

## **ENVIRONMENT SCAN 01-15 MAR 2018**

### **CHINA (CONTINENTAL)**

Brig Rajeev Bhutani (Retd)

**Xi Jinping Cleared to Rule for Life as China Abolishes Term Limits.** Xi Jinping has been cleared the way to rule for life and set China on a more authoritarian course after the country's rubber stamp parliament voted overwhelmingly to abolish presidential term limits on Sunday.

The ritual lasted just ten minutes. The result of the vote was passed with 2,958 in support. Two voted against, while three abstained and one ballot paper was spoiled, signifying almost total loyalty to Mr Xi's vision for strongman rule.

The move turns the clock back on decades of reform and reverses a system of 'collective leadership' that was installed following the turmoil of Mao Tse-tung's one-man rule.

According to Roderick MacFarquhar, a former China Correspondent at The Daily Telegraph and a current China expert at Harvard University, Xi's power grab still relied on the support of China's People's Liberation Army (PLA) in the long term. "One bad adventure could lead to Xi being ousted," Prof MacFarquhar said. In that context, the one group that Xi has to keep on side is the military.

**The Party Takes Over the State.** The National People's Congress never had real decision-making power. But at this year's session, the Communist Party's firm grip over the 2980 delegates is on full display. The most important decisions are aimed at tearing down the boundaries between the party and the state.

The government's work report at the beginning of the session is usually the most important event. But this year, Premier Li Keqiang's speech on March 5 was overshadowed by the anticipation of the vote on several constitutional amendments, scheduled for March 11.

[The constitution will also be amended](#) to include the "leadership of the Communist Party of China" in Article 1 – elevating it from a mere guiding principle in the preamble to a binding provision. The preamble will be altered to include the "Xi Jinping Thought on socialism with Chinese characteristics for a new era" as well as several of Xi's foreign policy slogans such as the principle that China "follows a path of peaceful development and pursues a mutually beneficial strategy of opening up."

The NPC is also expected to pass the controversial National Supervision Law and to establish a [National Supervision Commission](#), which will be entrusted with the prosecution of suspects in Xi Jinping's anti-corruption campaign. This commission is a perfect example of the merging of party and state functions as it will consolidate the respective party and state offices, effectively expanding the reach of the anti-corruption campaign from CCP members to all state officials – from managers of state-owned enterprises to university professors.

A recent CCP Central Committee decision points to potential plans for merging other state and party offices. This is also supported by media speculation that the NPC will reduce the number of ministerial-level organs from 25 to 19. The delegates will vote on important state personnel appointments – from the Vice President to members of the cabinet – between March 17 and 19, before the unusually long session is scheduled to end on March 20.

**China to Boost Defense Spending by 8.1 Percent.** China will spend 1.11 trillion RMB (EUR 142 billion) on its military this year, an increase of 8.1 percent in comparison with last year's expenditure. The figures were released on 5th March, the first day of the plenary session of the National People's Congress. Like in previous years, defense spending rises faster than GDP growth. The increase is also slightly higher than in 2017 (7 percent) and 2016 (7.6 percent) and signals the leadership's commitment to continue with the military [modernization drive](#) and turn the People's Liberation Army (PLA) into what president Xi Jinping calls a "world-class force" by 2049. The increase is also further proof that Xi wants to build a military force that can "fight and win wars" and matches China's economic and political strength.

Many experts believe that China real military expenditure is much higher than the official figures indicate. Many projects and expenses that are typically part of Western military budgets are not included in China's defense budget. For example, China's coast guard, which runs a lot of the naval operations in the South China Sea, belongs to the State Oceanic Administration under the Ministry of Land and Resources. The coast guard's budget is therefore thought to be not included in the military spending figures.

**Chinese BRI Loans Hike Risk of Debt Distress in Eight Countries.** China's ambitious Belt and Road Initiative (BRI) creates potential debt risks in participating countries, [according to a new study](#) by the Washington-based Center for Global Development. The researchers say that out of the 68 countries that China lists as potential BRI participants, 23 were already at "quite high" risk of debt distress. Eight of these 23 countries could face difficulties servicing their debt because of future financing of BRI projects. The countries most at risk are Djibouti, the Maldives, Laos, Montenegro, Mongolia, Tajikistan, Kyrgyzstan, and Pakistan.

The researchers highlight the case of Montenegro which has enormous debt problems due to one China-related project: a motorway linking the port of Bar with Serbia. China Exim Bank finances 85 percent of the project. In the East African state of Djibouti debt has risen from 50 to 85 percent of GDP in just two years, the highest rate of any low-income country. Much of this debt is owned by China Exim Bank but additional projects such as a new port and two airports are already in the pipeline.

The study recommended that China should make the BRI more multilateral and that institutions like the World Bank work toward a more detailed agreement with Beijing on lending standards for the initiative's projects.

**Tax Cuts stand out in Government Work Report to NPC.** Determined to keep economic growth at current levels, the Chinese government has [committed to substantial tax cuts](#). The [government work report](#) that was presented by Premier Li Keqiang at the opening session of this year's NPC, promises to cut tax rates for businesses and individuals by 800 billion CNY (126 billion USD) in 2018.

The announcement suggests that the Chinese government sees a need for additional stimulus in order to maintain stable growth. In addition to the tax stimulus, public spending on infrastructure will remain at high levels. According to Li, the [government has allocated](#) 1.8 trillion CNY (284.4 billion USD) for roads, 1 trillion CNY for water management and 732 billion CNY for railways in its budget.

The work report kept the previous year's emphasis on "high quality growth" and kept the growth target of "around 6.5 percent," but dropped the phrase "or higher if possible in practice." China's economy grew by 6.9 percent in 2017, exceeding the target.

The tax cuts can also be interpreted as an attempt to prevent the return of capital flight in the wake of the massive tax reductions enacted by the US Congress. [China's top tax rate of 45 percent](#), as well as a plethora of additional tariffs and fees, have driven some domestic and foreign companies abroad in recent years. The proposed cuts focus on alleviating the burden for businesses in the manufacturing and transportation sector. Tax breaks for individuals are also part of the package.

Addressing fears of rising deficits and debt, the government aims at reducing the fiscal deficit from 3 percent to 2.6 percent of GDP – although the tax cuts would reduce revenue by more than 5 percent.

## PAKISTAN

Brig Deepak Malhotra

**JUD Challenges Ordinance Ban by Pakistan Govt.** President Mamnoon Hussain last month promulgated an ordinance amending the Anti-Terrorism Act, 1997 with regards to proscription of terrorist individuals and organisations to include entities listed by the United Nations Security Council (UNSC) — in a move to declare Hafiz Saeed-linked JuD and Falah-i-Insaniyat Foundation (FIF) as proscribed groups. Hafiz Saeed contended in the petition that he established JuD in 2002 and cut off all ties with the banned Lashkar-e-Taiba (LeT). It claims that the promulgation of the ordinance and addition of Section 11-EE is not only prejudicial to the sovereignty but also contradictory to the fundamental rights enshrined in the Constitution of Pakistan. It adds that any law which is violative of constitutional provisions is liable to be struck down.

**IMF Concerned at Pakistan's Weakening Economy.** The International Monetary Fund (IMF) expressed concern over Pakistan's weakening macroeconomic situation, including widening external and fiscal imbalances, reduction in foreign exchange reserves and emerging risks to economic and financial outlook. The IMF executive board asked the government to immediately refocus on near-term policies to preserve macroeconomic stability and get back to fiscal discipline shown under the three-year \$6.64 billion multi-tranche Extended Fund Facility (EFF) to minimise risks and economic distortions. In the aftermath of recent setback at the Financial Action Task Force, the

IMF board called for further enhancing anti-money laundering/counter-terror financing regime and strengthening the fiscal federalism and monetary and financial policy frameworks. The IMF also advised the authorities to improve the business climate, continue to strengthen governance, achieve cost recovery in the energy sector and expand social safety nets to protect the most vulnerable.

**Comments.** Because of substantially higher credit outstanding from the IMF, the borrowing members have to face closer monitoring of the policies under the post-programme monitoring (PPM) and undertake more frequent formal consultation with the Fund than is the case under surveillance, with a particular focus on macroeconomic and structural policies that have a bearing on external viability.

Iran Invites Pakistan, China to Join Chabahar Port Project. Iranian Foreign Minister Javad Zarif has invited Pakistan to participate in the Chabahar Port project that connects India to Afghanistan, Central Asia and Eastern Europe. The Iranian minister also extended the invitation to China. He also said that Gwadar Port and Chabahar Port needed to be linked through sea and land routes for development of deprived Eastern and South-eastern Iran and South Western Pakistan. He also said that the Chabahar port project was not meant to "encircle Pakistan ... strangulate anybody", adding that Iran would not allow anybody to hurt Pakistan from its territory, much like Pakistan would not allow its soil to be used against Iran.

**Comments.** India, Iran and Afghanistan signed a trilateral agreement in 2016 to jointly develop the Chabahar port, opening a new strategic transit route between the three nations and other Central Asian nations, bypassing Pakistan. The move may be seen as Zarif's bid to allay concerns in Pakistan over the Indian involvement in the Iranian port.

## **AFGHANISTAN**

Col Arvinder Singh

**Visit of US Defence Secretary.** Defense Secretary Jim Mattis visited Afghanistan on 13 Mar to meet senior U.S and Afghan officials and discuss both the military campaign and "peeling off" some members of the Taliban to pursue a peace deal with the Afghan government. The unannounced visit comes two weeks after Afghan President Ashraf Ghani made what many observers consider an unprecedented offer, inviting the Taliban to begin peace talks without preconditions to end the 16-year war. The Taliban said last month that it is open to reaching a political settlement and negotiating, but it has not responded to Ghani's offer. Mattis, speaking on a flight to Afghanistan from Oman, said that talking about a peace settlement is "not cart before the horse" and that it is backed by the ongoing efforts of the U.S and Afghan militaries. Some members of the Taliban may be willing to pursue peace, especially considering a fracturing in the group that has occurred over the past few years, he said. All wars come to an end," Mattis said. "You don't want to miss an opportunity because you weren't alert to the opportunity. So, you need to have that door open, even if you embrace the military pressure."

**Comments.** Mattis acknowledged that efforts to reconcile with the entire Taliban have been difficult. The effort right now, he said, is to reach "those who are tired of fighting"

and build it out from there. The fact that the Taliban hasn't already dismissed meeting with the Afghan government about negotiations already may be a positive sign. Typically, the group dismisses conversations like that out of hand. Army Brig Gen. Michael R. Fenzel, a senior U.S. military planning officer, said that the U.S.-led military coalition has seen "significant evidence across the entire country that there is interest" in reconciliation, with groups of 10 and 20 Taliban fighters at a time turning themselves in. He acknowledged, however, that their doing so has not yet "reached critical mass." Mattis visited the country for the second time since the new strategy was unveiled. The Pentagon chief is among a small group of senior advisers who convinced Trump that it made sense to not only continue the U.S. role in the war but also bolster it with more air power and a modest increase in the number of U.S. troops from about 11,000 to 14,500. But the Taliban remain a powerful force in Afghanistan, regularly carrying out high-profile attacks in and around Kabul in addition to holding or contesting more than a quarter of Afghanistan's territory.

**Afghan Troops Push Back Taliban Fighters in Farah Province.** Afghan officials voiced concern over the deteriorating security situation in Western Afghanistan, after a district there was briefly captured by the Taliban. Security forces on 12 Mar retook the Anar Dara district's police and administrative offices from Taliban fighters, after troop reinforcements launched an air and ground operation that lasted several hours. At least eight members of the Afghan security forces were killed, including the district police chief, officials confirmed. About 300 fighters attacked the police headquarters early on 12 Mar with the Taliban immediately claiming responsibility, saying the district was under their control. The attack took place hours after the fighters killed seven members of the army and eight policemen in Bala Buluk district in the province. On 13 Mar, at least five Afghan police forces were killed and five others kidnapped in an attack near a checkpoint in Farah city. Although none of the areas in Farah province are under Taliban control, but their fighters have repeatedly managed to take over district headquarters, and at times, also manage to enter the provincial capital, Farah city.

**Comments.** According to a recent BBC study, the Taliban are active in 70 percent of districts in Afghanistan, fully controlling four percent of the country, and demonstrating an open physical presence in another 66 percent.

**US Rules out Direct Talks with Taliban.** A senior US envoy has said the Taliban could not expect direct talks with the US as had happened in the case of North Korea. The Taliban are the stumbling block to the peace process, the Trump administration alleged on Friday, ruling out direct talks with it unless the militant leaders engaged with the elected Afghan government. In an apparent response to a recent letter from

the Taliban to the US , the Trump team also ruled out withdrawing troops from Afghanistan - a precondition set by the rebels for talks. America's senior diplomat for South and Central Asia said the US was in Afghanistan at the request of its government and people would be stay there to make sure the country did not become a safe haven for terrorists again. "The recent Taliban letter to the people of the United States, I believe, misses the point. For eight years, the US has been prepared to support a peace process, but we cannot be a substitute for the Afghan people in the Afghan government negotiations with the Taliban," Alice Wells remarked. Speaking at the US Institute of Peace, a Congress-supported think-tank, she said: "The Taliban were at war with the Afghan people long before US military operations began in 2001". Now obviously the US has a direct interest in the resolution of this conflict and the Taliban have frequently stated the need for all foreign troops to depart Afghanistan is a precondition for negotiations.

**Kabul for Talks with Taliban.** The Afghan government has expressed the willingness to recognize Taliban as a political entity at a recently held international conference in Kabul. The Afghan government has also offered opening up of a political office for the Taliban in Kabul (or any other cities), issuing passports to Taliban and release of Taliban prisoners. In response, Kabul wants rule of law and ceasefire. The Taliban will also have to recognize the Afghan government. The Kabul conference was attended by delegates from more than 20 countries, including Pakistan, China, the US, Germany and India. The Afghan government at the international conference has conveyed it's willingness to talk with Taliban. The present state of affairs in Afghanistan having a democratic setup and an Afghan National Army can be seen as development from the past. However, when it comes to the security and control over the Afghan territory, the situation is still under chaos. As per the Special Inspector General for Afghanistan Reconstruction (SIGAR) report, 'government of Afghanistan has uncontested control over only 57 percent of its territory.' While the provinces such as Helmand, Kunduz and Uruzgan, are contested, and a third of the population, around 9.2 million Afghans, live in contested districts. The Taliban control over the Afghan territory is indicative of their political clout. To make Taliban a part of the peace process will offer the faction to become part of the democratic structure. It will provide the faction an opportunity to exercise control within the parameters of law.

Comments. It is still early to speculate the likely outcome, and the Taliban response to the political overture. However, the Kabul talks have made it clear that Taliban are a political force and their presence cannot be denied. So far the Taliban have not responded to the political offer, but the faction has shown interest for direct talks with the US. Meanwhile, the Afghan government's political offers to the Taliban, what impact it can have on the peace process is yet to be seen.

**India has Played Responsible Role in Afghanistan's Economic Development: US**  
India has played a responsible role in the economic development of Afghanistan, the

Trump administration said on 10 Mar, noting that the trilateral India-Afghan-US cooperation is not aimed at Pakistan. "India, we've seen over the last several years, play a responsible role in the economic development and reconstruction of Afghanistan. And that role has been appreciated by the government of Afghanistan," senior US diplomat for South and Central Asia, Alice Wells, told a Washington audience. Early this month, Wells was in Kabul to attend the Kabul process meeting. On the sidelines of it, she participated in the India-US-Afghanistan trilateral, which again raised eyebrows in Pakistan. The trilateral meeting, she said, was to review how the three countries can better work together on development trade and investment priorities. "But that does not imply that we would support or think that there's any manipulation of Afghanistan so that it can be used against Pakistan," Wells said in response to a question at the US Institute of Peace, a US-Congress supported top American think-tank. Pakistan, she said, has an important role to play in a peace process, and in stabilizing Afghanistan. "We believe that Pakistan can help change and shape the calculus of the Taliban. We are engaged with Pakistan on how we can work together as well as address Pakistan's legitimate concerns through a negotiated process," she said.

## **IRAN**

Col Arvinder Singh

**Iran may Pull out of the Nuclear Deal Before the US.** For the first time since a landmark nuclear deal was signed between Iran and six world powers - the US, UK, Russia, France, China, and Germany - in 2015, Iran is rethinking its strategy and possibly planning an exit. On 22 Feb, Iran has given an ultimatum that it will withdraw from the Joint Comprehensive Plan of Action (JCPOA) if it does not benefit economically from it and if major banks, companies and business entities continue to refuse to do business with Iran due to negative statements by the US president, Donald. Iran's Deputy Foreign Minister for Political Affairs, Abbas Araghchi told Chatham House in London that they cannot remain in a deal that has no benefits for them. Araghchi who is close to Iran's supreme leader, Ali Khamenei, and was one of the main JCPOA negotiators, accused President Trump of "violating the letter and the spirit" of the deal by creating a "destructive atmosphere". For its part, the US has been threatening for months to quit the deal if its "disastrous flaws" are not fixed. In January, Trump delivered an ultimatum to his European allies: either fix the accord or the US would walk away from it by 12 May when the next US sanctions waiver is due to be ratified. Trump identified three problems with the deal, its failure to address Iran's ballistic missile programme, the terms under which international inspectors can visit suspect Iranian nuclear sites and the "sunset" clause under which limits on the Iranian nuclear programme start to expire after 10 years. When other parties to the agreement rejected to fix these points, claiming they are all outside the boundaries of JCPOA, Trump proposed a hushed-up supplemental agreement that addresses "Iran's development or testing long-range missiles, ensures strong IAEA inspections, and fixes the flaws of the "sunset clause".

**Comments.** President Trump is reportedly entering into a new potentially lucrative atomic energy agreement with Saudi Arabia, which may explain why he is so adamant to tighten the conditions of the Iran deal. According to a report by the Washington Post, the Gulf kingdom is refusing to include in the billion dollar agreement any clauses that would restrict its uranium enrichment capabilities; unless the nuclear deal with its arch foe Iran is tightened. Iran must have received the information on this new initiative from its European and Russian partners and put it together with other reports about cooperation between the US, Saudi Arabia and Israel for isolating Iran out of Syria and Iraq. All indications are that the US would probably never cancel the remaining sanctions and would seek ways of imposing more. In the last two months, a combination of factors has caused deep anxiety in the Islamic Republic. A stagnating economy has led to internal resentments with high youth unemployment feeding onto nationwide protests. Iran would, perhaps, continue to keep to its commitments until May 12, while leaving the door open for further negotiations provided JCPOA is implemented in full and sanctions are lifted by then as specified. Iran would at the same time increase its militarization to keep guard for potential attacks and invasions. The testing of its ballistic missiles, which it regards as unrelated to JCPOA, will continue as will its plans "to construct naval nuclear propulsion". Had JCPOA been implemented in full by now Iran might have been in a more receptive mood. Under the circumstances, the moderate government of President Hassan Rouhani has little choice. It must improve the economy fast if it is to avoid further widespread unrest. Labor protests have continued in several cities across the country. Steel workers have been striking for over a week demanding payment of three months' overdue wages. If the uncertainty over sanctions blocks Iran from improving business and international investment, then it would be forced to seek new partners and new deals, most likely with Russia and China. The danger of that outcome is that Iran would roll back to hardliner policies, at the top of which would be leaving JCPOA and returning to its full nuclear programme and an even more autocratic isolationist political structure at home.

## **NORTHEAST**

Brig HS Cheema

**In Big Win For Defence Ministry, Army to Retain Control of Myanmar Border.** The defence ministry has appeared to have won a decisive battle against the home ministry over control of security on the India-Myanmar border (IMB). For the last eight years, the home ministry has been lobbying to take control of the Myanmar border, with India claiming Myanmar had become a den for terrorists and the BSF would use its expertise of guarding the border with Bangladesh and a part of the Pakistan border to control infiltration across India-Myanmar border. The Myanmar border is presently being guarded by the Assam Rifles, which is commanded by the Indian Army officers. Director General of Assam Rifles, Lt Gen Shokin Chauhan stated, "Bringing in another force to guard the Indo-Myanmar Border will undo all that has been achieved and will give a free run to insurgents. In fact, the need of the hour is to further empower the AR for it to become more effective in both roles." A senior Army officer of Eastern Command told stated, Giving BSF the charge of Myanmar border means that there would be no

coordination with Assam Rifles. While BSF is commanded by police cadres, Assam Rifles is commanded by the Indian Army. But Army is in charge of internal security in the northeast. So, it would be easy for Myanmar-based terrorists to come infiltrate and coordinate with their henchmen staying inside India. Also, it would not be possible fence the border because of the tough mountain terrain.

**IAF's Largest Transport Aircraft, C17 Globemaster, on 6 Mar Landed at Arunachal Pradesh's ,Tuting Airfield.** In a move that is seen as part of the Indian Air Force's move to strengthen its overall operations in the strategically-key border state, the IAF's largest transport aircraft, C17 Globemaster, on 6 Mar landed at Arunachal Pradesh's Tuting airfield which is close to the Chinese border." The C17 Globemaster of IAF carried out a historic landing at Tuting ALG, Arunachal Pradesh. The challenging airfield is in midst of high hills in a narrow valley. The mission was executed flawlessly owing to its superlative performance and excellent flying skills of pilots," the IAF tweeted. The IAF also called the landing "a strategic leap in terms of operation performance demonstration and tactical air mobility."After the trial landing, C17 carried out an Operations mission and airlifting 18 tons of load into the austere airfield. Airfield is in close proximity to Chinese border.

**Meghalaya : Conard Sangma New CM.** Backed by the BJP and regional parties, National People's Party (NPP) chief Conrad Sangma was sworn in as the CM of Meghalaya, heading a 12-member Cabinet and bringing an end to 10 years of Congress rule. Son of late PA Sangma, a former Lok Sabha Speaker and Union minister, Conrad Sangma, 40, was administered the oath of office and secrecy by Governor Ganga Prasad. PA Sangma was also the Chief Minister of Meghalaya from 1988 to 1990. Conrad Sangma is the 12th CM of Meghalaya. He is currently a Lok Sabha member from Tura.

**Nepal Elects President Bidya Devi Bhandari Sworn in for Second Term.** President Bidya Devi Bhandari took the oath of office and secrecy for a second term amid a function at Sheetal Niwas in the Capital on 7 Mar. Chief Justice Gopal Prasad Parajuli administered the oath to President Bhandari. Bhandari was re-elected as the head of state for the second time on Tuesday, securing nearly three-fourths of the total vote strength of the Electoral College. Elected as the first woman president of the country in 2015, she had presented her candidacy for the second time with the backing of the left alliance—CPN-UML and CPN (Maoist Centre).

**Myanmar has only been able to Verify 374 Rohingya Muslim Refugees for Possible Repatriation from Bangladesh.** Myanmar has only been able to verify 374 Rohingya Muslim refugees for possible repatriation from Bangladesh, blaming their neighbour for not providing the correct information about the refugees. Nearly 700,000 Rohingya fled Myanmar after militant attacks on August 25 sparked a crackdown led by security forces in the western Rakhine state that the United Nations and United States have said constituted ethnic cleansing. The two countries reached a deal in November to begin repatriation within two months, but repatriation has not begun, with stateless Rohingya, who face restrictions on their movements in Myanmar, still crossing the border.

## WEST ASIA

Col Sumit Rana

### Syria

**The Eastern Ghouta Front: Syrian Government v/s Rebels.** Russian air strikes killed 80 people including 14 children on Friday in the Eastern Ghouta towns of KafrBatna, Saqba and Harasta, according to the Syrian Observatory for Human Rights, a UK-based monitoring group. Despite international calls for a ceasefire, there has been no let-up in the offensive and the Syrian army is now pushing into densely populated areas, backed by Russian air support.

**More than 60,000 people have fled two separate offensives in Syria in recent days, the UN says.** Up to 16,000 people have fled Eastern Ghouta, near Damascus, where Russian air strikes are supporting Syrian government attempts to retake the area.

Nearly 50,000 fled the northern town of Afrin, where Turkey is fighting a US-backed Kurdish militia that it considers a terrorist group.

Dozens of people were killed in air strikes on Friday, activists said.

Seven years of civil war have driven nearly 12 million Syrians from their homes:-

- (a) At least **6.1 million** are internally displaced.
- (b) Another **5.6 million** have fled abroad.
- (c) More than **400,000** are believed to have been killed or are missing, presumed dead.

On Friday, the Syrian ambassador to the United Nations said the estimates of those who fled the rebel-held enclave of Eastern Ghouta could be more than twice as high as reported, with up to 40,000 leaving on Thursday alone. The number could not be verified.

**What are the Latest Diplomatic Efforts?** While Turkey is opposed to President Assad, Russia and Iran are the Syrian leader's closest allies.

Russian Foreign Minister Sergei Lavrov sought to portray the talks in Kazakhstan as an opportunity to bring lasting peace to Syria, saying "millions of Syrians are looking in the direction of Astana".

Referring to the Eastern Ghouta, Turkish Foreign Minister Mevlut Cavusoglu said the bombing of civilians was unacceptable.

## Turkey

**The Afrin Front: Turkey v the Kurdish YPG.** Afrin, a town populated mainly by ethnic Kurds near the Turkish border, has been under bombardment from the air and the ground by Turkish forces and their local Syrian allies.

Turkish bombing reportedly killed at least 43 people on Friday, including seven children and at least 16 people who died in an air strike on the town's main hospital, the Syrian Observatory said.

"Turkey is targeting the Kurdish People's Protection Units (YPG), a militia that it regards as an extension of the Kurdish forces on its own territory - a banned group that Turkey considers a terrorist organisation.

But Kurdish fighters in Syria have been a key ally in the fight against the Islamic State group, and have received support from the United States to that end.

## IRAQ

**NATO Troops Staying in Iraq.** After foreign troop withdrawal timeline urged by parliament, NATO's leader says PM Abadi gave green light to stay. NATO forces are staying in [Iraq](#) at the country's request, alliance chief Jens Stoltenberg said during a rare visit on Monday to Baghdad, after parliament called for a foreign troop pullout.

"We are here because Iraq wants us to be here. We are not here without the consent and without an invitation from Iraq," Stoltenberg told AFP news agency on Monday. "We should not stay longer than necessary, we will train the trainers as long as necessary to make sure IS [Islamic State of Iraq and the Levant] does not reemerge."

Stoltenberg's comments come days after the Iraqi parliament called for the government to draw up a timetable for the withdrawal of foreign troops from the country. "The Iraqi parliament expresses its gratitude to all countries which have supported Iraq in its fight against Daesh [[ISIL](#)] and calls for the government to draw up a timetable for the withdrawal of foreign troops," it said in a statement.

**ISIL Claims Attack on Pro-Government Militia in Iraq.** ISIL claims responsibility for an attack that killed more than two dozen fighters in Iraq's Kirkuk province. More than two dozen members of a pro-government militia in [Iraq](#) have been killed after being ambushed by disguised Islamic State of Iraq and the Levant ([ISIL](#)) fighters.

Twenty-seven members of Hashd al-Shaabi, or the Popular Mobilization Forces (PMF), were killed after clashes broke out late Sunday in Hawija, a town in Iraq's oil-rich Kirkuk province, the militia said in a statement on Monday.

ISIL - also known as ISIS - claimed responsibility for the attack and said 30 people had been killed in the ambush, local media reported. It was the deadliest attack against PMF fighters since October when pro-government forces retook Hawija from ISIL. The killings raise questions about the continued presence of ISIL fighters in Iraq after Baghdad [declared victory](#) in its fight against the armed group in December. The PMF, an Iran-backed paramilitary group aligned with the Iraqi government in its battle against ISIL, said the attackers had been wearing Iraqi army fatigues and were manning a fake checkpoint. PMF soldiers were conducting security operations around Hawija at the time of the attack, the militia said.

**US Helicopter Crash in Iraq Kills Seven Military Personnel.** Seven US military personnel have been killed in a helicopter crash in Iraq. The aircraft crashed in western Iraq late on Thursday night, according to US officials. The crash did not appear to be the result of enemy activity and is under investigation, the Pentagon said in a written statement.

The US-led coalition battling Islamic State (IS) in Iraq and Syria have an outpost in Qaim, which is located near the Syrian border.

The anti-IS campaign accelerated through much of last year, as coalition and Iraqi forces battled to take back a string of cities and towns.

The US-led coalition has continued to work with Iraq and Syrian Democratic Forces to shore up the border region to make sure that foreign fighters and insurgents cannot move freely across the region.

## SAUDI ARABIA

**Gulf States Considering Plans to Bring End to Saudi-led Qatar Boycott.** Gulf States are studying plans to break the deadlock over the Saudi-led **boycott of Qatar** by persuading the two sides to agree to relax restrictions on civilian movements as the first step to a wider deal.

The dispute with Qatar is likely to be one of the major topics for discussion between the Saudi crown prince, **Mohammed bin Salman**, and the UK prime minister, Theresa May, when the two leaders **meet in London** on Wednesday.

Britain has urged Saudi Arabia to lift the blockade, which has damaged economies across the Gulf but has **not brought Qatar to its knees** nor led to a change in regime.

In what would be seen as a mutual goodwill gesture designed to lead to the end of the nine-month boycott of the country by **Saudi Arabia**, Bahrain, Egypt and the United Arab Emirates, the two sides would allow citizens of each others' countries to travel freely.

**Saudis in Secret Talks with Houthis to End Yemen's War: Report.** Saudi officials and Houthi rebels have held months of secret talks on ending Yemen's devastating three-year war, according to a news report.

The warring parties discussed ways to halt the conflict that has left 22 million Yemenis in dire need of humanitarian assistance, diplomats and Yemeni officials told Reuters news agency on Thursday.

The war has killed an estimated 10,000 people, left millions facing famine, and initiated a major outbreak of disease.

The sources - speaking on condition of anonymity - said Houthi spokesman Mohammed Abdul-Salam had met Saudi officials in neighbouring Oman.

"There are consultations between the Houthis and the Saudis, without a representative of the internationally recognised government, and it is clear that there is a desire of the Houthis and the coalition to go toward a comprehensive agreement," a diplomat was quoted as saying.

## RUSSIA

Col Harpreet Singh

**UK Expels 23 Russian Diplomats.** In language reminiscent of the Cold War, The British Prime Minister, Theresa May, who until recently was accused at home of not being hard enough on Moscow, expelled 23 Russian diplomats, she said were spies, promised a crackdown on corrupt Russians and the money they funnel into Britain, and called off high-level contacts between the two governments. She vowed to stand tough in the escalating confrontation with Russia over the use of a nerve agent to poison one of its former spies on British soil. Sergei V. Skripal, and his daughter, Yulia S. Skripal, were sickened on March 4 with a "Novichok," an extremely potent class of nerve agents developed by the Soviet Union in the 1970s and '80s. The Skripals, who remain

hospitalized in critical condition, were poisoned in Salisbury, the small city where Mr. Skripal lives, potentially endangering hundreds of bystanders. Mr. Skripal, a former colonel in Russian military intelligence, was imprisoned for selling secrets to Britain, and then sent to Britain in 2010 in a spy swap.

The Kremlin has denied any involvement in the nerve agent attack and vowed to retaliate for any measure Britain takes, and the foreign minister, Sergey Lavrov, accused the British government of “acting out political drama” rather than conducting a serious investigation.

The prime minister said the British intelligence services have concluded that either Russia was behind the attack or that it had lost control of chemical weapons that, under an international treaty, it claims not to possess. Mrs May also said that the government had agreed on new powers to crack down on the activities of foreign intelligence agents in Britain, that there was no place for “serious criminals and corrupt elites” in the country, and that an invitation for Mr. Lavrov to visit had been withdrawn. She added that no British ministers or royals would attend the World Cup in Russia this summer, that Britain would “increase checks on private flights, customs and freight,” and that it would “freeze Russian state assets wherever we have the evidence that they may be used to threaten the life or property of U.K. nationals or residents.”

**Comments.** There are a number of tougher measures that Britain could also take, like seizing any assets of questionable provenance belonging to Russians who have invested and settled in the country, changing laws that made it possible to hide the true ownership of assets of Russians, and calling on the international community to tighten economic restrictions on Russia. Britain’s broadcast regulator has also hinted that it could revoke the license of RT news channel.

It was not clear how strongly allies would rally to her side, and behind Mrs May’s tough talk lay relatively mild measures, aside from the headline-grabbing expulsion, which she described as the biggest one of Russian diplomats in more than 30 years. That, in turn, reflects Britain’s weakened position in the world, as well as Russia’s continuing success in sowing discord and division. Mrs May might have calculated that in response to tougher measures, Russia would “decapitate the British Embassy in Moscow” with its own expulsions.

Britain wants the support of its allies in taking action against Russia, but relations with those allies are shakier than they have been in generations, given Britain’s pending divorce from the European Union and frictions with Mr. Trump. The European alliance itself is being sorely tested, with the rise of far-right and anti-Europe movements in Italy and elsewhere, defiance from autocratic sounding governments in Poland and Hungary, and the long struggle in Germany to form a governing coalition. By contrast, the Kremlin sees the tide of events moving in its direction, and little likelihood that Western allies possess the combined will to increase sanctions.

It is also unclear why a few assassinations or attempts would spur allies to take tougher action against Moscow when killing civilians in Syria, shooting down a passenger airliner over Ukraine and meddling in the American election generally have not. Moreover, going after Russia will hurt Britain, too. Tens of billions of dollars in Russian wealth have poured into Britain in recent years, much of it invested by allies of Mr. Putin. Driving that money away could have painful consequences for London, on top of any range of economic setbacks that are expected to accompany Britain’s decision to leave the European Union. Russian President Vladimir Putin announced during his annual State of the Nation address on March 1 that the Russian defense industry has begun

developing an intercontinental-range nuclear-powered cruise missile capable of penetrating any interceptor-based missile defense system.

**Russia Reveals 'Unstoppable' Nuclear-Powered Cruise Missile.** Russian President Vladimir Putin announced during his annual State of the Nation address that the Russian defense industry has begun developing an intercontinental-range nuclear-powered cruise missile capable of penetrating any interceptor-based missile defense system. "We've started the development of new types of strategic weapons that do not use ballistic flight paths on the way to the target. This means that the missile defense systems are useless as a counter-means and just senseless," Putin said in his speech. "One of them is creation of a small-size highly powerful nuclear power plant that can be planted inside the hull of a cruise missile identical to our air-launched X-101 or the United States' Tomahawk, but at the same time is capable of guaranteeing a flight range that is dozens of times greater, which is practically unlimited. A low-flying low-visibility cruise missile armed with a nuclear warhead and possessing a practically unlimited range, unpredictable flight path and the capability to impregnate practically all interception lines is invulnerable to all existing and future anti-missile and air defense weapons," Putin said.

The Russian president's speech included a short video showing an animation modelling the low-altitude flight of the terrain-hugging missile. (Part of the missile animation was apparently taken from a 2007 Russian television documentary.) The missile is presumably ground-launched. He also noted that the new nuclear-powered cruise missile was already tested in 2017. "During the flight the power plant achieved the design capacity and thrust. The launch of the missile and the tests on the ground allow for starting work to create a fundamentally new type of weapon — a strategic nuclear missile equipped with a nuclear power plant,".

During his speech, Putin also revealed the existence of four additional strategic thermonuclear weapons systems including the Status-6, the Sarmat intercontinental ballistic missile (ICBM), a new hypersonic air-launched cruise missile, and the "Avangard" hypersonic glide vehicle.

As of now, no technical specifications of the purported nuclear-powered cruise have been revealed. The new missile would also likely not be covered by the new Strategic Arms Reduction Treaty (START), although they may be discussed by the two powers during consultations.

**Comments.** The diversification of Russia's nuclear arsenal is a clear indication that Russian nuclear war planners are deeply concerned over advances in U.S. interceptor-based missile defense systems and fear for their second-strike capability. Additionally, the fact that the Russian president has revealed the development of a number of high-yield (strategic) nuclear weapons appears to somewhat undermine the claim by the authors of the Pentagon's NPR that Russia is heavily focused on developing low-yield (tactical) nuclear weapons as part of its purported "escalate to deescalate" strategy.

**Civilian Killings must Stop, Forces should Show Restraint :Kashmir Interlocutor.** "Civilian killings must stop. The security forces must show restraint and not resort to disproportionate firing," Dineshwar Sharma, a former chief of the Intelligence Bureau, said in an interview. "I was hoping for a better summer but violence has come as a setback. Amongst the districts in south Kashmir, Shopian is particularly alienated and angry. We must be sensitive while dealing with the people of Kashmir," he added.

Sharma was appointed as a special representative by the Centre to hold a sustained dialogue with all stakeholders, and has made several visits to Jammu and Kashmir, including one in late February to Shopian, where three civilians were killed by Army bullets on January 27 during a protest, and four were shot dead along with two militants on March 4.

Sharma said he planned to go back to the troubled district and engage with young people there. "I will visit Shopian again," he said, adding, "I feel very sad when I see Kashmir in trouble."

**Comments.** After his first visit to the Valley on taking charge as the interlocutor, Sharma recommended the withdrawal of cases against first-time stone pelters. The decision was announced a few days later by chief minister Mehbooba Mufti in November. Cases were withdrawn against nearly 4,000 stone pelters as a goodwill gesture, but the army has now questioned the decision. "The cases were withdrawn as a goodwill gesture but what goodwill are they showing? The stone pelting continues," Army Chief General Bipin Rawat said on February 23.

The Shopian incident statement implies that the forces were not showing restraint during the encounter and this fact has not been established yet. The interlocutor has been mandated to broker peace in Kashmir but he appears to be making partisan statements and only looking at the Kashmiri point of view, which may not be in national interest as such statements will be quoted by separatists and Pakistan in international forums to discredit India.

## **UNITED STATES OF AMERICA**

Gp Capt G D Sharma, VSM (Retd)

**US Push for Fair and Reciprocal Trade is Set to Harm Indian Interests.** Acting on the election promise by Trump, US is going to target the unfair trade practices of the trade partners which supposedly cause losses. US have now targeted the Indian trade. According to the US Trade representative (USTR), Indian exports are provided export subsidies which provide unfair benefits to India at the cost of US interests and impinges on US efforts to lower its trade deficit of \$800 billion inclusive of \$30 billion with India which is miniscule by any standard. Citing Indian Government documents, USTR claims that by this unfair practice, Indian companies are receiving benefits up to \$7billions. According to the American trade office, these subsidies apply to scores of products including steel, Pharmaceuticals, chemicals, IT products textiles etc.

As WTO rules, the subsidized exports are permissible by the countries for eight years whose have annual percapita income of less than \$1000. Now that Indian Percapita income has been raised above \$1800, the export subsidies have become questionable. The WTO threshold for doing away is unfair as India is still far below the per capita GDP of the rich countries which are led by Switzerland with annual per-capita GDP \$75800 and US with \$52195, and Germany \$45254. Even the weakest among them like Spain and Italy and Greece have much higher per capita at \$30461, \$ 33912, \$ 22736 respectively. Hence, there exists a great deal of disparity even now.

US intends to impose reciprocal tax .For the present, US will impose 25% tax on steel imports and 10% on aluminum. Our steel and aluminum exports to the US remain at barely 2 per cent of the outbound shipments of both products. The total exports steel and aluminum to US stood at 330 and \$350 million respectively. Hence, the impact of

US action would be negligible in India. However, if US act on entire range of the products then effect will be huge.

India has 60 days' time to respond to the USTR move. Then it will be deliberated at the bilateral level which will determine whether or not the issue will go to the WTO dispute settlement body. Withdrawing export subsidies will be politically difficult for the government in an election year and considering the fact that the exports sector as a whole is going through a difficult time. But one thing is clear: India will have to drastically change the way it helps its exporters. India has been reviewing many schemes to check if they were WTO compliant. These can be replaced by production subsidies, but, these then would require far larger budgetary commitments which is a difficult proposition.

India would engage US to apprise it of our position but, as the WTO rules go we would have to comply if insisted by US. WTO has been created in 1985 to facilitate free trade among but, in reality it is unfair to the poor/ developing nations. WTO actually boosts trade more for rich countries than for poor/ developing countries. As by design it does not support the growth of the developing/ poor nations by creating artificial barriers to their products. Earlier too, US had taken India to WTO and got a ruling in its favour on its export of its solar panels. In this case too, if pursued by US, we may have to remove the subsidies. However, there is hope that issue would get resolved outside the WTO domain for our share is miniscule in US trade deficit and US must in spirit of a strategic partner should support our growth to take on the strategic challenges in the region.

## **CAR**

Air Cmde T Chand (Retd)

**TAPI Gas Pipeline – Commencement of Work on Second Corridor.** Second corridor of the TAPI gas pipeline project was inaugurated by the heads of state of Turkmenistan, Afghanistan, Pakistan and Indian Minister of State for Foreign Affairs on 23 Feb 2018. Earlier, first phase of this pipeline project was initiated during a summit meeting of Turkmenistan, Afghanistan, Pakistan and India on 11 December 2010. The Galkynysh gas field would be the primary source of supply and its development is underway. All the contracts and legal framework for TAPI have already been signed.

The TAPI Pipeline Company Ltd., under the guidance of the Turkmengaz, is the main agency for the implementation of the project. Turkmenistan is responsible for 85% of the cost, while Afghanistan, Pakistan, and India will contribute 5% each. ADB will bear the share of Turkmenistan.

The construction work on the Turkmen segment of TAPI started on 13 December 2015. The total length of TAPI is 1840 km, of which 205 km runs inside the territory of Turkmenistan, 816 km Herat-Kandahar segment in Afghanistan, and 819 km Quetta-Multan-Fazilka segment in Pakistan. The construction inside the territory of Turkmenistan is nearing its completion. The Taliban have reportedly already expressed their support for TAPI project on the following conditions:-

- There will be no American investment or any other involvement in TAPI. If this condition is breached, the Taliban may withdraw their support.

- The Kabul government should make sure that there is no corruption or misappropriation in the project in all its aspects.
- The Taliban are ready to form a joint security force together with the government for the safety of TAPI.
- The Taliban would appreciate if the Afghan government secures guarantee from the UN or the international community that the Americans will not interfere with TAPI.
- The Taliban welcome all the countries and companies that work only for the development of the Afghan nation and offer them all kinds of support and security.
- The benefits of TAPI should reach all in a transparent manner.

The media reports compiled by Tariq Saeedi and Raviliya Kadyrova of the nCa (News Central Asia) suggested that Mulla Abdul Mannan Niyazi, the head of the Taliban ministerial commission, signed the agreement with the government of Afghanistan defining these terms.