

## **ENVIRONMENT SCAN: 16-31 JAN 2018**

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

Brig Rajeev Kumar Bhutani (Retd)

#### **Belt and Road Initiative.**

**Polar Silk Road.** The latest extension of President Xi Jinping's signature Belt and Road Initiative - China's ambitions to develop a "Polar Silk Road" of new Arctic shipping lanes opened up by global warming.

In 2017 a Russian tanker made the journey from Norway to South Korea without need of an icebreaker for the first time, because of climate change. Shipping through the Northern Sea Route would shave almost 20 days off the regular time using the traditional route through the Suez Canal.

China, despite being a non-Arctic state, is increasingly active in the polar region and became an observer member of the Arctic Council in 2013. Releasing its first official Arctic policy white paper, China said it would encourage enterprises to build infrastructure and conduct commercial trial voyages, paving the way for Arctic shipping routes. The white paper said China is also eyeing up development of oil, gas, mineral resources and other non-fossil energies - such as fishing and tourism - in the region. It said it would do so "jointly with Arctic States, while respecting traditions and cultures of the Arctic residents including the indigenous peoples and conserving natural environment".

**China-Pakistan Economic Corridor (CPEC)**. China said it is ready to discuss Indian concerns about the CPEC, which passes through areas claimed by India. The reaction comes soon after the Indian ambassador in Beijing, Gautam [Bambawale](#), told a Beijing-based newspaper that India has serious problems with [CPEC](#) which should be discussed and not be pushed "under the carpet".

"The CPEC passes through Indian-claimed territory and hence violates our territorial integrity. This is a major problem for us," Bambawale said in a hard-hitting interview. "We need to talk about it, not push it under the carpet. I believe the more we talk to each other, the easier it will become to resolve problems," he said

Foreign ministry spokeswoman Hua Chuying said the goal of CPEC was economic development of a backward area of Pakistan and it was not aimed at hurting India in any way. "CPEC is merely an economic cooperation project. It has not targeted any third party. We hope the Indian side can put this in perspective and we stand ready to strengthen cooperation with the Indian side," she said.

**Chinese-Built Highway in Uganda.** When a new Chinese-built highway between Uganda's capital and its international airport, opens in a few months time, the road itself is mired in controversy.

Uganda's first expressway should trim the two-hour trip between the capital and international airport to 30 minutes. Begun in 2012, construction should end in May, missing the initial target by a year. But it is the price, rather than the delays, that has alarmed Uganda's auditor general, John Muwanga.

In a 2015 report, he noted the new road's cost per lane per kilometer was double Ethiopia's six-lane Addis-Adama Expressway, a road built by the same company -- the China Communications Construction Co. Ltd -- with more features like underpasses and link roads. "The project costs could have been much lower if the contractor had been procured through competitive bidding," said the report.

**Xinjiang Autonomous Region.** More than 100,000 minority Uighur Muslims are reportedly being indefinitely detained in overcrowded "re-education" camps on China's western border.

According to Human Rights Watch, the detention centres - reminiscent of Mao-era *laogai* forced labour camps - are said to be holding around 120,000 Muslims in Kashgar, a prefecture in China's northwest Xinjiang province. The re-education camps became inundated with detainees around China's 19th Communist Party Congress last October. The inmates are deemed to have "extremist" or "politically incorrect" views, which can include excessive praying or accessing banned websites, reports.

China claims the institutions are merely schools for "extremism eradication" that teach Chinese language, and Chinese laws on Islam and political activity. Human Rights Watch claims the centres are a form of "brainwashing".

**China Calls on US to Drop 'Cold War Mentality'.** China is calling on the US to drop what it terms a "Cold War mentality and zero-sum ideology" following US President Donald Trump's describing Beijing as a rival in his State of the Union address. Trump in his address warned of the dangers from "rogue regimes," like Iran and North Korea, terrorist groups such as the Islamic State, and "rivals" like China and Russia that he said challenge US interests, its economy and value system.

Foreign ministry spokeswoman Hua Chuying says common interests outweigh differences between the sides and the US should view the relationship "correctly." China's \$275 billion trade surplus with the US has been a constant source of tension, alongside their growing rivalry for military supremacy in Asia and accusations of intellectual property theft.

**Praise for Modi's Foreign Policy by China's Think Tank.** India's foreign policy

has become vibrant and assertive under the Modi government with its risk-taking ability also on the rise, according to a top official of a prominent state-run Chinese think-tank.

[Rong Ying](#), Vice president of [China Institute of International Studies](#) (CIIS), a think-tank affiliated to Chinese Foreign Ministry, said over the past three years, India's diplomacy has been vibrant and assertive, and has formed a distinctive and unique "Modi Doctrine", a strategy for the rise of India as a great power in the new situation.

## **CHINA (MARITIME)**

Capt (IN) Ranjit Seth

**Navy Looking To Acquire More P8Is.** With more and more hostile submarines lurking in the Indian Ocean region, the Indian Navy is contemplating acquisition of more Boeing P-8I aircraft, which is a superior platform for surveillance and Anti-Submarine Warfare (ASW). The P-8I is often referred to as the “submarine killer”, and is one the most advanced system that the Navy has acquired in recent years.

**Philippines and China to hold second Bilateral Consultation Mechanism.** The Philippines and China are to meet for the second Bilateral Consultation Mechanism (BCM) in February 2018 — a mechanism to tackle issues on the South China Sea dispute. The first meeting of the Philippines-China BCM on the South China Sea was held in Guiyang, Guizhou Province in China last May 19, 2017.

Recently, the Philippines Defense Secretary had urged the Philippines foreign affairs department to file a diplomatic protest should they “see that the Chinese are militarizing the area very near our place.” This was in response to a report of state-run China Central Television (CCTV), which showed Fiery Cross Reef to have been “transformed into an airbase.” Fiery Cross Reef is very near Reed Bank, an area in the South China Sea situated within the Philippines’ exclusive economic zone.

A spokesman for the Philippines President said the ‘general thrust’ of the Philippines “is to rely on the principle of good faith”. The scope of this principle of good faith is in China’s commitment not to reclaim “new areas” or build “new artificial islands” in the strategic waters. So far, we believe there has not been any reason why we should doubt China’s good faith on the building, on its commitment to desist from making reclamation or from building new islands,” he said.

**China Tests Hypersonic Missiles That Could Target Aircraft Carriers.** In November, China tested what may become the world's first operational hypersonic weapon. While Chinese progress in this area surprises no one, the first operational deployment of the weapon will add another weapon to China's growing anti-access toolkit, posing a dilemma for US forces in the Pacific.

Over the past decade China has conducted several tests of potential hypersonic weapons. This new system, however, appears to be a prototype for a deployable capability. The first test of the DF-17 ballistic missile took place on November 1, 2017, and the second test on November 15. A hypersonic glide vehicle (HGV) detached from the missile during the re-entry phase and flew approximately 1,400 kilometres to a target. While hypersonic cruise missiles exist, the new Chinese HGV deploys from a ballistic missile, then glides to a target on a flight path much different (and much less predictable) than that of a traditional ballistic missile. The glide path is lower and slower than a normal ballistic-missile payload, although still generally higher and faster than a traditional cruise missile. The HGV may have manoeuvrable characteristics during its terminal phase, which would allow it to strike mobile targets such as aircraft carriers. In the initial launch phase, the HGV closely resembles a ballistic missile, which can complicate tense strategic situations in which the use of nuclear weapons may be in question.

HGVs travel at extremely high speeds, at relatively low altitudes and on difficult-to-predict trajectories. This makes it difficult for either antiballistic-missile defence systems or traditional surface-to-air missile systems to defeat the weapons on approach. HGVs could also directly attack missile-defence systems, making the entire defensive network more vulnerable to attack.

## **PAKISTAN**

Brig Deepak Malhotra

**US Targets Haqqani Network in Pakistan.** A mid-level Afghan commander of the Taliban-affiliated Haqqani Network was killed in a drone strike in Pakistan's tribal region. The pre-dawn strike took place well inside Pakistan territory, more than 50 kilometres from the Afghan border in Mamuzai village of Kurram tribal district. Pakistani government officials said it was carried out by a US drone. The US embassy in Islamabad declined to comment. Pakistan condemned the drone strikes in Kurram Agency, admonishing Washington for taking "unilateral actions... [that] are detrimental to the spirit of cooperation between the two countries in the fight against terrorism."

Comments. The US and Afghanistan have long accused Pakistan of ignoring or even collaborating with groups that attack Afghanistan from havens along the porous border between the two countries, a claim Islamabad denies. The Haqqanis -- whose head Sirajuddin Haqqani is a deputy chief of the Afghan Taliban -- have been described by US officials as a "veritable arm" of Pakistan's Inter-Services Intelligence (ISI) agency. This month Washington froze aid to Pakistan worth almost two billion dollars in a move designed to force its military and intelligence apparatus to cut support for Islamist groups. It also ignited speculation that the US could resume drone strikes or launch operations along Pakistan's border with Afghanistan, where terrorist groups once operated with impunity.

US Slaps Sanctions on Six Taliban, Haqqani Terrorists. The Trump administration slapped sanctions on six Taliban and the Haqqani network leaders and pressed Pakistan to work with the US to deny terrorists safe havens on its soil and aggressively target their fund-raising activities. The latest action by the US was taken against four Taliban leaders -- Abdul Samad Sani, Abdul Qadeer Basir, Abdul Baseer, Hafiz Mohammed Popalzai and Maulawi Nayatullah -- and two Haqqani leaders Faqir Muhammad and Gula Khan Hamidi.

Comments. All the six terrorists have been designated as global terrorists by the US Department of Treasury. As a result, all property and interests in property of these persons subject to US jurisdiction are blocked, and the US citizens are prohibited from engaging in transactions with them.

**Pakistan Turns to Russia and China After US Military Aid Freeze.** Pakistan is deepening its relationships with Russia and China as the fallout continues from the US decision to suspend \$2bn in military aid to Islamabad. Pakistan defence minister Khurram Dastgir Khan said his government was engaged in a "regional recalibration of Pakistan's foreign and security policy" that threatens to undermine the US war effort in Afghanistan. Mr Khan said Pakistan would look to Russia and China — as well as Europe — for new military supplies, as the US had "chosen castigation over co-operation".

**Comments.** The row has become one of the biggest rifts in the 70-year alliance between the US and Pakistan, with Islamabad warning it would buy weapons from other countries. Islamabad has already stopped sharing key parts of the intelligence it gathers from close to Afghanistan with the US. Meanwhile, Pakistan's burgeoning relationship with Beijing is also causing concern in Washington.

**Pak Extends Munabao-Khokhrapar Rail Link for Three Years.** [Pakistan](#) has extended for another three years an agreement with India on linking the two countries through [Munabao-Khokhrapar rail](#) line, amidst tension across the [Line of Control](#). The Government of Pakistan has agreed to extend the agreement of the rail

link between Munabao (India)- Khokhrapar (Pakistan) for another three years from February 1, 2018 to January 31, 2021.

**Comments.** The agreement was signed in 2006 and the rail link facilitates people-to-people contacts. The Khokhrapar-Munabao train service connects Pakistan's southern Sindh province and Rajasthan. The decision to extend the rail link was taken despite recent skirmishes along the Line of Control in which several people have been killed on both the sides.

Pakistan to Seize Control of Hafiz Saeed-Run Charities. Retracting from his earlier statement that no action can be taken against Mumbai attacks mastermind Hafiz Saeed since no case was registered against him in Pakistan, Prime Minister ShahidKhaqan Abbasi has now said that his government will push ahead with its plans to seize control of charities run by the Lashkar-e-Tayyaba (LeT) chief. Abbasi's assurance to act against Saeed-run entities comes ahead of a planned two-day visit of the United Nations Security Council's sanctions-monitoring team to Pakistan to assess the country's compliance with the world body's sanctions regime. US State Department spokesperson, Heather Nauert had said that Washington had clearly conveyed its concerns on Saeed to Islamabad and called for his prosecution "to the fullest extent of the law". She had recalled that Saeed's name was on the UN list of designated terrorists.

Comments. The timing of UNSC special team's visit is coupled with increased pressure on Pakistan from the US and India, accusing it of inadequate implementation of the sanctions on Saeed and the militant outfits linked to him. Saeed, who has a \$10 million bounty on him by the US state department since 2012 for his role in acts of terror, was set free last year on November 24 after the Lahore High Court directed Pakistan government to end his 300-day home detention. The US has labelled his charities, JuD and FIF as "terrorist fronts" of LeT. The terms of reference of the visit of UNSC monitoring team have not been made public, but, according to sources, they will check upon the progress made on sanctions placed on JuD, LeT, FIF and other proscribed organizations. There are 27 organizations and 35 individuals on the UNSC's sanctions list that operate from Pakistan. The prominent outfits on the list include LeT, JuD, FIF, Lashkar-e-Jhangvi (LeJ), al-Qaeda and Tehreek-e-Taliban Pakistan (TTP). Among individuals, Saeed tops the list. On January 1, the Pakistani government had banned companies and individuals from making donations to JuD, FIF, and other outfits included on the UNSC sanctions list. JuD chief Hafiz Saeed filed a petition in the Lahore high court seeking protection from arrest ahead of the arrival of the UNSC's sanctions monitoring team, saying the government wants to arrest him at the behest of India and the US.



## AFGHANISTAN

Brig Deepak Malhotra

**UNSC Team Visits Kabul in Solidarity Move.** Representatives of the United Nations Security Council (UNSC), including US ambassador Nikki Haley, held talks with Afghanistan's top leaders during a three-day visit to the war-torn country. The 15-member council talks focused on political, security, socio-economic and human rights issues in Afghanistan. It was the first visit by the full council since 2010. "The visit was an opportunity to reiterate the Security Council's support" for the efforts by the Afghan government and the people "to restore peace, stability and progress to the country" and to get a first-hand account of that process, the UNAMA said.

**Comments.** There have been a series of recent high-profile visits to Afghanistan, including by US Vice President Mike Pence last month, as Afghan police and troops struggle to beat back the resurgent Taliban and IS militants expand their foothold.

**Kabul Blast Kills More Than 100.** The death toll from a powerful suicide attack claimed by the Taliban in Kabul has risen to at least 103 people. The assault, carried out by a bomber driving an explosives-laden ambulance, was the worst attack in the Afghan capital since May 31, 2017, in which at least 150 people were killed. No group claimed responsibility for that blast. Saturday's attacker was able to race through a security checkpoint by saying he was transferring a patient to a hospital. A Taliban-claimed attack on the Inter-Continental Hotel in the city, which left more than 20 dead, was carried out a week earlier. On January 24, the Islamic State of Iraq and the Levant (ISIL, also known as ISIS) killed at least three people at the office of Save the Children in Jalalabad.

**Comments.** The Taliban claimed responsibility for Saturday's assault, the third major attack in the past seven days, saying its target was government officials. Kabul residents took to social media to express their anger and sorrow at the worsening security situation as the Taliban and ISIL step up attacks. The attack could be in response to the government's recent efforts to pound the Taliban in remote areas, in addition to recent US sanctions on its members.

**Afghan War: Pentagon Blocks Release of Key Facts.** The Pentagon has restricted the release of critical information on the challenges faced in the war in Afghanistan, a move that will limit transparency. For years, the Special Inspector General for Afghanistan Reconstruction, or SIGAR, has published a quarterly report that includes unclassified data on the amount of territory controlled or influenced by the Taliban and the government. In a report published late on Monday, SIGAR said, however, it was told not to release that information. The military also classified, for the first time

since 2009, the actual and authorized total troop numbers and attrition rate for the Afghan National Defense and Security Forces, or ANDSF. It said in a statement that the Department of Defense did not tell SIGAR to withhold the data, but rather it was the NATO-led Resolute Support coalition that made the determination. It added that the Pentagon did not have the authority to overrule the classification made by Resolute Support, which is led by US General John Nicholson.

**Comments.** In its most recent report, SIGAR said that 43 percent of Afghanistan's districts were either under Taliban control or being contested. The move by the Pentagon comes amid a spate of violence in Afghanistan over the past nine days that is putting a new, more aggressive strategy under the spotlight. It is not the first time data has been withheld on the Afghan war. Last year, US forces in Afghanistan restricted the amount of data it provided on the ANDSF, including casualties, personnel strength and attrition rates - data that has now been completely withheld. The US military said at the time the data belonged to the Afghan government, which did not want it released.

## **IRAN**

Brig Deepak Malhotra\_

Post Protests in Iran. Nearly a month after anti-government demonstrations in Iran made international headlines; there are signs that activists may have had some success. This week, Iran's parliament rejected the initial 2018 budget proposal that would have increased the price of petrol by 50 percent. A joint commission of parliament has also said there will be no increase in the prices of water, electricity and gas in the current fiscal year. The decision, gave legislators 72 hours to submit a revised budget, which may still include hikes. But for now, prices will remain the same.

**Comments.** Iranian leaders have blamed foreign media reports for exaggerating the extent of public discontent. While the government has not explicitly said the decision was due to the December protests, it seems legislators are taking the public mood regarding Iran's difficult economic conditions more seriously.

## **NORTHEAST**

Brig HS Cheema

Myanmarese Refugees Crisis. Over 1,400 Myanmarese nationals who took refuge in Mizoram's following clash between Arakan militants and the Army there in November last year have refused to return to their country since they are "afraid" of the Myanmar Army personnel. Though the fighting between the Myanmar Army and the Arakan insurgents had apparently stopped and no gunfire heard for almost a month, the people who took shelter in India still refused to return to their respective villages.

In second week of Jan, the Bangladesh and Myanmar governments furthered their arrangements to return all 650,000 of the Rohingya who fled last year's military crackdown within two years. However, on 22 Jan Bangladesh announced that returns will be delayed pending further "preparations. This arrangement was agreed upon by two Governments without any consultation with the Rohingyas. While the arrangement acknowledges the legal requirement that returns be voluntary and effected in safety and dignity, it is difficult to see how this could happen without a total transformation of Myanmar's policy towards the Rohingya. The obfuscation and denials of the Myanmar military regarding the atrocities it has committed against the Rohingya do not inspire confidence that the lot of the Rohingya in Myanmar will improve anytime soon. The military has, so far, admitted to killing just 10 people out of probable thousands, and still refers to the men, women and children killed and tortured in the crackdown as "terrorists".

**India's Push Back in Nepal as Outreach to KP Sharma Oli Bears Fruit.** India has worked quietly over the past two months ever since re-election of KP Sharma Oli as the next probable PM of Nepal to regain its special position in the Himalayan State. India has made push back of sorts amid China's expanding presence in Nepal. Following PM Narendra Modi's telephonic conversation with Oli immediately after his re-election, several high-level contacts were established between Delhi and Kathmandu culminating in Sushma Swaraj's visit to Nepal later this week (Feb 1-2) ahead of government formation. The Minister will reinforce India's special ties with Nepal and extend support for development & infrastructure projects in the Himalayan State. Swaraj's visit ahead of government formation will enable to create connect with the Nepalese political leadership.

**Nagaland Parties Call for Poll Boycott.** Representatives of 11 political parties in Nagaland, including the ruling Naga People's Front (NPF), ally BJP and Opposition Congress, on Monday expressed solidarity with civil society groups and Naga tribal Hohos' call for a solution to the Naga issue before the elections, and announced a unanimous decision not to contest the Assembly polls scheduled for February 27. Within hours, Union Minister of State for Home Kiren Rijiju said both the Centre and the BJP will ensure that elections are held on time. Nagaland Assembly had first demanded putting the election on hold. On December 14 last year, the Assembly had adopted a resolution asking the Centre to take "emergent and extraordinary steps" for an "honourable and acceptable solution" to the Naga political issue first. This is the second occasion in recent years that elections here are heading for a boycott. In

1998, NSCN (Isak-Muivah) and Naga Hoho had called for a boycott — the Congress had swept the polls by winning 53 of 60 seats, as other parties heeded the call.

**Government Sanctions 7,000 troops to BSF for Pakistan, Bangladesh Border.** The Border Security Force (BSF), which guards the country's volatile border, will raise six new battalions comprising around 7,000 personnel. The Ministry of Home Affairs also sanctioned an amount of Rs 2,090.94 crore to the force. The new battalions will be deployed along the smuggling and infiltration prone India-Bangladesh border. The troops will be recruited fresh by the force, to be deployed as part of the six battalions.

**India Moves to Deepen Engagement with ASEAN Nations.** India rolled out a red carpet welcome to leaders from the Association of Southeast Asian Nations (ASEAN) to mark 25 years of New Delhi's ties with the ASEAN bloc, as part of India's "Act East" policy. All 10 heads of states from ASEAN (comprising of Singapore, Cambodia, Vietnam, Indonesia, Malaysia, Thailand, Myanmar, Philippines, Laos and Brunei) were invited as chief guests at India's 69th Republic Day celebrations, a move dubbed as "unprecedented". It's an indicator that India is looking at deeper engagement with the ASEAN countries. Speaking at the ASEAN-India gathering on 25 Jan, with the theme "Shared Values, Common Destiny", Indian Prime Minister Narendra Modi focused on the need to boost maritime collaboration. India also signed bilateral deals with some of the member states. India offered a \$1bn credit line to ASEAN member countries in 2015, but India-led infrastructure projects, such as the India-Myanmar-Thailand highway, have been beset by delays. India has a lot to catch up to as China has invested heavily in the region as part of its "Belt and Road" initiative, and Japan is a big player in terms of investment. As a goodwill gesture, India announced its offer of 1,000 scholarships to doctoral students in IITs - the country's top technology institute - and bestowed Padma Shri, one of India's top civilian awards, on one eminent citizen from each ASEAN nation. 2019 will be marked as the year of India-ASEAN tourism. Currently, ASEAN nationals form just three percent of India's total tourism arrivals.

## **ASEAN**

Col Shyamji Yadav

On the historic occasion of 69th Republic Day and ASEAN-India Commemorative Summit held here to mark the 25th anniversary of Association of Southeast Asian Nations (ASEAN)-India Dialogue Relations PM Modi said that India and ASEAN have relations "free from contests and claims" and believe in sovereign equality of all nations irrespective of size, and support for free and open pathways of commerce and engagement.

**"India-ASEAN** partnership may be just 25 years old, but India's ties with South-East Asia stretch back more than two millennia, Mr. Modi said.

"For India, most of our major partners and markets South-East Asia and ASEAN, our neighbours by land and sea, have been the springboard of our Look East and, since the last three years, the Act East policy," he said.

Along the way, from dialogue partners, ASEAN and India have become strategic partners, he said.

“We advance our broad-based partnership through 30 mechanisms. ASEAN is India’s fourth-largest trading partner; India is ASEAN’s seventh.

Over 20 per cent of India’s outbound investments go to ASEAN. Led by Singapore, ASEAN is India’s leading source of investments.

“India’s free trade agreements in the region are its oldest and among the most ambitious anywhere

India, ASEAN Target Swift Deal on RCEP

With an aim to further trade ties, India and ASEAN on Friday agreed to target a swift conclusion to the comprehensive and mutually beneficial Regional Comprehensive Economic Partnership (RCEP) in 2018.

Both sides also reaffirmed their commitment to enhance physical and digital connectivity in line with the Master Plan on ASEAN Connectivity 2025 and the ASEAN ICT Masterplan (AIM) 2020 by availing the \$1-billion line of credit announced by India.

### **Highway Project**

India and ASEAN will also work towards encouraging early completion of the India-Myanmar-Thailand Trilateral Highway Project and extend this trilateral highway to Cambodia, Lao PDR and Vietnam, according to the Delhi Declaration of the ASEAN-India Commemorative Summit.

It also emphasised the need to deepen cooperation in the area of aviation under the ASEAN-India Aviation Cooperation Framework adopted at the 14th ASEAN Transport Ministers’ Meeting in Manila, on November 6, 2008. Both sides will work to “further strengthen ASEAN-India economic relations, including through the full utilization and effective implementation of the ASEAN-India Free Trade Area.

There were also agreements on cooperation for conservation and sustainable use of marine resources in the Indian and Pacific Oceans and address threats to these resources including illegal, unreported and unregulated fishing, loss of coastal ecosystems and the adverse impacts of pollution, ocean acidification, marine debris.

### **Maritime Cooperation**

It also emphasised the need to promote maritime transport cooperation between ASEAN and India, and encourage potential private sector participation in the

development of seaports, maritime logistics network and maritime services in order to create greater efficient linkages

According to the declaration, promotion of stable and sustainable growth for Micro, Small and Medium Enterprises (MSMEs), including through technology transfer, as well as enhancing capacity building, technical assistance, access to innovation and opportunities to integrate into the global and regional value chains were agreed upon.

India and ASEAN countries will continue to collaborate in peaceful exploitation of outer space, through the implementation of the ASEAN-India Space Cooperation Programme, including launching of satellites, for sustainable exploitation of ground, sea, atmospheric and digital resources for equitable development of the region, it said.

“We also look forward to the establishment of the ASEAN-India Trade and Investment Centre,” the declaration said

Prime Minister Narendra Modi had separate bilateral meetings with Aung San Suu Kyi, State Counsellor of Myanmar; Nguyen Xuan Phuc, Prime Minister of Vietnam and Rodrigo Roa Duterte, President of the Philippines on Wednesday. A statement issued by Ministry of External Affairs said that during the meeting with Myanmar’s Aung San Suu Kyi, the discussions revolved around “mutual interest and ways of further strengthening our bilateral relations,

In the meeting with the Prime Minister of Vietnam, the focus was “maritime cooperation in the Indo-Pacific region, defence, oil and gas, trade and investment.” Two agreements were signed during this visit, on cooperation in the fields of information and broadcasting, and on the establishment of tracking and data reception station and data processing facility in Vietnam under the ASEAN-India Space Cooperation

### **‘India and Singapore**

Singapore is a window to the heritage of India’s ties to the region, the progress of the present and the potential of the future. Singapore was a bridge between India and ASEAN.

“Today, it is our gateway to the East, our leading economic partner and a major global strategic partner, which resonates in our membership in several regional and global forums. Singapore and India share a strategic partnership.

“Our political relations are infused with goodwill, warmth and trust. Our defence ties are among the strongest for both. Our economic partnership covers every area of priority for our two nations. Singapore is India’s leading destination and source of investments. Thousands of Indian companies are registered in Singapore,” he said.

Sixteen Indian cities have over 240 direct flights every week to Singapore. Indians make up the third-largest group of tourists in Singapore.

### **India and Cambodia**

India and Cambodia signed four agreements ranging from prevention of human trafficking, Mutual Legal Assistance in Criminal Matters to Culture. In addition, India will provide soft loans through Line of Credit (LoC) to finance the 'Stung SvaHab Water Resource Development Project' worth \$ 36.92 million.

The two countries also decided to strengthen their defence cooperation through capacity building and exchanges of senior-level personnel. Besides, India will help set up a centre for IT excellence in Cambodia.

The two sides also agreed on a \$ 20 million concessional LoC by India for construction of transmission line in Cambodia. India has offered additional LoC for infrastructure projects in Cambodia, including in health sector for setting up of super specialty hospitals and for road, rail and digital connectivity.

### **Areas for Collaboration.**

First, ASEAN and India should redouble efforts to promote trade and investment.

Second,. We look forward to working closely with India to boost our physical connectivity, including by expeditiously concluding the ASEAN-India Air Transport Agreement. This will enhance people-to-people flows across the region and help both Indian and ASEAN carriers to tap new and emerging markets, especially for business, investment and tourism.

Digital connectivity is another important area of cooperation, and can shape people-to-people connections for the future.

## WEST ASIA

Col Sumit Rana

### IRAQ

Baghdad (IraqiNews.com) differences are hampering an electoral alliance between Iraqi Prime Minister Haider al-Abadi and the figures affiliated with the paramilitary forces that fought Islamic State on his side, a newspaper has reported.

Lebanese newspaper al-Akhbar said Saturday that disagreements are stonewalling efforts by Abadi's nascent Al-Nasr (victory), an alliance of independent figures, to unite with al-Fatah (conquer), an alliance formed by the former commanders of member groups of the Popular Mobilization Forces .

According to the paper, the differences are centered around Abadi's ranking in the sought alliance and the possibility of him maintaining the post of prime minister, which al-Fatah wants for Hadi Al-Ameri, one of the PMF most senior commanders.

Al-Akbar said prospects for the alliance have become weak despite a rumoured Iranian desire for it. It said, however, that Abadi's efforts to unite with PMF represent a retraction of his past rejection of the forces running the elections.

Iraqi parliament and local elections are slated for May 12<sup>th</sup>. Though the election commission had set last Thursday for closing the door for the registration of electoral alliances, it did not announce the closure officially.

Earlier, news reports told of Abadi's breakaway from Daawa party, a member of the State of the Law alliance led by Iraqi Vice President Nouri al-Malik.

### ISIS

A New American Leader Rises in ISIS. A two-year investigation identifies one of the very few Americans in the Islamic State's upper ranks—and sheds light on the dynamics of radicalization

### SYRIA

**Russia Says it Killed Rebels behind Swarm Drone Attack in Syria, but Experts See More Such Strikes Ahead.** Moscow said it conducted a military operation to "eliminate" militants behind a coordinated drone attack on its Syrian military bases at Hmeymim, located in western Syria near the city of Latakia as well as a navy supply base in Tartus.

Russia said more than a dozen drones were used in attacks.

Experts say more swarm-like drone attacks can be expected in the future, from terrorists and others.

Experts said swarm-like attacks using weaponized drones is a growing threat and likely to only get worse. They also said the possibility exists of terrorists using these drones in urban areas against civilians.

"We're likely to see more attacks of larger scale going forward, potentially even larger than this and in a variety of things — air, land and sea," said Paul Scharre, director of the Technology and National Security program at the Center for a New American Security, a Washington think tank.

**Ghouta: 'Nearly 180 killed' in two weeks.** The number of people killed in the Damascus suburb of Eastern Ghouta has reached 179 after a little over two weeks of government and Russian bombardment, according to the UK-based Syrian Observatory for Human Rights (SOHR).

Government forces backed by Russian warplanes began a campaign to take the rebel-held district on December 29, relying mainly on artillery barrages and air attacks. SOHR, which gathers details of casualties from a network of sources inside the country, said on Friday that those killed in the latest escalation in violence include 51 children and 38 women.

Eastern Ghouta, which has been under siege by pro-government forces since 2013, is home to close to 400,000 people. The four-year siege has led to a major humanitarian crisis, with severe food and medicine shortages.

**Idlib Exodus.** The violence in Eastern Ghouta coincides with a government offensive in the northern province of Idlib where some estimates put the number of those who have fled fighting at 280,000.

**Un Concerned As Government Attacks Intensify.** Like in eastern Damascus, the Syrian government is trying to dislodge an array of rebel groups, but Idlib holds special significance for the opposition as one of its last remaining strongholds. The region is located within one of the so-called de-escalation zones demarcated by Russia, Iran, and Turkey, where fighting was expected to cease.

Ankara has summoned Russian and Iranian diplomats over the fighting. However, buoyed by victories elsewhere in the country and with momentum on its side, the Syrian government has pushed to reclaim the area.

Syria's Civil War has raged on since 2011, claiming close to half a million lives and sending millions to neighbouring countries and Europe as refugees.

**Syrian Opposition Walks out of The Peace Talks.** In a major blow to the prospect of peace in Syria, the country's main opposition group has said it will not attend talks in Geneva unless the UN retracts its invitation to Iran. Yet while Mr Ban said President Bashar al-Assad's key regional ally "needs to be part of the solution to the Syrian crisis", the move seems to have put this week's conference in jeopardy after more than a year of planning.

Ahmad Ramadan, a senior member of the western-backed Syrian Opposition Coalition (SOC), accused Iran of "invading" Syria by coming along to a meeting ahead of the so-called "Geneva II" talks, and said the rebel group would be "suspending" its own participation as a result.

Mr Ramadan said the SOC will not be going to the conference "if the situation does not change".

Geneva II was set to be the first face-to-face meeting of the two warring factions at the heart of the Syrian conflict.

## **TURKEY**

Turkish President RecepTayyipErdogan said on Saturday that Turkey would conduct military operations in Syria's Afrin if Kurdish Peoples' Protection Units (YPG) militants do not withdraw in a week.

The President added that Turkey will act alone to protect its security against YPG militants even if the US continues its partnership with the group.

Ankara considers the YPG as a terror group and an extension of the outlawed Kurdistan Workers' Party (PKK) in its own border.

During his speech, Erdogan stressed that Turkish forces “are destroying the western wing of this corridor with the Idlib operation,” referring to the artillery operation launched on the same day.

## **MISC**

Saudi Arabia, Bahrain, Egypt, Yemen and the United Arab Emirates announced on Monday that they were severing diplomatic ties with Qatar, marking fresh escalation of tensions between the Gulf partners over Doha’s alleged support for Islamist militant groups.

Indians make up the largest expatriate group in Qatar, a gas-rich nation that will host the 2022 FIFA World Cup.

## **RUSSIA**

Col Harpreet Singh

**Russia Cements Position as China’s Largest Oil Supplier.** Since the new Russia-China oil supply agreement took effect at the start of the year, Petro China’s largest refinery has almost doubled the amount of Russian pipeline crude oil that it is processing. The 410,000-bpd Petro China refinery in the northeast port city Dalian will process 260,000 bpd of Russian pipeline crude oil in 2018, up by 85-90 percent compared to 2017. The higher volumes of Russian pipeline crude will replace seaborne Russian shipments of the ESPO blend from the Kozmino port in the Russian Far East and crude oil shipments from the Middle East.

An extension of the East Siberia-Pacific Ocean oil pipeline between Russia and China started operating on January 1, doubling the export volumes from 15 to 30 million tons annually, or almost 220 million barrels. Russia’s oil giant Rosneft is the supplier of the crude via the ESPO pipeline, and Petro China is the buyer.

China said at the end of December that Russia held onto its number one spot as the biggest crude oil supplier for a ninth month running, with Saudi Arabia second. China’s crude oil imports from Russia rose by 11 percent on the year in November, to 1.26 million bpd, while second-placed Saudi Arabia saw its crude oil sales down 7.8 percent annually to 1.056 million bpd. Russia was also the biggest oil supplier to China between January and November, with sales rising 15.5 percent on the year to 1.2 million bpd, and overtaking Saudi Arabia by 159,000 bpd.

**Comments.** The pipeline crude will also increase Russia’s market share in China. Last year Russia displaced Saudi Arabia as the top crude oil supplier to the world’s biggest importer, while Saudi shipments have taken a hit as the Kingdom cuts oil

supply as leader of the OPEC pact to restrict production. This is another example of Russia-China bonhomie on the economic front.

**Russia Proposes First Multinational Cryptocurrency for BRICS and EEU.** Recently the Russian President Vladimir Putin [proposed](#) a cyber-initiative after [consulting](#) with Ethereum co-founder Block chain expert [Vitalik Buterin](#) and experts from fifteen other countries- including the US, India, Israel, Armenia and Turkey- about their Blockchain and crypto currency initiatives. Russia's central bank and finance ministry jointly prepared a [bill for the regulation of crypto-currencies](#) and ICOs which was submitted to the Duma for approval on Dec. 28, 2017. The bill is expected to be adopted in March and finalized by July 1, 2018.

The bill characterizes crypto currency, including ICO tokens not as legal tender but as "other property." Presently mining and trading of crypto currencies is not regulated under Russian laws. The bill defines crypto currency, mining and trading as a taxable activity. Individual entrepreneurs and legal entities could engage in crypto currency mining and trading activities, subject to tax by analogy with the taxation of business activities. Crypto currency trading would not be subject to a value-added tax (VAT).

The bill allows for ICOs but establishes restrictions on them. Those who are not qualified investors will be able to purchase tokens of a certain type for an amount not exceeding 50 thousand Rubles (\$869). The ministry also suggests limiting the maximum amount of funds raised by an ICO to one bln Rubles (\$17.4 mln).

**Comments.** Putin's first of it's kind cyber-initiative proposes to connect some of the most promising emerging market economies stretching across Asia, Eastern Europe, Africa and South America, via Blockchain and smart contract technology by using a new multinational crypto currency to be collectively adopted by the BRICS and the Eurasian Economic Union (EEU) countries (Member States).

If adopted and implemented, the first multinational cryptocurrency could be used by more than 41 percent of the world's population. It could potentially improve trade efficiency among the Member States by replacing other fiat currencies used in trade settlements. And it could create a technologically resourceful trade block that could reshape global trade via Blockchain and smart contract technology. However, for this initiative to succeed, among other things, Member State transnational legislation concerning cryptocurrencies would need to be updated in a synchronized fashion as currently there are substantial differences between Member State legislation concerning cryptocurrencies. The major issue being that the bill does not address cross-border tax rules that could apply to transnational crypto currency transactions among Member States in the event the new multinational crypto currency is adopted. Indian Government and RBI have already warned the public not to trade in crypto currencies. However trading in crypto currencies is still legal in India. It will be interesting to see how the government approaches this initiative by Russia, as and when they pass the bill in Duma.

## **UNITED STATES OF AMERICA**

Gp Capt GD Sharma, VSM (Retd)

**Possible Implications of United States Withdrawal from the Iran Nuclear Deal.**

President Trump stated that it is last time he will issue a waiver to U.S. congress on the nuclear deal with Iran unless it is improved in next 120 days. In that, he seeks Iran to open all nuclear sites to the international inspectors (military sites are not subjected to IAEA inspections) and an assurance from Tehran that it will never develop a nuclear weapon. The new Iran deal must cover Iran's ballistic missiles as well and limit its nuclear breakout period indefinitely. The president also wants U.S. Congress to modify the existing law that reviews U.S. participation in the nuclear deal to include "trigger points" that, if violated, would lead to the United States re-imposing its sanctions.

It is a common belief that, United States will not ever withdraw from the deal if it considers possible repercussions. First, Iran could return to its past levels of uranium enrichment, or even to a greater level as threatened by Iran. In fact, after being freed from UN sanctions in 2015, Iran now has sufficient funds to pursue this objective as frozen funds are available to Iran after concluding the nuclear deal. North Korean example is vivid in the mind of the world community. It could adopt the North Korean strategy. Notwithstanding the public protests in Iran due to economic reasons, it still could adopt a similar adamant role as during Mahmoud Ahmadinejad presidency (2005-2013).

Second, the withdrawal would deepen U. S. differences within the NATO alliance. Creating fissures in the alliance is Russia's number one strategic priority; infighting amongst them about Iran would weaken them against resurgent Russia. It would also reinforce Merkel's view that Europe now must go it alone than remain in alliance with U.S.

Third, if the United States attempted to impose secondary sanctions on foreign businesses trading with Iran, even Europeans would oppose this order. The consequent disarray would encourage other nations which are contemplating to develop nuclear weapons.

Fourth, it could permanently undermine the fight against nuclear proliferation. Very likely, the Security Council would be irreparably split on the issue, with vetoes preventing any progress on this issue.

Fifth, it would make impossible a coordinated and effective response to the inevitable challenge from Iran when the deal ends. One of the deep flaws in the accord is that the central provisions will begin to fade away in less than nine years. The United States will then need to devise a strategy to prevent Iran toshun nuclear path once for all which it has temporarily abandoned now. To do so, the United States will need cooperation from Britain, China, France, Germany, and Russia. Hence, in view of this, it is not foreseen that United States will with draw from Iran nuclear deal.

**Proliferation Security Initiative (PSI).** On 12 Jan 2018, a Joint Statement was released by the United States along with 16 other members of the Proliferation Security initiative, an initiative which was led by United States and 10 other nations to control illegal transfer and transportation of weapon of mass destruction. The Statement now is essentially aimed at North Korean nuclear pro-activeness which in past has transported dangerous cargo and now maintains a belligerent stance with its neighbours. The statement also cautions those nations which continue to provide tacit support/ignore North Korean activities. The initiative now has support of 105 nations but, it is still not UN mandated. The intention is noble but, is contrary to the provisions of UNCLOS which assures free right of navigation in seas without any interference by any state. Free navigation has become an issue in South China Sea which is claimed by the Chinese. India however, still does not support the PSI for this reason and the fact that it is not UN mandated.