

ENVIRONMENT SCAN: 16-30 APR 2017

China (CONTINENTAL), China(MARITIME), Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iraq, Syria, Yamen, Russia, United States of America

CHINA (CONTINENTAL)

Brig Jai Singh Yadav, VSM

Trump fears 'major, major conflict' with North Korea

28 April 2017

US President Donald Trump has said he would like to solve the North Korea crisis diplomatically, but that a "major, major conflict" is possible.

China's foreign minister called for negotiation and dialogue.

The UN Security Council is meeting to discuss North Korea on Friday and will consider further measures to counter its nuclear and missile programmes.

The country has made several military shows of strength in recent weeks but a missile it was testing failed.

America sent warships to the region and began installing a controversial anti-missile system in South Korea earlier this week.

US Secretary of State Rex Tillerson said Washington would negotiate with North Korea with a view to removing nuclear weapons from the country, not changing the government.

He told NPR radio in the US: "We do not seek regime change, we do not seek a collapse of the regime, we do not seek an accelerated reunification of the peninsula.

"We seek a denuclearised Korean peninsula - and that is entirely consistent with the objectives of others in the region as well."

North Korea has carried out repeated missile tests in recent months and is threatening to conduct its sixth nuclear test.

Mr Tillerson also indicated that he thought China, North Korea's major ally, might be starting to see the regime as a "liability" or a security risk.

"What China is beginning to re-evaluate is whether North Korea is any kind of an asset to them,

or whether North Korea themselves and the regime have become a liability to China's own security," he said.

Shortly after being elected, Mr Trump accused China of not doing enough to rein in North Korea and suggested the US could take unilateral action. But Chinese Foreign Minister Wang Yi has warned that tensions on the Korean peninsula risk getting out of control, and ahead of Friday's meeting he said negotiations with North Korea are "the only right choice".

According to Mr Tillerson, China has told the US it will impose sanctions on North Korea if it conducts further nuclear tests. In a wide-ranging interview inside the Oval Office, Mr Trump praised China's President Xi Jinping for his handling of North Korea, calling him "a very good man" who loved his country. He said Mr Xi "certainly doesn't want to see turmoil and death". "He is a very good man and I got to know him very well," he said. "He loves China and he loves the people of China. I know he would like to be able to do something, perhaps it's possible that he can't."

Mr Trump also said it had been "very hard" for Kim Jong-un to take over North Korea at such a young age. He said: "He's 27 years old. His father dies, took over a regime. So say what you want but that is not easy, especially at that age." But he stressed he was "not giving him credit", and added: "I hope he's rational."

"There is a chance that we could end up having a major, major conflict with North Korea. Absolutely," said Mr Trump. Other developments have raised tensions in recent weeks:

- ♣ North Korea executed a failed missile launch and held a massive military
- ♣ parade in an apparent show of strength.
- ♣ The US deployed a group of warships and a submarine to the region
- ♣ Pyongyang reacted angrily, threatening a "super-mighty pre-emptive strike"
- ♣ The US began installing a controversial \$1bn (£775m) anti-missile system
- ♣ system called Thaad in South Korea - which Mr Trump said South Korea should pay for. Seoul said on Friday there was "no change" in its position that the US pays for it
- ♣ Mr Tillerson and US Vice President Mike Pence visited South Korea, reiterating that "all options are on the table" in dealing with the North.

In February, China banned coal imports from North Korea - one of the country's key exports - and is reportedly also considering restricting oil shipments if Pyongyang continues to behave belligerently.

Should stop CPEC if disputes rise: Top party academic

Zhang Yunling, an official think-tank, said in Beijing that the government should proceed

carefully with transnational projects under the "One Belt, One Road" (OBOR).

April 29, 2017

Zhang Yunling, an influential academic who is member of the presidium of the official Chinese Academy of Social Sciences (CASS), an official think-tank, said in Beijing that the government should proceed carefully with transnational projects under the "One Belt, One Road" (OBOR). China is hosting its first OBOR summit on May 14, with 28 leaders to attend.

Asked at a press briefing about sovereignty concerns in India because of parts of CPEC that pass through Pakistan occupied Kashmir (PoK), Zhang said: "Even in the case of navigation routes on the Mekong river, for example, many problems emerged so we have to discuss them one by one. We need to learn lessons. Sometimes the lesson may be too big and we may have to stop."

CPEC is a Gradual Investment

"Any transnational projects involve concerns of different countries," he said. "We need to coordinate that to strike a balance to be acceptable to all parties. If we can't reach that balance, maybe we can stop it for some time."

Zhang also said that contrary to many reports, China hasn't already committed \$46 billion to CPEC. "There is some misunderstanding about China Pakistan cooperation. Yes it's tens of billions but its not one lump-sum investment. It is a gradual investment. China is unlikely to do a u-turn on CPEC, a part of which runs through PoK. Beijing has already given the green light to expanding the Karakoram highway, the Gwadar port project and a number of energy projects. But Zhang's comments indicate Beijing's academics are examining the concerns voiced by many countries on certain aspects of OBOR, and are suggesting that certain elements of projects be revisited if required. India isn't opposed to the entire plan, but to parts of CPEC that run through Indian territory in PoK. India hasn't accepted an invitation to send a representative to the first Belt and Road Forum on May 14. Zhang noted that the "Indian government has been quite prudent or cautious in expressing its attitude towards the Belt and Road Initiative, but participates in the Asian Infrastructure Investment Bank.

He suggested that India's non-endorsement need not necessarily emerge as a barrier to India-China cooperation. "We do not need to put a BRI label to everything. It only provides a platform. For China India cooperation we don't need to look at the BRI initiative alone, we already have a range of cooperation in wide range of areas including infrastructure".

He suggested that India's non-endorsement need not necessarily emerge as a barrier to India-China cooperation. "We do not need to put a BRI label to everything. It only provides a platform. For China India cooperation we don't need to look at the BRI initiative alone, we already have a range of cooperation in wide range of areas including infrastructure".

At the May 14 summit, Zhang said China may come up with new ideas for the initiative. Beijing is especially aware that many countries in the region have been wary at what they see as a Chinese initiative without a mechanism for consultations among all regional stakeholders. No major Western leader will be at the summit. Russian President Vladimir Putin will attend, as will the Prime Ministers of Sri Lanka and Pakistan and seven leaders from the 10 ASEAN countries.

"There is a lot of suspicion," acknowledged Zhang with regard to the maritime silk road plan, "but it will take time for people to overcome their misgivings". "We need the consent of all parties," he said. "We need joint discussion."

As for some projects that have faced difficulties in the region, from the Myitsone dam in Myanmar and a high speed rail in Thailand to the Hambantota port project in Sri Lanka, Zhang said risks were inevitable. "In Hambantota, yes there were problems for some time but it has restarted and the prospects are rather good. Thailand is changing the railway plan. We need to share the risks so that we are jointly designing, jointly building and jointly discussing projects. Whenever there is any danger there should be immediate communication on the risks and dangers and should also involve dispute settlement mechanism," he said.

CHINA (MARITIME)

Capt Ranjit Seth

China and the ASEAN Summit.

Leaders of the Southeast Asian nations met in Manila over the weekend for the 30th Association of Southeast Asian Nations (ASEAN) annual summit. This is the first of two ASEAN meetings this year. The next will take place in November, also in Manila.

Tensions on the Korean Peninsula were on the agenda. A draft statement issued prior to the summit urged North Korea to "immediately cease all actions that violate its international obligations and contravene United Nations Security Council resolutions. The actions have resulted in an escalation of tensions that can affect peace and stability in the entire region."

North Korea and the US had been raising war rhetoric in the past few weeks, with US President Donald Trump warning N Korea of dire consequences if it carried out a nuclear test. On Saturday, North Korea test-fired a ballistic missile shortly after the UN Security Council warned the communist country to halt provocations. The mid-range rocket broke apart shortly after launch.

Philippine President Rodrigo Duterte opened the ASEAN summit with a toned down stance on the Chinese expansionism in the contested South China Sea. Earlier before the summit, he had said that the Southeast Asian nations were helpless to stop Beijing from building artificial islands in disputed waters, hence there was no point protesting against it at diplomatic events. Since coming to power last year, President Duterte has forged closer ties with China at the cost of Philippines' traditional alliance with the US. However, most countries in the 10-nation ASEAN are against China's aggressive policies in the region and seek US' help to maintain the strategic balance. In fact before the summit ASEAN leaders had asked all countries with claims to the South China Sea to avoid actions "such as land reclamation and militarization that may further complicate the situation."

The summit ended on Saturday with no agreement on how to address China's assertiveness in the South China Sea, an important issue in a region where uncertainty about United States interests is causing anxiety. No customary joint statement was issued; reportedly Chinese embassy officials in Manila had influenced the Philippines to keep references to China's island-building and arming of artificial islands out of the statement.

PAKISTAN

Brig Deepak Malhotra

Panama Papers verdict

A five-judge Supreme Court bench headed by Justice Khosa had ordered the Prime Minister Nawaz Sharif and his children to face further investigation by a specially constituted six-man joint investigation team (JIT). Subsequently the Supreme Court office dispatched copies of the 548-page judgment in the Panama Papers case to the Federal Investigation Agency, National Accountability Bureau, Securities and Exchange Commission of Pakistan, State Bank of Pakistan, Inter-Services Intelligence and Military Intelligence — the departments whose nominees will be included in the JIT.

Comments. It will be for the first time in the Pakistan's history that a sitting prime minister will

appear before an investigation team probing allegations of financial wrongdoing. Although he has escaped disqualification, the third-time prime minister has emerged politically much weaker after this historic judgment. Significantly, the JIT includes representatives of the Military Intelligence and ISI bringing the military into a probe against a sitting prime minister. The involvement of the intelligence agencies in a purely financial inquiry may have serious political ramifications. However the record of JITs in other politically charged matters make it clear that no great surprises ought to be expected.

IRAN

Brig Deepak Malhotra

Russia backs full membership of Iran in the SCO

Russia has strongly backed Iran for a full fledged membership in the Shanghai Cooperation Organisation (SCO). The Russian Foreign Minister Sergey Lavrov said that as now Tehran has “settled the problem of the UN Security Council sanctions it fully meets the SCO membership criteria and it hopes that during the June summit in Astana, the heads of states will be able to discuss the possibility of launching the procedure for admitting Iran into the organization as a full member,”

Comments. Iran currently has observer status in the organization. It submitted an official application for full-fledged SCO membership in 2008. The application, however, was blocked due to sanctions imposed on Iran by the UNSC. After 2015 nuclear deal implementation, as Iran agreed to drastically limit its nuclear fuel enrichment capabilities in exchange for lifting the sanctions, both Russia and China expressed their support for country’s full membership. Russian-Iranian relations have been steadily progressing in recent years specially during the Syrian war crisis.

BANGLADESH

Col Saikat Roy

Mamata Banerjee sticks to Teesta stand, names two more rivers for water-sharing

Continuing to voice her opposition to sharing Teesta waters with Bangladesh, West Bengal Chief Minister Mamata Banerjee on Tuesday, Apr 2017, claimed that the river had dried up and if its water had to be shared, the people and the farmers in the region would not get a drop. "There is no water in the Teesta. If we share its water, then the people of Siliguri, Jalpaiguri will not get

water and the farmers will not be able to carry out agricultural activities...," she said while addressing a rally at Cooch Behar.

Comments. However, Banerjee said, she had no objection to sharing waters with Bangladesh as such and referred to her proposal of sharing the waters of the Torsa and the Manshai rivers, on which, she said there should be a discussion. The chief minister added two more rivers to the list today -- the Sankosh and the Dhansai. "Water from the Sankosh river causes floods...Why do not you (Centre) do some planning about that. Go take water from it. There are the Torsa, the Manshai and the Dhansai rivers. Take water from them...We do not have any problem," she said. She said earlier, water from the Farakka barrage had been shared with Bangladesh and criticised the Centre for "not honouring its promise" of providing funds for the barrage which dried up. "We had shared water from Farakka...So many villages had gone under the water. The Centre had promised funds for Farakka, but they have not been released till date. Now, the barrage has dried up. The Kolkata port too has dried up. Dredging was not even done once," said Banerjee.

Bangladesh's new mission in Guwahati starts functioning

Assam Chief Minister Sarbananda Sonowal has welcomed Bangladesh Assistant High Commissioner Kazi Muntashir Murshed in Guwahati as the new mission in India's northeast state started functioning. Bangladesh opened this Assistant High Commission on Mar 24 of this year with consular jurisdiction over Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram and Nagaland.

Comments. In recent years, both Bangladesh and India have expanded their relations on all fronts and embarked on new fields of cooperation. Guwahati is the fifth mission after New Delhi, Kolkata, Mumbai and Agartala.

"Bangladesh is keen to enhance connectivity, people to people contact and trade between the north east of India and Bangladesh and opening up a new diplomatic Mission is the demonstration of the government's willingness to treasure and nurture the existing excellent friendship between Bangladesh and India," Murshed told the Chief Minister.

Prime Minister Sheikh Hasina and her counterpart Narendra Modi also launched new bus services -- Kolkata-Dhaka-Agartala, Dhaka-Shilong-Guwahati, and Dhaka-Khulna-Kolkata. They also inaugurated the fourth railway link between Radhikapur-Birol and work on three more links underway and expected to be completed by 2018.

Khaleda's 11 cases: Hearings delayed again

Dhaka Metropolitan Sessions Judge Quamrul Hossain Molla again delayed hearing 11 cases against BNP Chairperson Khaleda Zia and set May 22 as the date for the next hearing after considering a petition by Khaleda's lawyers. Charges will be pressed against Khaleda on 10 of

the cases and the court will have to take cognisance of these cases at this hearing. The hearings have been delayed several times before.

“Madam is unwell,” said Khaleda’s lawyer Jainul Abedin Mesbah. “As a result we petitioned for more time and the court accepted our request and set a new date for the hearing.”

Comments.

Sedition charge. Speaking at a discussion on Dec 21 last year, Khaleda expressed doubts about the government's claims that nearly three million people had died during the 1971 Liberation War. The BNP chief had also said that Bangabandhu wanted to be the prime minister of undivided Pakistan rather than lead the country to independence. Awami League leader and Supreme Court lawyer Momtaz Uddin Ahmed Mehedi sued the former prime minister for her remarks by bringing charges of sedition.

Eight cases of inciting violence. After the BNP was prevented from holding a rally on Jan 5, 2015 to protest the anniversary of the 10th Bangladesh Parliamentary Elections, Khaleda Zia called a nationwide blockade. In the course of the blockade that lasted 90 days, vehicles and buildings were fire-bombed, leading to almost 150 deaths. Numerous cases of inciting violence were filed at that time. Nine cases accusing Khaleda Zia were filed at the Darus Salam police station, eight under the Special Powers Act. The court granted Khaleda bail in the cases. The cases under the Special Powers Act are awaiting an indictment hearing at the moment.

Jatrabarhi firebombing case. A petrol bomb explosion in Jatrabari’s Kather Pool area during last year’s blockades led to the injury of 30 bus passengers. One of the victims, Noor Alam, later died of burns. Jatrabarhi police filed two cases, where Khaleda has been accused of inciting the attack. Police pressed charges on the former prime minister and 37 others in the cases, one for the death and the other under the Explosives Act.

Election 'won't be easy' without BNP: Mirza Fakhrul

Suggesting BNP indispensable for general elections, the party's Secretary General Mirza Fakhrul Islam Alamgir has said that it will 'not be easy' to hold the next parliamentary election without the opposition outside parliament. Speaking to reporters at the party's Naya Paltan headquarters on Saturday, he claimed there was a conspiracy to cancel the party registration.

Awami League leader Commerce Minister Tofail Ahmed, however, thinks all the parties, including the BNP, will take part in the parliamentary election with the Awami League in government, the commerce ministry said in a statement.

Comments. The election is scheduled for early 2019. "The BNP is the largest political party in this country and they (Awami League) have already held an election without this political party. Even India said it was not a legitimate election. I wish to say that if they create the same situation by leaving the BNP out, the government will never be accepted by the world, let alone

the people of Bangladesh," Mirza Fakhrul added.

Muhith expects 7.5 percent growth in 2016-17 fiscal

Finance Minister AMA Muhith hopes that the GDP growth in the current fiscal will surpass the target of 7.2 percent. "I strongly hope that we will be able to achieve 7.5 percent growth in the current financial year," he remarked after a meeting with a delegation of the US Chamber of Commerce on Saturday, Apr 22, 2017. The target for growth in the budget of 2016-17 fiscal year has been set at 7.2 percent. But Asian Development Bank has projected the growth at 6.9 percent in its forecast for this fiscal.

Comments. After posting 6 percent or more growth for a few years, Bangladesh's economy grew by 7.11 percent in the 2015-16 financial year. "The growth was 5.7 percent when the Sheikh Hasina government came to power in 2009," Muhith said.

India 'relaxes' loan conditions for Bangladesh, Finance Minister Muhith says

The Indian government has relaxed loan conditions for Bangladesh, Finance Minister AMA Muhith has said. Earlier, Bangladesh had to purchase from India with 75 percent of the credit, but now the amount has been cut to 65 percent, which means Bangladesh can use 35 percent of the credit of its own choice. In the first phase of the line of credit from India, Bangladesh received \$1 billion with 1.7 percent interest.

India cut the rate to 1 percent in the second phase when it gave Bangladesh \$2 billion during Prime Minister Narendra Modi's Dhaka visit in 2015. The rate remained same when the two countries signed \$4.5 billion credit deals during Prime Minister Sheikh Hasina's recent visit to New Delhi.

Comments. The latest Indian credit of \$4.5 billion will be used in 17 projects, he added. The finance minister said the total of \$7.5 billion Indian credit would play a 'major' role in Bangladesh's development.

Bangladesh relies on BIMSTEC as SAARC fails

Bangladesh hopes to make up through sub-regional cooperation including BIMSTEC after the failure of SAARC, says the international affairs adviser to the prime minister. "In this context coming together in BIMSTEC is truly important," Gowher Rizvi said on Saturday. He was speaking at the opening of the BIMSTEC Network of Policy Think Tanks (BNPTT) meeting in Dhaka at the Bay of Bengal grouping's headquarters. "In Bangladesh we see much of the future in the sub-region. It is the sub-region we are focused on. We have BBIN, BCIM and BIMSTEC....this is where we see our future".

Comments. The seven countries grouping connecting South Asia with the Southeast Asia received much attention following India-Pakistan tension that resulted in postponement of last year's SAARC summit in Islamabad. Some think tanks now consider BIMSTEC as alternative to

SAARC as Pakistan is not part of this grouping. The grouping is promoting 14 priority sectors of development and common concerns including trade and investment, transport and communication, tourism and people-to-people contact.

SRI LANKA

Col Saikat Roy

No deals to be signed during Modi's visit to SL: President

Prime Minister Narendra Modi would only attend the UN 'Vesak Day' celebrations which commemorate the birth, enlightenment, and death of Buddha and no bilateral agreements will be signed during his visit to Sri Lanka next week, President Maithripala Sirisena has said.

Comments. Prime Minister Modi is scheduled to visit Sri Lanka to take part in the celebrations to be held in Colombo from May 12 to 14 to mark the Vesak event.

AFGHANISTAN

Brig Deepak Malhotra

Afghan officials resign after Taliban attack

Afghanistan's army chief and defence minister have resigned following a Taliban attack on an army base that killed 140 people. The attack, the biggest ever by the Taliban on a military base in Afghanistan, involved multiple attackers and suicide bombers in army uniforms who penetrated the compound of the 209th Corps of the Afghan National Army in northern Balkh province.

Comments. The Taliban action comes more than a week after the US military dropped America's most powerful non-nuclear bomb on ISIS targets in Afghanistan, killing 94 ISIS fighters. This rampage is apparently a "prelude" to the militants' traditional spring offensive and they have hardly let up their campaign this past winter, instead repeatedly attacking strategic cities and towns in scattered regions, and gradually gaining influence or control over greater portions of the country. This attack also highlighted the continuous failure of military intelligence as well as the wider intelligence gathering of security forces. Earlier Gen. John Nicholson, had told Congress he believed the war is at a "stalemate" and suggested that the NATO coalition needs several thousand more troops to turn the tide, however neither Mattis nor President Donald Trump has given a public indication if they support Nicholson's request for additional troops.

MIDDLE EAST

Brig Ranjit Singh

IRAQ

Iraqi offensive to retake West Mosul. The Iraqi security forces offensive, to retake strategic Mosque Grand Nuri al-Kabir, in old city, in West Mosul, from where Baghdadi announced Caliphate in 2014, continues with steady progress. The security forces have cutting-off exit routes, evacuating civilians from the area. The operations are progressing slowly with stiff resistance from ISIS. The operations have entered last phase of operations, Iraqi Forces have retaken 70 percent of area, 34 out of 38 districts in Mosul from ISIS. The balance 4 districts are expected to be retaken by mid May, as per Iraqi security forces spokesperson.

US led Coalition Air Strikes. The US led Coalition has carried out large scale air strikes causing large scale casualties to ISIS and destroyed large number of logistics targets in West Mosul.

IDPs rising in West Mosul. In the ongoing operations in West Mosul, the number of IDP has touched 400,000, so far.

ISIS fighting capability. It is reported that around less than 1000 ISIS elements are left in Mosul. They are primarily restricted to the old city of Mosul, the escape routes have been cut off. It expected that ISIS terrorists would fight to the last man last round. The ISIS cadres left are believed to Uzbeks, Uighurs and French speaking Europeans.

Comments. The Iraqi offensive to retake Mosul has entered last phase of operations, with only 4 out of 38 districts to be retaken from ISIS. It reported that around less than 1000 ISIS terrorists are holed up in the old city of Mosul, who are expected to fight last man last round. It is reported by Iraqi spokesperson that Mosul operations would be completed by mid May.

SYRIA

Turkey threatens on US allied Syrian kurds in Syria. Turkey carried out deadly air strikes on US allied Syrian kurds under YPG, causing large scale casualties. This has also led to large scale clashes along the Srian border. This has annoyed US, it has sent its military vehicles to patrol along the border with Kurdish rebels. Turkey has threatened more such strikes in future too.

Israeli Missile attack on arms depots near Damascus. Israel carried out missile attack on arms depots near Damascus airport, 25 Km from the capital, operated by Iranian backed Hezbollah Group. The arms are supposedly supplied by Iran.

SDF makes gains in Tabqa. US backed SDF has made significant gains in the town of Tabqa, 55 Km west of Raqqa. SDF controls 40 percent of the town, which is ISIS Command Base, close to ISIS controlled Tabqa Dam. The town lies on the strategic supply route to Raqqa.

Deadly air strikes on rebel held Idlib. Russia backed Syrian Air Force carried out deadly air strikes on several districts of rebel held Idlib Province, causing large scale casualties and destruction.

Govt forces advance against rebels in Hama Province. The Govt forces captured the town of Halfaya in Hama Province, building on recent strategic gains in the province. It controls highway connecting Damascus to Aleppo.

Comments. There is a direct confrontation between US and Turkey on support to YPG, which is backed by US in operations against ISIS in Syria.

SDF has made significant gains by gaining partial control of town of Tabqa, close to Raqqa. Capture of the town would facilitate early capture of Raqqa.

YEMEN

Rebels on defensive as Govt forces make gains in North Yemen. Heavy clashes have been reported in Northern Province of Hajja, where Govt forces advanced deep in to Red Sea city of Medi, inflicting large scale casualties on Houthi rebels. The Govt forces have broken months of stalemate putting rebels on defensive in Medi, Haradh and Nahim districts close to Sana'a.

Govt seeks UN oversight of Hodeida Port. Govt forces supported by Saudi led coalition forces are preparing for a major offensive to retake strategic Hodeida Port on Red Sea, but made no head way so far. The Houthi rebels have been receiving arms through this port and levying illegal taxes on commercial imports. The Govt has proposed UN to monitor the port to ensure no arms are smuggled through it.

Yemen peace talks before Ramadan. Prime Minister of Yemen has said that his Govt was determined to sign a peace deal with Houthi rebels to put an end to bloody conflict. The UN envoy to Yemen has voiced his hopes of renewed peace talks before Ramadan.

Comments. The situation in Yemen remains grim with really no worthwhile progress, even though the Govt forces have pushed rebels in to defensive in northern Yemen. The smuggling of weapons by the rebels continues through the rebel held Hodeida Port. The UN sponsored peace talks could commence before Ramadan, as reported by UN envoy to Yemen.

RUSSIA

Col Harpreet Singh

China Nepal Bonhomie

Joint Military Exercise. Nepal and China conducted their first-ever joint military exercise starting from 16 April 17 and the 10-day-long "Sagarmatha Friendship 2017" terminated on 25 April 17. The Nepali army said the joint military exercise with China is a step towards preparations against the possible threat from terrorism. The exact number of troops that took part in the exercise is not clear. The exercise was conducted at the army's Maharajgunj-based Training School, where YuddhaBhairab, Mahabir and Bhairabnath Battalions are located.

China has said that Nepal was forced to scale down its first military exercise with China because of purported pressure from India. "It was said the two countries initially planned to hold a battalion-scale military exercise. However, facing a strong opposition from India, Nepal had to compress the size of the military exercise and change the venue to a military school," Chinese state-run Global Times tabloid reported.

Nepal China's Rail Network. Nepal and China are set to sign the much-talked about deal for the proposed rail network between the Nepalese capital Kathmandu, which stands at an elevation of nearly 1,400 meters above sea level, and Kerung, a bordering town of China. Nepal's Prime Minister Prachanda had earlier assured China that Nepal would sign an agreement to extend the rail network from Kerung to Kathmandu, Pokhara and Lumbini and also join OBOR project.

Comments. The joint training with China marks Nepal army's extension of military diplomacy. Though this move by Nepal makes India uneasy, Nepal still went ahead with a scaled down version of the exercises. It shows that Nepal is actively pursuing a policy of balanced diplomacy between India and China. The same was seen earlier when the Prime Minister's visit to China was soon followed by the President's visit to India in April. This appears to have become the basic principal of Nepal's foreign strategy in recent times and its engagement with China is increasing. This, coupled with the under currents of a growing anti India sentiment in Nepal needs to be tackled diplomatically by India to maintain status quo. However it is clear, at least in the short term, that Nepal is certain that rail and OBOR links with China will enhance its trade and is in its national interest.

Madhesi to Participate in Local Body Polls. Nepal's Madhesi parties have struck a deal with the Prachanda-led coalition government under which they would take part in the local body elections after a revised Constitution amendment bill is passed in Parliament through a fast-track process. Madhesi parties had earlier warned the government that they would disrupt the local elections if their demands, including proportional representation in Parliament, are not addressed. The Federal Alliance, a grouping of agitating Madhesi parties and ethnic groups, reached an agreement on issues related to Constitution amendment and local polls. The government has proposed two dates, May 14 and June 14, for conducting local body polls on two phases.

Comments. The local body's election taking place after a gap of two decades would empower the people and distribute power and other amenities to villages. The Madhesi parties, who claim to represent the interests of inhabitants of the southern Terai region who are mostly of Indian origin, have been demanding that the Constitution promulgated in 2015 be amended to revise the provisions of citizenship and re-demarcation of the provincial boundary before going to the May polls. Agreement between Madhesi and the government is a good sign for the stability of Nepal.

Russian Hackers Target French Elections. According to Trend Micro researchers, the campaign of French presidential candidate Emmanuel Macron has been hit by the same Russian hackers who targeted Democratic campaign officials in the U.S. before last year's presidential election. On March 15, the Pawn Storm group began targeting Macron's campaign with phishing attacks seeking campaign officials' login information. The phishing pages are very personalized Web pages made to look exactly like the real address. That means there was talent, money, experience, time and will behind it.

The phishing attacks are the invisible side of a Russian campaign against Macron, with the visible side being fake news published on Russian news sites like Sputnik and RT. Russia as always denied that it was involved.

It has also come out that a Russian government think tank controlled by Vladimir Putin (Russian Institute for Strategic Studies) developed a plan to swing the 2016 U.S. presidential election towards Donald Trump and undermine voters' faith in the American electoral system. The institute is run by retired senior Russian foreign intelligence officials appointed by Putin's office.

Comments. It looks like the world will have to get used to seeing politically motivated hacks by nation states, especially Russia. The potential benefits to the perpetrators are too large and the costs of execution and the risks of getting caught are too low to worry them.

The reliance on spear phishing techniques to fool the target into sharing sensitive information or to get them to hand over their login credentials has become part of the standard operating procedures for both cybercriminal and nation state attackers. Combine this with the fact that

many organizations, political campaigns in particular rely on email to conduct their business, but have neither sufficient security controls for this communication channel, nor do they have sufficient awareness or understanding amongst their users of the attacks that can so easily be executed via email. While there's nothing that can be done to stop nation states from attempting these types of attacks, there is an enormous amount that can be done to protect against them. Intelligence sharing, not only amongst organizations involved in elections, but also between political organizations who may have already experienced attacks from nation states, can help develop proactive defenses against future attacks. However when organizations fail to share threat intelligence broadly, attackers ultimately benefit by being able to hack multiple targets using the same method, as well as avoiding attribution.

With the Indian general elections due in 2019, it remains to be seen whether a similar hacking attempt will be made and if so, which political set up will be favoured.

UNITED STATES OF AMERICA

Gp Capt GD Sharma, VSM (Retd)

Indo- US Relations. During the past week, media experts were evaluating President Trump's 100 days in office and trying to sense any change in the American foreign policy. In India, the strategists too are trying to read the future India US relations and whether it will change?

The answer to above question will depend on this understanding whether US core interest in the region has changed?

The incidents in past three months do not suggest any change in American interest. The bombing of Afghanistan and missile attack over Syria after the alleged chemical attack by the Syrian forces and stern warning to North Korea on its missile launches / threat of sixth nuclear test. Thereafter, U.S. following it up with routing of Carrier task force in Western Pacific / East of Japan as a deterrent force / bombers run in the general area and deployment of THAAD ballistic missile defense in South Korea, all show that American core interest in the region has not changed. America has not changed its stance on the Chinese assertiveness in the South China Sea. Its commitment for defence of Japan and South Korea remains in place. America continues to have global perspective however; it is also committed to the local concerns. Growth in U.S. economy and jobs for the American citizens therefore, is a legitimate concern. Thus, "America First" or changes in H1-B VISA which though hurt India's interest do not signify change US

foreign policy vis-a- vis India. India and US strategic interests in the region continue to be in sync and not expected to change with change in leadership.

Prime Minister Modi is expected to visit US shortly. The true complexion of the Indo US relations will become clear after two leaders meet in person as personal chemistry too plays some role in furthering the relations.