

ENVIRONMENT SCAN 16-31 DEC 2018

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

Brig RK Bhutani (Retd)

US – China Trade War : Progress. U.S. President Donald Trump said on Twitter that he had a "long and very good call" with Chinese President Xi Jinping and that a possible trade deal between the United States and China was progressing well. In response, Xi underlined the importance of working with the US "to advance China-US relations featuring coordination, cooperation and stability", state news agency Xinhua reported.

At the Buenos Aires summit the two countries agreed to suspend new trade tariffs for 90 days to allow for talks.

Lu Kang, the spokesperson for the country's foreign ministry, appeared to confirm President Trump's optimism. He said, "China stands ready to work with the US to implement the important consensus reached by President Xi Jinping and President Trump in Argentina, expand co-operation on the basis of mutual benefit, manage differences on the basis of mutual respect."

(<https://www.bbc.com/news/business-46714985>; and <https://timesofindia.indiatimes.com/world/china/xi-jinping-donald-trump-vow-cooperation-on-diplomatic-anniversary-report/articleshow/67332960.cms>)

China's Manufacturing Growth Fizzles Out. Factory activity in the country's manufacturing sector contracted in December for the first time in more than two years, highlighting the problems ahead.

Last week, China's Bureau of Statistics revealed that industrial profits fell 1.8% to 594.8 billion yuan (US\$86.33 billion) in November compared to the same period in 2017. This was the first decline since December 2015.

Manufacturing activity has declined, consumer spending has shrunk and new car sales have stalled. A cooling property market has also been squeezed by tighter credit restrictions. This has been a depressing fourth quarter for the world's second-largest economy despite the trade war truce achieved at Buenos Aires G20 Summit.

Comments. More pains in the Chinese economy are expected as the delayed shocks from multi-billion-dollar, tit-for-tat tariffs, which were rolled out in the summer, kick in. Yet one positive development will be the resumption of trade talks in January. The signs are encouraging after Trump tweeted at the weekend that he had a "long and very good call" with Xi, and that discussions were heading in the right direction. In an editorial, Global Times stressed that the prospects of a breakthrough to end the 10-month long conflict were "good." While Beijing has made all the right noises, Washington will want a detailed blueprint about its future trading relationship.

(<http://www.atimes.com/article/chinas-manufacturing-growth-fizzles-out/>)

China launches seven satellites. China successfully launched six atmospheric environment research satellites and a communication satellite on Saturday, state media reported. The six Yunhai-2 satellites will be used to study atmospheric environment, monitor space environment, prevent and reduce disasters.

<https://thebetterahmedabad.com/china-launches-seven-satellites>;and
<https://timesofindia.indiatimes.com/world/china/china-launches-seven-satellites/articleshow/67301684.cms>

NORTHEAST

Brig HS Cheema

Nepal India agree to sign much awaited Energy Banking Deal. Nepal and India have agreed to ink the much awaited 'energy banking' deal, which will ensure uninterrupted exchange of power between the two countries. The 13th meeting of the Power Exchange Committee (PEC) held in New Delhi, India on 26 Dec 18 has agreed to seal the Nepal-India energy banking deal. Nepal had long been demanding the energy banking deal with India in a bid to ensure that the country is able to export its surplus electricity to India, especially during monsoon and import power from the southern neighbour when necessary. The energy banking mechanism allows Nepal to export power to India amid surplus generation and import the same amount of power when necessary. Currently, NEA has been purchasing electricity from India on a need basis from Bihar, Uttar Pradesh and Uttarakhand under the 'purchase and pay' mechanism

<https://thehimalayantimes.com/business/nepal-india-agree-to-sign-much-awaitedenergy-banking-deal/>

Comments. This deal will prove crucial to enhance bilateral energy trade. It is very important for India to continue to get connected more with its neighbouring countries on issues of business, trade, Infrastructure and people to people connect so as to ensure its strategic space is secured and is not threatened by China. India may not be able to fund projects in big way as China could but if India continue to connect with people on equal and mutual trust and sincerely make an effort with good common intention to progress jointly these countries will continue to be with India due to fear of China's expansionist design.

PM Modi Inaugurates Asia's 2nd Longest Railroad Bridge in Northeast India. Prime Minister Narendra Modi inaugurated India's longest railroad bridge on 26 Dec18, located in in northeast India, near the country's border with China, as the government looks to boost its defences in the strategic area. In addition to being India's longest bridge, the new construction can bear the weight of India's heaviest battle tanks. Furthermore, it will also allow Indian Air Force (IAF) warplanes, including Russian-made Sukhoi, to take off and land. The 9.15 km-long bridge, situated over the Brahmaputra river in the Indian state of Assam, took around two decades to complete, costing \$800 million. The bridge will considerably reduce the journey time from Dibrugarh

to Arunachal Pradesh's capital, Itanagar, near the border with China. The bridge is of strategic importance as it will provide connectivity and aid the movement of Indian Army forces to Arunachal Pradesh, should such a swift deployment be deemed necessary.

The key details and significance of 9.15 km-long Bhupen Hazarika bridge are:

- The groundwork for the project begun in 2002, under the Atal Bihari Vajpayee government. Then, the project got approval in 2009 under the Congress-led UPA government, and construction began in 2011, under the Tarun Gogoi-led Congress government in Assam.
- The bridge is built at a cost of Rs 2,096 crores.
- It reduces the distance by 165 km, cutting travel time by seven to eight hours between Anjaw in eastern Arunachal Pradesh to Assam's Tinsukia or Dibrugarh, paving path for more opportunities for trade and economic development.
- The bridge also opens new road for the high-quality ginger grown by farmers of the region and will improve their economic condition.
- The bridge is an engineering marvel and is capable of withstanding the weight of a 60-tonne battle tank, which will also be a plus point for quick movement of military troops and artillery.
- It would also provide efficient road connectivity to the remote and backward areas which have poor road infrastructure and will give a major boost to overall economic development of the areas north of Brahmaputra in upper Assam and Arunachal Pradesh.
- As the bridge improves the road connectivity, it will also increase tourism now, as it will be easier for tourists.

<https://sputniknews.com/asia/201812261071003498-asias-2nd-longest-bridge-innaugrated>

Comments. The construction of this bridge has given a great impetus to armed forces to mobilise its troops as and when required. It has taken long time to construct this bridge and has overshot due to various reasons including continuous change of course by Brahmaputra River, spanning from 0.5 km in winters to 12 km during monsoons when it floods. The delay has not only caused cost escalation but affected defence preparedness due to delay in movement of material and resources further ahead on borders. There is a need to make concerned officials and politicians accountable for such delays, as also the other infrastructure projects which have defence implications must be closely monitored at highest level to ensure timelines are met.

PM declares Rs 4,500 crore assistance for Bhutan. The Bhutanese Prime Minister was on a three-day visit to India from 26 Dec to 29 Dec and this was his first visit abroad after assuming office. After talks with Bhutanese Prime Minister Dr Lotay Tshering on 27 Dec, Prime Minister Narendra Modi announced assistance of Rs 4,500 crore for Bhutan's 12th five-year plan. Mr Modi said the money would be utilised by Bhutan as per its requirements. India has also committed to fund Rs 400 crore to Bhutan under a transitional trade support facility over a period of five years to strengthen bilateral trade and economic linkages. Mr Modi and the Bhutanese PM also discussed

cooperation in hydropower after which Mr Modi said work on the Mangdechhu project would soon be completed. Mr Modi also praised the decision of Bhutan to launch “RuPay cards” and expressed confidence that it would boost people-to-people ties between the two countries. Mr Modi also said the Bhutanese PM had discussed the “Narrowing the Gap” vision for his country (Bhutan) and added that this was similar to the “SabkaSaathSabka Vikas” vision.

<http://www.asianage.com/india/all-india/291218/pm-declares-rs-4500-crore-assistance-for-bhutan.html>

Comments. Bhutan, few million people, is one of the closest neighbours of India. Bhutan has a very high strategic worth for India and this is the reason why China which has no diplomatic relations with Thimpu, wants to win it over. In 2017 there was a military standoff at Doklam between IA and PLA to pressurise Bhutan and India by China however, this incident has further cemented relations between India and Bhutan. Under the 11th Five Year Plan too, Bhutan had received earlier Rs 4500 crore although it had also received Rs 500 crore under its Economic Stimulus Plan. This is apart from other financial assistance offered from time to time to Bhutan by India, which is involved in several infrastructural and capacity building projects in the Himalayan nation. However, behind every Indian move towards Bhutan, there is one implicit strategy: Strengthen the bond of friendship with Thimpu. In keeping with the 2007 India-Bhutan Friendship Treaty, the two countries have agreed to cooperate closely with each other on issues of their national interests. Not only India is responsible for the protection of Bhutan from all kinds of external threat, it is also responsible to offer the tiny Himalayan country financial and other necessary humanitarian assistance. Trust and mutual understanding developed between the two countries over the years go further strengthened during Prime Minister Tshering’s visit. India also needs to create similar rebound with Nepal and cement its relations which is at moment needs special attention.

JAPAN, MALDIVES, SRI LANKA

Col Arvinder Singh

Japan and China consider holding high-level economic dialogue in spring¹ The Japanese and Chinese governments are considering holding a high-level economic dialogue, in the spring, in China to discuss trade and investment issues. Through the ministerial talks, they would aim to improve ties based on a “new era” of relations that they agreed to establish during a meeting in Beijing in October between Prime Minister Shinzo Abe and President Xi Jinping. It would be the fifth such dialogue, with the last one having taken place in Tokyo in April. The two countries will also discuss cooperation on advanced technologies. Other agenda items would include cooperation on infrastructure development in various countries while taking into account their fiscal health.

¹<https://www.japantimes.co.jp>

Comments China is hoping to promote ties with Japan amid its own trade friction with the United States. Tokyo and Beijing are expected to discuss ways to promote free trade and maintain the multilateral trading system amid U.S. President Donald Trump's "America First" policies. Japan could potentially ask China to correct unfair trade practices such as subsidies for state-owned companies and violations of intellectual property rights.

India, Maldives look to put ties back on track²Maldives President Solih's recent visit to India, his first foreign tour after assuming power, was aimed at giving a new lease of life to bilateral ties, which had nosedived during the reign of his China-backed predecessor, Abdulla Yameen. The development augurs well for the stalled India-funded projects in the tropical nation. Through this visit, he wanted to give the message that India and the Maldives are close neighbors and partners and what happened during Yameen's reign was just an aberration. The new government is facing a financial crisis. A key objective of the visit was to seek help from India so that the new government stabilizes. Chinese infrastructure projects at inflated costs has left the Maldives in huge debt. The total Maldivian debt is about \$3.7 billion, which is about 53% of the GDP. Of this, the Maldives owes \$1.4 billion to China. India has given Maldives a package of \$1.4 billion, out of which \$200 million is the grant for budgetary support. The rest is concessionary loan. Though defense cooperation was not a priority during the visit of President Solih, his government has agreed to follow an 'India first' policy which was given up by Yameen.

Comments India and the Maldives have tried to mend their ties during Solih's recent visit, but it would be hasty to conclude that Chinese influence would start waning immediately. The Solih government has already stated that China remains a friend, and one that has brought the Maldives economic benefit. It is possible that once the Solih government stabilizes, it might again start leveraging both India and China against one another to get the best deal for itself. Countries such as the UK and Japan have opened their embassies in Male, realizing the geo-strategic importance of the Maldives. The interest of so many external players in the Maldives will ensure that India would have to spend considerable time, energy and resources to maintain its sphere of influence.

Ranil Wickremesinghe: Sri Lanka reinstates ousted prime minister³Sri Lanka's ousted Prime Minister Wickremesinghe has been sworn into office again, two months after being removed by the president. His surprise sacking by President Maithripala Sirisena plunged Sri Lanka into a political crisis. Wickremesinghe was replaced by a former president Rajapaksa. But Rajapaksa was unable to command a parliamentary majority and had to resign. Sri Lanka's Supreme Court ruled that President Sirisena

²<https://www.tribuneindia.com>

³<https://www.bbc.com>

had acted illegally in November by dissolving parliament and calling snap polls. Sri Lanka had faced a government shutdown as the power struggle took hold, with parliament failing to approve a budget for 2019. Indicating that the two leaders are still at loggerheads, President Sirisena named a 30-member Cabinet on 20 December, while ignoring some of Prime Minister Wickremesinghe's nominees, and retained control over the country's security forces and the Police. The UNP had forwarded a list of 36 Ministers to the President, but President reduced the size of the Cabinet to 30, including himself and the Prime minister. President Sirisena and the Constitutional Council (CC) are also on a collision course over the appointment of judges to the SC and the Court of Appeal. The President has refrained from appointing two judges Justice despite CC recommendations.

Comments Resolution of the political impasse in Sri Lanka is a welcome indication of the resilience of Sri Lanka's judicial and democratic institutions, and of effective checks and balances between State powers. However, the President's decision to keep the Law and Order Ministry has been disputed by many, who argue that the President was only constitutionally allowed to be the Defense Minister, in addition to retaining the subject of Environment. Moreover, the conflict over Cabinet appointments indicates that Sirisena and Wickremesinghe were still at loggerheads, and the country's political crisis is far from over.

TELECOM & IT

Brig Navjot Singh Bedi

Data Protection Bill 2018: Restriction on Transfer of Sensitive Personal Data Abroad. The draft Data Protection Bill follows a detailed report submitted to the government by a committee headed by Justice BN Sri Krishna in July 2018. The government hopes to introduce the Bill in the Parliament at the earliest. The report notes that the right to privacy is a fundamental right. Unless a person has given his explicit consent, his personal data cannot be shared or processed. While the Bill does not bar cross-border transfer of 'personal data', it mandates that companies maintain a mirror copy of the information within India and importantly, also seek 'consent' of the individual who generates the data.

The Bill however prohibits cross-border movement of 'Sensitive Personal Data'/ information such as passwords, financial and health data, caste, religious and political beliefs, sexual status and orientation. It seeks the formation of a Data Protection Authority to handle the gamut of issues related to the handling of person personal information; dealing with companies handling and processing data; and ensuring adherence to rules and regulations that would be notified. The draft bill also states that any person processing your personal data is obligated to do so in a fair and reasonable manner ie your data should be processed only for the purposes it was intended for in the first place. Violations – including unauthorized processing of personal data -- run

the risk of severe financial censure, with the maximum penalty pegged at Rs 15 crore or four per cent of a company's total worldwide turnover (whichever is higher).

Comments. Recently, the EU had enacted the General Data Protection Regulation (GDPR) which establishes the right to privacy as one of the fundamental rights. It requires explicit consent from consumers for usage of their data. The Personal Data Protection Bill 2018 in India follows the implementation of the GDPR and has also taken cues from the legal frameworks in other countries. Personal data means any information –‘an individual's particular characteristic, trait, attribute or feature’ –which may lead to identification of the person. The proposed Data Protection Bill 2018 essentially makes individual consent central to data sharing. This also means that the onus lies on the individual to make an informed choice before giving consent. One must go through the fine print before giving consent for using your personal data. The bill's recommendation, especially the one that bars transfer of sensitive personal data, is likely to create discomfort for global internet companies, many of which termed such restrictions as ‘anti-internet’ and ‘impractical’. Companies have often argued that they should have the right to store the data in servers across the globe, adding that any law mandating local storage increases their cost, while being detrimental to their overall business interests.

(<https://timesofindia.indiatimes.com/business/india-business/data-bill-moots-ban-on-transfer-of-sensitive-personal-info-abroad/articleshow/67222770&https://www.thehindubusinessline.com/opinion/columns/slate/all-you-wanted-to-know-about/article24617362.ece>)

Request for 5G Spectrum to be Made Affordable. In August 2018, the TRAI recommended 3300-3600 Mhz band be used for 5G services and set the starting price at Rs 492 crore per unit to be sold in block sizes of 20 MHz in the next auction. Bharti Airtel CEO for India & South Asia had said the TRAI's suggested 5G base price was 10 times higher than those in Spain and Korea, which were digitally far ahead of India. Vodafone Idea CTO said that the government needs to make spectrum affordable across various bands for the 5G technology to enable Telcos in the country to adopt it and fulfil needs of enterprises and retail customers. He also said that the Indian government should ensure that the band 41 or 2600 Mhz band is supported for 5G in the future. There will be a variety of use cases where 5G can be useful, and one of them is mm-wave spectrum.

Comments. Telcos need to take steps to upgrade their network to 4.9G using technologies like Massive MIMO and Cloudification of core networks. Telcos must continue to invest in their architecture to guarantee low latency and therefore better customer experience. The latency of a mobile broadband network is a measure of the delay experienced when a customer's computer tries to access an internet server. If a telco runs a low-latency network, internet speeds will be greater. While everyone talks about bandwidth or speed, at a certain point, speed doesn't matter. Higher capacity doesn't equal to the experience, but having the lowest latency has a big impact on the experience.

(<https://telecom.economictimes.indiatimes.com/news/5g-spectrum-needs-to-be-made-affordable-for-effective-use-by-telcos-vodafone-idea-cto/66621177>)

MediaTek Eyes 5G Alliances with Telecom Carriers in India, China and US.

Taiwanese chipset company MediaTek is optimistic about opportunities in the Indian market with growing business over the last few quarters and believes that 4G-enabled feature phone is an important segment. In 2019 the company plans to bring 5G solutions and forge partnerships with Telco's worldwide. All the major smart phone brands in India are running on Mediatek's latest Helio processors like P60, P22 for their new commercial devices. Indian homegrown vendors like Micromax and Lava are increasing their investment in low-cost R&D in India. Lava will be launching the commercial device feature smart phone in India which is completely developed by the Indian team of MediaTek.

Comments. India is moving towards 4G enabled feature phones. For feature phones, the price should be competitive. The Helio P70 processor reportedly brings AI capabilities. Mediatek has a dedicated prototype for IOT applications. The world is moving towards 5G and the global timeline is 2020 and India is also mostly on track to launch maybe one or two years later. MediaTek as a chipset company is gearing to embrace 5G technology and has signed 5G projects and their 5G solutions could be ready in 2019. The government has already set- up to a test bed for 5G and is even they are allocating free spectrum to operators to showcase its specific use cases. 5G is an opportunity for mobile phones and other applications because 5G will be everywhere and will be shared in everyday people's lives. For example, with a very short latency on 5G, the applications on automobiles become possible.

(<https://telecom.economicstimes.indiatimes.com/news/mediatek-eyes-5g-alliances-with-telecom-carriers-in-india-china-us/66617393>)

ASEAN

Col Shyamji Yadav

Indonesia's latest tsunami raises global questions over disaster preparedness. The eruption of Mount Anak Krakatau which triggered a deadly tsunami on Dec 22 has stopped.

A section of the volcano's slope collapsed after the Dec 22 eruption and slid into the sea, displacing massive amounts of water and generating giant waves of up to 5m high that inundated the coastlines of Java and Sumatra.

As of last Saturday, 431 people have been killed along the coastlines of the Sunda Strai while more than 7,000 others were injured and another 15 are still missing. It was the third major natural disaster to hit Indonesia this year following earthquakes in Sulawesi and Lombok.

No sirens were heard in those towns and beaches to alert people before the deadly series of waves hit shore. Some experts believe there was enough time for at least a partial detection of last week's tsunami in the 24 minutes it took waves to hit land after the landslide on Anak Krakatau.

But a country-wide tsunami warning system of buoys connected to seabed sensors has been out of order since 2012 due to vandalism, neglect and a lack of public funds, authorities say.

"The lack of an early warning system is why Saturday's tsunami was not detected," said disaster agency spokesman Sutopo Nugroho, adding that of 1,000 tsunami sirens needed across Indonesia, only 56 are in place.

Comments. Most tsunamis on record have been triggered by earthquakes. But this time it was an eruption of Anak Krakatau volcano that caused its crater to partially collapse into the sea at high tide, sending waves up to 5m high smashing into densely populated coastal areas on Java and Sumatra islands.

The eruption didn't rattle seismic monitors significantly, and the absence of seismic signals normally associated with tsunamis led Indonesia's geophysics agency (BMKG) initially to tweet there was no tsunami. Muhamad Sadly, head of geophysics at BMKG, later told Reuters its tidal monitors were not set up to trigger tsunami warnings from non-seismic events.

Indonesia has demonstrated to the rest of the world the huge variety of sources that have the potential to cause tsunamis. More research is needed to understand those less-expected events and authorities around the globe need to work on how they can prepare for the kind of freak tsunami that battered coasts west of Jakarta this month.

Given the potential for disasters it's time to have disaster education be part of the national curriculum.

KRA-Thai Canal: Will King Rama X Change Maritime History?

With elections in February 2019 and the new monarch Maha Vajiralongkorn's coronation soon after, has this 341-year-old idea's time finally come? Will King Rama X choose the Thai-Kra Canal to be his legacy project? It's an answer that can change not only global maritime routes but also world history.

Pushed by his country's powerful military junta, Prime Minister of Thailand Prayut Chan-o-cha has ordered the country's National Security Council to begin examining the feasibility of proposals to build a 120-kilometre mega canal that would slash 1,200 kilometers off the route Chinese warships now take to reach South Asian ports — dramatically enhancing the superpower's ability to project power in future Indian Ocean wars.

Comments. Canal opponents have raised several objections to the construction of a canal: 1) A canal will divide the country physically and pose a security risk. It is feared that a canal would separate the four southern-most provinces from the rest of Thailand and allow secessionist movements to further develop; 2) Demand for transit will not

meet expectations; 3) The excavated soil will need to be dealt with; and 4) Environmental concerns.

The Strait of Malacca, just under 1,000 kilometers long, is narrow, less than 2.5 kilometers at the narrowest and just 25 meters (82 ft) deep at its shallowest point. It is used by oil tankers, bulk carriers and container ships. It is estimated that some 80 percent of China and South Korea's oil and natural gas supplies pass through it. The strait, the world's busiest shipping route, saw a record 84,000 vessels sail through it in 2016. Its yearly capacity is 120,000 vessels. The Maritime Institute of Malaysia forecasts that by 2025, about 140,000 vessels and freighters will seek to transit the strait. A canal would reduce shipping time between the South China Sea and the Andaman Sea by two to six days and reduce distance travelled by at least 1,200 kilometers compared with the strait. The Thai Canal would link China, Japan, and other East Asian nations with the oil fields of the Middle East and markets in Europe, Africa, and India.

Moreover, the shallowness of the Malacca Straits presents a problem for the oil supertankers, which need a draft of 21.2 meters. The strait's shallowness reduces the sea lane to only 4 kilometers in width, making passing ships vulnerable to maritime accidents, piracy and terrorism by religious fanatics. Another serious concern is the environmental impact from oil leaks from supertankers.

Given the near saturation of the Malacca Strait as well as potential security and environmental risks, it is therefore unavoidable that a viable alternative shipping route has to be found sooner than later. The Thai Canal would offer the shortest link between the Indian and the Pacific Oceans compared to other routes. It would reduce the travel time by about 700 km and two to six days depending on the route, substantially reducing the shipping cost.

From China's point of view, the Kra Canal offers a means to secure its expanding demand for West Asia's hydrocarbons against overcrowding in the Strait of Malacca. The Kra Canal would offer an alternative to a route surrounded by US allies, and thus, would be vulnerable to a blockade in the event of a geopolitical crisis.

The geopolitics of the Kra Canal is one reason why Thailand remains divided on moving forward on China's proposal. Some in Thailand's strategic establishment fear that Chinese investment in the project will, inexorably, erode the country's sovereignty — a fear founded on the experience of Egypt and Panama, where the canals led to decades of foreign control.

Thai critics of the project also believe it will devastate tourism earnings from resort towns along the Andaman Sea.

Kra canal is part of China's grand design in the waters that surround India. It is gaining access or acquiring ports or building bases—Hambantota, Gwadar and the base in Djibouti — and has signed an agreement to develop the Kyaukphyu port in Myanmar's troubled Rakhine state. All this is impacting on Indian interests and so will the canal as it will boost Chinese naval power in the Indian ocean.

<https://www.straitstimes.com>

<https://www.asiasentinel.com/econ-business/thailand-kra-canal-economic-geopolitical-implications/>

<https://thediplomat.com/2018/04/thailands-kra-canal-chinas-way-around-the-malacca-strait/>

<https://www.firstpost.com/world/thailands-move-on-kra-canal-alarms-new-delhi-as-route-will-boost-chinese-naval-power-in-indian-ocean-5507121.html>

SCO Cooperation and progress

Visa Free Travel in Central Asia. Central Asia remained a relatively peaceful region during the year 2018. Facilitated by the participation in various international groupings such as SCO, CSTO, EEU, BRI and the like mutual interaction and trust among the Central Asian Republics (CARs) remained on the increase. GDP growth also remained satisfactory and upward during this period. The scourge of terrorism stayed away and significant radicalisation of the youths was also not reported. The change in regime in Uzbekistan has added to an upswing in the bonhomie especially between Uzbekistan and Kazakhstan. The desire for enhancement in people to people contacts and mutual cooperation is manifesting into efforts for a visa free travel among the CARs⁴.

As part of ongoing efforts Kazakhstan and Uzbekistan have agreed to launch a Silk Visa in early 2019. The Schengen like Silk Visa, which aims to break down barriers, bring people closer together and boost the economy and tourism in the region, is expected to be officially launched in February 2019. Tajikistan and Uzbekistan earlier last year abolished their strict visa regimes, which will contribute to a unified visa scheme in the region. Reportedly, plans are afoot to bring Azerbaijan and Turkey into the Silk Visa as well in order to enlarge the area. Uzbekistan has also ordered the introduction of a 30-day visa-free regime for citizens of seven countries – Turkey, Japan, Israel, Indonesia, South Korea, Malaysia, Singapore – and relaxation of registration rules for citizens of 39 others countries.

With the operationalisation of the Chabahar port, India's connectivity to the Central Asian region and Afghanistan is likely to increase. The liberalised visa regime is likely to facilitate India's objectives in the region too. The year 2019 is likely to see continuance of the trends in stability and growth in the region. The Republics are required to adopt a cautious approach for checking spread of radicalisation in the times to come.

Daily Sabah, Asia Pacific dated 21 December 2018;
<https://www.dailysabah.com/asia/2018/12/22/central-asia-to-launch-schengen-like-silk-visa>.



Gp Capt GD Sharma, VSM (Retd)

US Isolationist Approach and its Implications. President Trump insistence for a wall along US Mexican border, trade war with China and others, decision to withdraw forces from Syria and Afghanistan are all linked to his pre-election campaign promises. He does not want US forces committed in other countries which do not concern the nation. While Presidents' view is criticised by his political opponents is not after all not be against the American interests hence, it garners public support on his main theme of making 'America great'. Trump could thus get him second term despite his strange behaviour.

The trade war is essentially targeted against the Chinese. Against the common perception that US economy will take the hit in the trade war, the contrary has happened. Chinese have suffered largely from the trade war and are looking for truce with America. The trade war has somewhat checked Chinese unethical trade practices. Chinese even have passed a law recently directing the local businesses against forcing the foreign entities to transfer of technology. That looks after the Trump IPR issue with the Chinese. In fact, he has created an anti china mood in US which probably will persist even without the presence of President Trump.

On economic front with Trump on the helm, the US economy is on the rise, the unemployment is at the lowest. On the Foreign policy front, he has succeeded in getting Kim-un-Jong on the table though substantial movement on this front is still eluding him but, hope for settlement remains.

Some strategists believe that American action against china is as per a game plan to force out the Chinese from the high technology race. China aims to dominate the 21st century. In Its 2025 Vision, China aims to lead in the cutting edge technologies — robotics, artificial intelligence, space, energy. This was not taken seriously but now it is clear that US will fight tooth and nail in allowing China surpassing in high technology race. US eventually will get Europe, Canada and others on its side who are equally critical of the Chinese trade practices which largely are in the Chinese favour.

As Far as India is concerned while we are US strategic partner with STA-1 status but, this has not discouraged Trump for acting against India too though in small measure. China sensing itself in trade trouble are somewhat patronizing India and has put up a counter to US by pushing for free trade area through RCEP. In this emerging cold war scenario, India should approach with caution. Aligning with Chinese will place India against US who are against our interest besides, India's trade deficit will grow further with RCEP.