way while "being monitored by the Guards' frigates". The incident took place near Iran's Resalat oil and gas platform in the Gulf after a US Navy patrol boat fired warning shots on near an Iranian vessel that American sailors said came dangerously close to them during a tense encounter.

**Comments.** Iranian forces view the US presence in the Gulf as a provocation. They have accused the US Navy of unprofessional behavior, especially in the Strait of Hormuz, the mouth of the Gulf through which a third of all oil trade passes by sea. Such incidents between the Revolutionary Guards and the US Navy are frequent. The Pentagon reported 35 similar cases last year and 23 in 2015. The Revolutionary Guard is a separate force from Iran's military and it answers only to the country's supreme leader, Ayatollah Ali Khamenei.

**Iran's Missile Programme to Continue.** Iran has vowed to press ahead with its missile programme, denouncing new US sanctions as "an effort to weaken the nuclear deal" as it considers the US move as "hostile, reprehensible and unacceptable". "It's ultimately an effort to weaken the nuclear deal," he said, referring to the 2015 agreement between Iran and US-led world powers that lifted some sanctions on Tehran in return for curbs on its nuclear programme. Iranian state TV reported that the country's parliamentary committee on national security and foreign policy held an urgent meeting to review its response to a package of sanctions approved by the US Senate.

**Comments.** The US legislation imposes mandatory penalties on people involved in Iran's ballistic missile programme and anyone who does business with them. It would also apply terrorism sanctions to Iran's prestigious Revolutionary Guard and enforce an arms embargo. The bill was passed by the US Senate on being approved by the House of Representatives.

**US Hits Iran with Fresh Sanctions over Space Launch.** The **United States** has hit Iran with new sanctions in response to its launch of a satellite-carrying rocket into space. The launch vehicle was capable of propelling a satellite weighing 250kg into orbit at an altitude of 500km. The US said the rocket launch violated the UN Security Council resolution that endorsed the 2015 nuclear deal and called upon Iran to not undertake activities related to ballistic missiles capable of delivering [nuclear weapons](#), including launches using such technology. The resolution however, stops short of explicitly barring such activity. In a joint statement on Friday, Britain, [France](#) and Germany joined the US in condemning the satellite-launch rocket test, saying it was in violation of the resolution.

**Comments.** Western governments suspect Iran of trying to develop the technology for longer-range missiles with conventional or nuclear payloads, a charge denied by Tehran, which insists its space programme has purely peaceful aims. The six entities being sanctioned contribute to Iran's liquid propellant ballistic missiles, including development and manufacturing of engines, launchers, guide-and-control systems and ground support as well as the liquid propellant itself. The sanctions freeze any assets the entities may have in the US and prohibit Americans from doing business with them.

## BANGLADESH

Col Saikat Roy\_

**BSF to Tie Up with IIT Bombay to Plug Borders.** BSF will soon partner with IIT Bombay to find technology solutions for introducing laser fencing and detecting tunnels to secure Indian borders with Pakistan and Bangladesh. BSF is implementing a Comprehensive Integrated Border Management System (CIBMS) to effectively seal the Indo-Pak and Indo-Bangla border against attempts of illegal infiltration by terrorists and smuggling of various kinds. The force signed a Memorandum of Understanding (MoU) with the IIT Bombay on July 8, 2017. An official said that BSF is looking forward to a "dynamic combination" of various integrated technologies to strengthen the border security grid and other deployments in internal security domains like anti-Naxal operations.

**Comments.** The decision to install these laser walls was taken by the BSF two years ago keeping in mind the vulnerability of the border in these areas as barbed wire fencing could not be installed in many infiltration prone areas due to treacherous terrain or marshy riverine topography.

**Safe water Supply in all Divisional Cities by 2021: PM.** Prime Minister Sheikh Hasina on July 29, 2017 placed emphasis on the use of surface water and said works are underway to ensure supply of safe water from surface water sources in all divisional cities by 2021. The PM said, "The government wants to supply safe water to its all citizens before 2030 set by SDG's timeframe," she added.

## SRI LANKA

Col Saikat Roy

**Amended Hambantota Port Agreement Signed.** The much anticipated signing of the amended Hambantota port agreement took place on July 29, 2017. Ports Minister Mahinda Samarasinghe said that the agreement will be open for further amendments if required. "Any provisions of this agreement can be amended," the Minister said. Samarasinghe said that the signed agreement will be presented to cabinet and Parliament and will be open for debate. He said that if there are some positive recommendations put forward then it will be included in the agreement.

Under the agreement the Sri Lanka Ports Authority and China Merchant Port Holdings Company Ltd will establish the Hambantota International Port Services Co. (Pvt) Ltd – with a capital of USD 606 million and 50.7% shares to SLPA and 49.3% to CMPort. The Hambantota International Port Group (Pvt) Ltd – with a capital of USD 794 million and 15% shares to SLPA and 85% to CMPort as in SAGT terminal and CICT terminal will also be established.

Accordingly, instead of 80:20 share distribution in the initial agreement shares of overall investment will be revised as 69.55 to CMPort and 30.45 for SLPA.

**Chinese Military Looks to Improve Relations with Sri Lanka.** The Chinese military says it hopes to improve relations with the Sri Lankan military. Senior colonel Xu Jianwei at the Chinese Embassy in Sri Lanka said that China and Sri Lanka are traditional friendly neighbors, and this year marks the 60th anniversary of establishment of diplomatic relations between two countries. Jianwei was speaking at an event held in Colombo to mark the 90th Anniversary of the Founding of the Chinese People's Liberation Army.

“Chinese military attaches great importance to improving relations with Sri Lanka military and is willing to strengthen exchange and cooperation in areas of college education, troops’ training and maritime safety, so as to develop the military-to-military relations compatible with the comprehensive cooperative partnership between the two countries,” he said.

**Sri Lanka Expects more Chinese Investments in the Country.** Sri Lankan Foreign Minister Ravi Karunanayake has spoken highly of the proposed Belt and Road Initiative, saying that Colombo would like to see more Chinese investments. The newly-appointed Foreign Minister while appreciating the large-scale investments China had brought to Sri Lanka, especially since the end of a civil war between the Government and the LTTE in 2009, Karunanayake said the country would benefit from more Chinese investments.

While reiterating that Sri Lanka would soon be transformed into a global trading hub, Karunanayake said Colombo’s participation in the Belt and Road Initiative would strengthen its trading position even further.

**Comments.** Proposed by China in 2013, the initiative refers to the Silk Road Economic Belt and the 21st Century Maritime Silk Road, aiming at building a trade and infrastructure network connecting Asia with Europe and Africa. China has become one of Sri Lanka’s largest development partners with infrastructure construction projects worth billions of dollars. China is also one of the major FDI sources of Sri Lanka.

**First Advanced Warship made in India for Sri Lanka Navy Arrives at Colombo Harbor.** The Advanced Offshore Patrol Vessel (AOPV) constructed at the Goa Shipyard Limited (GSL) for the mission requirement of the Sri Lanka Navy, arrived at the Colombo harbor on Friday July 28, 2017, morning. Sri Lanka Navy in compliance with naval traditions received the brand-new vessel that is expected to join its fleet upon its arrival at the Colombo port.

The vessel is the first ever brand-new OPV acquisition of the Navy. The ship underwent various trials and tests before she set sail to her final destination, Sri Lanka to affirm her operational and patrolling capabilities. Meanwhile, the delivery completed a USD 66.55 million procurement of state of the art vessel from the Indian shipbuilder GSL.

The manufacturer, state-owned Goa Shipyard Limited (GSL), delivered the first Advanced Offshore Patrol Vessel (AOPV) on July 22 to Sri Lanka Navy at Goa. The twin sister of this AOPV which is currently being built by the same shipbuilder is also scheduled to join SLN fleet in the next year.

## **MINISTRY OF DEFENCE**

Col Saikat Roy

**Indian-Made Bulletproof Jackets in few months.** The much-awaited state-of-the-art light weight bulletproof jackets for armed forces personnel would not only help them move with greater agility during counter-insurgency operations but they could be customised depending upon operational requirements.

The jackets are under production at ordnance factory in Kanpur and set for induction in next few months. The new jackets would give a feel of modular clothing to troops. The jackets would be completely indigenous and for the first time made according to Indian standards. Special focus has been given on the size of the jackets to ensure it fits on all

size soldiers and they do not feel uncomfortable. It would not only a protection gear but would also be modular clothing, which would keep soldiers efficient during normal wear. The new jackets would be customised and the soldiers would be able to wear them in accordance to their requirements. This under-development prototype aims to protect against AK-47s and self-loading rifle bullets. Stated to be ultra-lightweight, these jackets are reportedly 8-times lesser in weight than the present jackets used by the armed forces.

**CAG Slams Akash Missiles.** As many as a third of the home-made Akash surface-to-air missiles are unreliable, unusable and untested, posing an operational risk during hostilities, the country's national auditor said in a damning report. The CAG report puts a big question mark on its utility and also on the Make in India initiative that seeks to trim the country's dependence on imported arms.

The CAG Report stated :-

- (i) The missiles fell short of the target, had lower than the required velocity, and there was malfunctioning of critical units.
- (ii) The missile systems were to be installed at six designated sites (in northeast), between 2013 and 2015. But till date, none of the missile systems have been installed.
- (iii) Out of 80 missiles received up to November 2014, 20 missiles were test fired during April-November 2014. Six of these missiles, which is 30%, failed the test.
- (iv) Two of the missiles failed to even take off. These deficiencies pose an operational risk during hostilities.
- (v) The lifespan of some missiles had expired by March 2017.
- (vi) The missiles were bought at a high cost but would stay usable for a less period than their stipulated life.
- (vii) Delay in civil works at the sites pushed the installation of the missile systems behind schedule.
- (viii) The CAG was also not ready to accept Indian Air Force's argument that the delay in commissioning of missile system was not attributable to non-availability of infrastructure.

The report is a body blow to the missile system and comes after the Army earlier this year showed interest in going for the Israeli quick-reaction surface-to-air missiles (QR-SAMs) to take on enemy fighters, helicopters and drones instead of Akash.

**96 Deals Signed with Domestic Defence Firms in 3 Years: Government.** In response to a question, minister of state for defence Subhash Bhamre said on Jul 29, 2017, that 96 contracts involving Rs 85,733 crore have been signed with Indian vendors for capital procurement of defence equipment for the armed forces in the last three financial years. He added that 58 contracts worth Rs 12,1563 crore have been signed with foreign vendors for acquisition of defence equipment in the same period. Bhamre said foreign direct investment policy in defence sector has been gradually liberalised in the last two years to encourage defence indigenisation. He said that the defence sector needs

significant capital investment and infusion of technology for which foreign investment can play a critical role.

He added that, "FDI in the sector could be the most trusted route to technology transfer which would help in increasing the defence production base and providing the much needed impetus to self-reliance and indigenisation in defence sector."

## **AFGHANISTAN**

Brig Deepak Malhotra

**Afghan forces capture Taywara district from Taliban.** Afghan forces recapture Ghor's Taywara district after clashes that left 59 Taliban fighters dead and dozens injured. [Taliban](#) fighters had overrun two district centres in northern and central [Afghanistan](#), as Afghan forces fight to contain a growing rebellion across the country. Ghor's Taywara district fell to the Taliban after several days of clashes with Afghan security forces. The central province of Ghor shares borders with two insecure provinces, Farah in the northwest and Helmand in the south, both of which are known as strongholds for Taliban fighters. Another district in northwest Faryab province also fell to the Taliban.

**Comments.** There has been a surge in fighting in several northern and southern Afghan provinces in recent days, including in Helmand in the south where 16 Afghan police officers were killed by a US air raid. The attack, the latest setback in Washington's efforts to pacify the country, hit a compound in Gereshk district, large parts of which are under Taliban control. The [United States](#) is actively considering sending more troops to Afghanistan and US commanders there have requested thousands of extra soldiers on the ground. The US contingent now numbers about 8,400, and there are another 5,000 from [NATO](#) allies, a far cry from the US presence of more than 100,000 six years ago. They mainly serve as trainers and advisers.

## **NEPAL**

Col Harpreet Singh

**Nepal Launches Chinese Language Classes.** Nepal and China have launched a programme to offer free training to up to 200 tourism entrepreneurs in Mandarin to attract more foreign visitors from China. Chinese ambassador to Nepal, Yu Hong inaugurated a new batch of tourism entrepreneurs who will be trained in the Chinese language in Kathmandu. A group of 40 people, consisting of tour operators and tourism entrepreneurs, will be trained during the six-month programme.

The classes being run at the initiative of the Chinese embassy will not only help to promote Chinese tourists in Nepal, but it will also strengthen people-to-people relations between Nepal and China, Yu said. More than one billion Chinese tourists visited foreign countries between 2013-2016 and Nepal can tap the opportunity by training its tour operators in Chinese language, she said. Nepal could generate USD 22 billion every year if the country can attract one million Chinese tourists, she added. The classes will be provided at free of cost.

Nepal currently attracts 125,000 Chinese tourists annually and the number has been increasing steadily. Nepal is the third-largest country after India and Sri Lanka to receive Chinese tourists.

**Comments.** The effort to increase Chinese tourism to Nepal is another step in the gradual increase in Chinese influence over Nepal. India also must take steps to send adequate tourists to Nepal – offering LTC to government employees to travel to Nepal and other SAARC countries may be one step in this direction.

## **RUSSIA**

Col Harpreet Singh

**US Sanctions on Russia.** The US Senate has approved further sanctions against Russia, Iran and North Korea, and now the bipartisan bill goes to President Donald Trump's desk, where it may be vetoed or signed into law. All three countries were accused of violating "the international order". The vote was 98 to 2. Leadership in the House and Senate agreed on the details of the sanctions bill, following the near unanimous vote in the House earlier, 419 to 3.

The bill tightens existing sanctions around the ongoing situation in Ukraine and imposes new measures including some in response to alleged hacking during the 2016 election and others that target key Russian industries such as the railways, shipping, metals and mining. It would also bring in restrictions on companies doing business with the Russian oil industry. The sanctions target Russian gas and pipeline developments by codifying six of former President Barack Obama's executive orders implementing sanctions on Russia. The legislation would impose mandatory sanctions on transactions with the Russian defence and intelligence sectors, including the FSB and the GRU, the Russian military intelligence agency that was primarily responsible for Russia's attack on US election. It would impose mandatory visa bans and asset freezes on any individual that undermines the cyber security of public or private infrastructure and democratic institutions.

Russia immediately threatened to retaliate against new sanctions passed by the US House of Representatives, saying they made it all but impossible to achieve the Trump administration's goal of improved relations. The measures push US-Russia ties into uncharted territory and "don't leave room for the normalisation of relations" in the foreseeable future, Russian Deputy Foreign Minister Sergei Ryabkov said. Then on 29 July the Russians informed the US to reduce their diplomatic staff in Russia to 455, exactly the same strength as Russian staff in the US.

**Comments.** Members of the US Congress want to turn existing sanctions, and some new ones, into law. Both houses have Republican majorities. The new sanctions are a clear attempt by Congress to tie the hands of President Trump, who publicly said he wanted to improve relations with Russia. President Trump will either sign it into law or reject it with use of a veto. With enough votes, Congress could use its own veto to counter the president so it is pretty much a fait accompli for Trump. When the sanctions become a law, it means getting rid of sanctions will become much harder, and the power to reverse the sanctions effectively moves from the hands of the president to Congress. Previously, the sanctions were introduced as executive orders, which any president has the power to remove instantly. Under the proposed law, Congress must approve any request from the president to ease the financial penalties detailed in the bill. In order to waive individual sanctions, a president would need to submit a report to Congress outlining why it is in the national interest to take that action.

The White House has indicated that it supports the sanctions legislation. A presidential veto would provoke "a major outcry" among politicians in Washington.

What about US-Russia relations? The signal from US is that tough sanctions on Russia will stay until the situation in Ukraine was "fully resolved". Without a clear end in sight, that could mean a long time. Russia has so far given the president the benefit of the doubt when it comes to Mr Trump's promise to forge better relations between Washington and Moscow. However, these new sanctions may "test their faith" because they are in fact harsher than the sanctions under President Obama. We will probably see expulsions of some US diplomats from Moscow shortly as threatened by Russia.

Some European countries are also unhappy with the planned sanctions. The law signals a departure from a joint EU-US approach to Russian sanctions. And some European countries have economic concerns because the new law could penalise European companies that invest in big Russian infrastructure projects such as the new Nord Stream II pipeline to transport gas between Russia and Germany. The German Foreign Minister, Sigmar Gabriel, and Austrian Chancellor Christian Kern said this part of the new sanctions programme would add a new negative dimension to US-European relations and Europe's energy supplies were "a matter for Europe, not for the United States". The EU is contemplating taking up the issue at the next WTO conference.

**Putin Signs Deal Allowing Russian Air Force to Stay in Syria for Almost Half a Century.** Russian President Vladimir Putin has endorsed a bill ratifying a protocol to the 2015 agreement between Moscow and Damascus regulating the deployment of the Russian Air Force in Syria for 49 years. The protocol signed by Russia and Syria in January 2017 regulates issues related to the deployment of the Russian Air Force on Syrian territory as well as related to Russia's exercise of jurisdiction over its military movable and immovable assets on Syrian territory. It also covers the measures needed to maintain the operation efficiency of the Russia Air Force.

Under the protocol, the Russian Air Force are allowed to stay on Syrian territory for 49 years with an option of automatically extending that arrangement for 25-year periods after this term expires. The document, published on the Russian official legal information website, particularly says that the Syrian government is handing over a plot of land in the Latakia province, where the Khmeimim Air Base is located, over to Russia for its free use. It was adopted by the Russian State Duma, the Lower House of the Russian Parliament, on July 14 and approved by the Senate five days later.

**Comments.** The Russian Air Force was deployed to Syria on September 30, 2015 at the request of the Syrian government as part of the operation aimed at fighting terrorist groups. The group was stationed at the Khmeimim Air Base. At that time, Russia said it would keep a military presence at the port of Tartus and at the Khmeimim airbase to monitor the situation in the region and observe the implementation of ceasefire agreements. However, Russia now has a significant, direct military intervention in Syria including a joint air-ground expeditionary force in Latakia and Tartus provinces along the northwestern coast, far surpassing the scope of its longstanding advisory and arms-supply role.

Moreover, with the Russian Air Force being stationed in Syria almost permanently, the Russian presence becomes established and it will be increasingly difficult to remove. As in Crimea and Ukraine, the United States -- much less any other country -- seems unlikely to challenge Russian forces militarily. More broadly, Russia appears committed to exercising its influence in the Middle East, and Syria provided an opportunity which it grabbed with both hands.

Like Hezbollah's open entry into the war in 2013, the treaty is a potential military game-changer, bolstering the Syrian regime's staying power, and restricting the ability of Israeli and U.S. air forces to operate there. Moscow seems willing to take some risk to pursue its goal of regime survival and to score one on Washington. And as long as the Kremlin continues to support him, the idea that Assad will leave power recedes even more.

## **UNITED STATES**

Gp Capt GD Sharma, VSM (Retd)

**North Korean Recent.** ICBM launch and its Implications. North Korean recent missile launch (Hwasong-14) is claimed to be of the ICBM category. It climbed to the height of 2300 miles in its flight of 47 min. After the launch, North Korean leader Kim Jong-Un claimed that now entire United States is within its missile range. This is a cause great worry to whole world particularly, US and its allies. This claim is also corroborated by the independent analysts, who by interpolating the various factors believe that missile can now hit targets up to the distance of 10400km. With this, US mainland would fall with the North Korean missile strike range.

There was a usual reaction of condemnation of North Korea from across the world. While US in show of strength and to deter North Korea flew B1 Bomber in the general area around North Korea and even tested THAAD ballistic missile defense system at Alaska with successful intercept of a missile fired from Pacific ocean simulating as the target.

None of these are going to deter North Korea from pursuing his destructive path. US seems to have lost the clout of its military and economic power to alter North Koreans behavior. Economic sanctions have succeeded in getting Iran around to negotiations and abandoning its pursuit of the nuclear weapons but, this strategy is not going to succeed with North Korea. Firstly, because of its continued Chinese support which has continued its trade with North Korea despite UN sanctions. From all account, 95% of the North Korean trade is with china hence, China alone could exert influence on China but seemingly the Chinese have not acted. President Trump has therefore expressed his dismay at inadequate action by China to restrain North Korea.

Secondly, North Korean have an impoverished population who over the years have been denied even the basic amenities and hence, they do not look beyond the basics necessities of life. Despite the UN sanctions some countries including India continued to have food trade with North Korea on humanitarian grounds. Availability of food may have built their capacity to bear harsh economic sanctions.

US realizes this hence, had sought Chinese support. One is not sure whether China genuinely wants to restrain North Korea since, North Korea fits in Chinese strategic game plan to use its irrational behavior to prick United States, perpetuate and advance its hegemony and banish US influence from the region. President Trump has warned China of economic sanctions, for this alone would force China to exert its influence on North Korea and abandon its pursuit on nuclear weapons.

**Current State of US -Russia Relations and its Implication.** During the US election and thereafter, there have been reports of Russian meddling of the US elections. This interference was allegedly to help President trump's election to the high office. President Trump however denied any connection with it. But, even before conclusion of election, to ward off Russia from interfering in the US election process, former President Obama evicted diplomats and seized diplomatic compounds of two diplomats from United

States. After the elections, there has been talk of improvement in bilateral US- Russia relations. This had positive impact on most nations who had to deal with both. Acrimonious relations between them affected not only US and Russia but others too such as most European states and others which had bilateral trade with both nations. US congress however, is not convinced about benign role of Russia in US election and through an overwhelming vote has sought to impose US sanctions on Russia, North Korea and Iran.

As far as North Korea is concerned, all nations unanimously view it as an irrational state but, economic sanctions on Iran and Russia will adversely affect the bilateral trade as both Russia and Iran are energy giants. In fact, after the nuclear deal with Iran, many European nations had sought to invest in Iran. The fresh sanctions on Iran could affect their investments.

Sanctions on Russia would affect import of gas by most European states. Europe cooperated with united States against Russia , when it annexed Crimea from Ukraine but, now they are not willing to go along with united states as sanctions would hurt their energy sector as most European states are depended on import of natural gas from Russia and challenge Trumps claim of making 'America Great' and why should it not be making 'Europe Great'.