

ENVIRONMENT SCAN: 16 AUG – 31 AUG 2017

Pakistan, Iran, Bangladesh, Srilanka, Afghanistan, Nepal, Mangolia, United States,

PAKISTAN

Brig Deepak Malhotra

Hizbul Mujahideen Blacklisted by United States. The U.S. Treasury Department, in a statement on its website, said it listed the Pakistan-based outfit as a “foreign terrorist organization,” freezing its assets “to deny Hizbul Mujahideen the resources it needs to carry out terrorist attacks.” The blacklisting came after the U.S. State Department designated Hizbul Mujahideen’s Commander Syed Salahuddin as a “global terrorist” in June, saying under his rule it committed numerous attacks including one in 2014 in India-administered Kashmir that left 17 injured. Comments. The designation comes the week both India and Pakistan mark

70 years of independence from the British Empire - and the start of bitter rivalry and decades of conflict over the disputed Himalayan region of Kashmir. The State Department designation bans US citizens and residents from dealing with the group and any assets found to belong to it in areas under US jurisdiction will be frozen.

Military-run SCO Denied Permission to Operate across Pakistan. The Pakistan government has decided that it would not allow the Special Communication Organisation (SCO) to operate throughout the country on a commercial basis. The SCO has proposed a free of cost licence to operate and compete against other telecom operators such as Mobilink, Telenor and Zong throughout the country. It also proposed an amendment to the law for tax exemption on its income, assets, turnover and sales and customs duties on its imports and exports. Above all, the SCO requested to be funded by the federal government. However, the IT ministry feared that the results of a complete autonomy can leave an adverse impact on the growth of economy in general and the telecom sector in particular, risking millions of dollars as direct foreign investments by cellular companies. Comments. Headed by a serving military officer, the SCO is a public sector organisation working under the ministry of IT. It was established in 1976 to develop, operate and maintain telecom services in PoK and Gilgit-Baltistan. For two years, the SCO has been demanding a complete autonomy to operate as a commercial entity and expand its services across the country. Creating another wholly government-owned telecom player in the country would be counter to the Pak government’s deregulation policy of 2003 and the objectives of the Telecom Act.

IRAN

Brig Deepak Malhotra

Iran, Saudi to Exchange Diplomatic Visits. Iranian Foreign Minister Javad Zarif said that delegations from Iran and Saudi Arabia would exchange diplomatic visits soon. The visits could take place after the Hajj pilgrimage in Saudi Arabia ends in the first week of September.

Comments. Relations between the two countries are at their worst in years, with each blaming the other of subverting regional security and backing opposite sides in conflicts in Syria, Iraq and Yemen. The visits would be the first sign of a thaw in relations since they severed diplomatic ties last year. Saudi Arabia and several other

Arab governments have cut ties with Qatar, citing its support of Iran as one of the main reasons.

BANGLADESH

Brig HS Cheema

Strong Regional Response on Rakhine. For the first time, Bangladesh has offered to start joint military operations with Myanmar to curb and control the Arakan Rohingya Salvation Army (ARSA). Officials in Bangladesh foreign ministry said the offer has been conveyed to Nay Pyi Taw through Myanmar's charge d'affairs in Dhaka. Sheikh Hasina's government is against receiving Rohingyas or against backing any ARSA terrorist activity. "Why should the world push us to accept more Rohingyas, we are an over-populated poor country ourselves, we are surprised why the UN and other Big powers pushing Myanmar to create conditions so that no Rohingya is forced to take shelter in Bangladesh or elsewhere,". Indian minister Khiren Rijju has also said his government will expel all the 40000 Rohingyas in India. Both India and Bangladesh are unwilling to take any Rohingya refugee but they are more than willing to help Myanmar crush the ARSA which both Delhi and Dhaka sees as a dangerous addition to the nexus of Islamic radical hardline terrorist groups like JMB and ABT in Bangladesh, Indian Mujahideen in India and all aligned to Pakistan's Lashkar e Tayabba (LET). It is expected Indian PM Narendra Modi will offer greater military cooperation to Myanmar during his visit on Sept 6-7. China, despite high stakes in Rakhine state specially its Kyaukphyu project, has been silent on the escalation of violence in Rakhine -- so has Pakistan. Mere Coincidence? Is it mere coincidence that the Arakan Rohingya Salvation Army (ARSA) went on a huge pre-dawn offensive attacking 19 police stations and one army camp in Northern Rakhine on 27 Aug barely six hours after former UN Secretary General Kofi Annan presented his Rakhine Commission report on Thursday? The ARSA has said in its Twitter message that their attack was to break the blockade by security forces of Rohingya dominated areas that forced them into "defensive action". Blockade has

reduced towns like Rathidaung and Buthidaung to "near starvation". There is no independent corroboration of such allegations - the barring of media by the Myanmar authorities has made it impossible to check on that. But while there could be some truth in allegations. Bandwidth to be sold to Myanmar, Cambodia, Vietnam and Bhutan (Mizzima). Bangladesh is building a link to sell 100 GB/s bandwidth to Myanmar, Cambodia and Vietnam, and talks are on with India to connect Bhutan to a 2.5 GB/s line. Bangladesh Submarine Cable Company Limited (BSCCL) MD Md Monwar Hossain said a link was built with Myanmar through which the three Southeast Asian nations would use 100 GB/s bandwidth from the submarine cable SEA-ME-WE-4 (South East Asia-Middle East-Western Europe 4).

SRI LANKA

Capt (IN) Ranjit Seth

Sri Lanka's Airport Deal to Allay Concerns in India. The Sri Lankan government would appease concerns in India that it is accommodating to the interests of China by handing control over a strategic port to a Chinese company by granting India a share MRI airport near Hambantota. Sri Lanka had last month signed a \$US1.12 billion agreement to give the majority stake of the Chinese-built Hambantota port China Merchant Port Holdings (CMPH) on a 99-year lease. Sri Lanka has a crippling external debt burden of \$65 billion. The Sri Lankan government has tried to appease concerns that it was tilting too far in handing control over a strategic port to a Chinese company. On August 14, it was reported that the Sri Lankan Aviation Ministry had approved India's application to buy a 70-percent share of the Mattala Rajapakse International Air Port (MRIA) on a 40-year lease for \$205 million. The airport is located in the Hambantota district, 250 kilometres from Colombo. India's MRIA bid is seen as a move to counter China. Indian Ocean Conference 2017. The Indian Ocean Conference 2017 (IOC) is being hosted in Sri Lanka in collaboration with Rajaratnam School of International Studies (RSIS) Singapore, the India Foundation, New Delhi and National Institute of Fundamental Studies (NIFS), Colombo. The theme of the conference is peace, progress and prosperity. It will see participation from around 35 countries. Sri Lanka is expected to discuss strategies of combating drug smuggling in the two-day conference. Indian External Affairs Minister Sushma Swaraj, Railway Minister Suresh Prabhu, who is the director of the India Foundation and Foreign Secretary S Jaishankar are expected to attend the conference.

AFGHANISTAN

Brig Deepak Malhotra

Trump Outlines New Afghanistan War Strategy. President Trump outlined a revised vision for the U.S. war in Afghanistan, pledging to end a strategy of “nation-building” and instead institute a policy aimed more squarely at addressing the terrorist threat that emanates from the region. The key points of the strategy are:-

(a) Troop levels. The President has given the Pentagon authority to ramp up troop levels in Afghanistan by several thousand, but the US military would not talk specifically about troop levels there. Trump has overturned Barack Obama’s idea of withdrawal of US troops under deadlines, by saying that the “time-based approach” will now be based on “conditions.”

(b) More Military Autonomy. Perhaps the biggest military change Trump announced Monday was to relax US authorities to attack the Taliban and other terrorist groups in Afghanistan.

(c) Political Talks. "Someday after an effective military effort, perhaps it will be possible to have a political settlement that includes elements of the Taliban in Afghanistan, but nobody knows if or when that will ever happen," Trump said.

(d) Pakistan. "We have been paying Pakistan billions and billions of dollars at the same time they are housing the very terrorists we are fighting," Trump said. "But that will have to change, and that will change immediately."

(e) India. He noted the billions of dollars in trade between India and the US and said his administration wanted India to help more on Afghanistan, particularly with economic assistance and development.

(f) Winning ... but not nation-building. "We want them to succeed, but we will no longer use American military might to construct democracies in far-away lands or try to rebuild other countries in our own image," Trump said. "Those days are now over." Comments. Trump’s decision to further commit to the nation’s longest war, rather than withdraw, reflects a significant shift in his approach to Afghanistan since taking office and marks a new willingness to take greater ownership of a protracted conflict that he had long dismissed as a waste of time and resources. His decision to endorse a Pentagon plan to boost troop levels reflects mounting concern among military leaders that battlefield setbacks for Afghan government forces against the Taliban and al-Qaeda have led to a rapidly deteriorating security situation. The strategy comes with steep risks for Mr. Trump, potentially increasing American troops without yielding many military gains in a conflict that has proved intractable. Still, United States military and intelligence officials have argued that doing nothing in Afghanistan, where the Taliban are increasingly gaining ground, is not an option. But in substance, Mr. Trump’s strategy was not all that different from Mr. Obama’s, relying on a mix of conventional military force and diplomatic pressure on Pakistan.

NEPAL

Brig HS Cheema

Nepal PM Visit. Sher Bahadur Deuba, the Prime Minister of Nepal, accompanied by his spouse Arzu Deuba, visited India from 23-27 August 2017 at the invitation of Prime Minister Narendra Modi. Nepal's newly anointed Prime Minister, Sher Bahadur Deuba visit was an opportunity to raise the level of bilateral ties. India's interest is to secure its own neighbourhood and that can only be achieved by letting national politics and governance of the smaller neighbours evolve without interference. India's Nepal Relations. India played a valuable role in ending the Maoist insurgency in 2006, but the period thereafter was marked by escalating micro-meddling in Nepal's internal affairs. All mainstream political parties in Nepal raised question on India's commitment to facilitating the process of writing a new constitution in Nepal, despite the fact that India had played a crucial role in ensuring the success of Nepal's democracy movement In Constitution-writing, there were attempts to define the new provincial boundaries according to Indian dictates. India has raised its reservation over newly passed Nepali constitution and criticised it for not addressing concerns of Madhesis and other marginalised section. A society trying to emerge from the April 2015 Great Earthquake was slapped with the punitive Great Blockade. While keeping silent for years on Nepal's post-conflict transitional justice process, in 2015 India's representative in Geneva utilised the forum of the Human Rights Council to influence government change in Kathmandu. Indian strategists are seeking ways to get Kathmandu to allow the construction of high dams and deep reservoirs on Nepal's rivers — for flood control, navigation, urban use and irrigation in Bihar and Uttar Pradesh. New Delhi made deep inroads into Nepal's political class, but it relies primarily on the Madhesi parties. The Great Blockade forced the Kathmandu to reach out to Beijing and sign a slew of trade, transit and infrastructural agreements with it. Nepal is today better connected by air to Chinese cities than to India.

MANGOLIA & LAOS, VIETNAM, CAMBODIA

Col Harpreet Singh

Thailand on Edge for Yingluck Trial Verdict. Six years ago Yingluck Shinawatra, a novice who had only been in politics for two months, led the Pheu Thai party, founded and funded by her older brother Thaksin, to a resounding election victory. It was a stunning result for a party which had seen two previous administrations overthrown by a coup and a controversial court decision, and whose supporters had just the year before been involved in an occupation of Bangkok, which ended in bloodshed. An essential part of Ms Yingluck's winning manifesto was a generous

promise to rice farmers. That is at the heart of the legal case against her. Rice farming has always been central to the Thai economy and way of life. Under the new scheme the government was supposed to buy the entire rice crop, and pay 15,000 baht (£350;\$450) per tonne, well above the 11,000 baht guaranteed by the previous government. It was wildly popular with farmers. But economists and agricultural experts immediately questioned its viability. The price of 15,000 baht was significantly higher than the global rice price, and Thailand exports more of its crop than any other country - it was the world's number one rice exporter at the time. Its principal rivals India and Vietnam, it was predicted, would

simply increase their exports at Thailand's expense, offering a price much lower than the Thai government could, unless it was willing to incur huge losses. And there were many warnings that the scheme was vulnerable to corruption. Ms Yingluck faces a possible 10-year prison sentence on charges of malfeasance, or dereliction of duty, over the rice scheme. She has not been charged with corruption, but with failing to prevent it, in her capacity as prime minister and as chair of the National Rice Policy Committee. If convicted she could be permanently banned from politics - she has already been banned for five years after being impeached in 2015. Ms Yingluck argued in court that she was not responsible for day-to-day running of the scheme, and that as a key policy platform when she was elected she could not order it to be cancelled. She pointed to what she believes are multiple procedural flaws in the case. Yingluck Shinawatra was ousted by a military takeover in 2014. The army justified their coup by the need to restore order, but had conspicuously failed to offer her support as she faced sustained protests in Bangkok, which had crippled her administration. The military is not seen as impartial, and it wields authoritarian powers, even extending to judicial cases.

However Ms Yingluck Shinawatra fled to Dubai ahead of the verdict which is due on 27 Sep 17. When she failed to appear in court, an arrest warrant was issued and her bail was confiscated. Police had no record of Ms Yingluck leaving the country. Comments. The rice scheme was inordinately expensive and wasteful. The exact cost, of rice that rotted in storage, that was stolen or improperly sold, is still disputed. But the government estimates it cost the state at least \$8bn - some estimates go as high as \$20bn, although these include the overall cost of the subsidy, not just losses through corruption and mismanagement. The scheme did raise farmers' living standards, but was almost certainly unsustainable. But Ms Shinawatra's fate presents Thailand's current rulers with some dilemmas. Thaksin Shinawatra has been living in self-imposed exile to avoid a jail term for corruption. If she is acquitted Mr Thaksin, who is protective of his younger sister, might be emboldened to push for a greater share of power in a post-election Thailand than the military is willing to accept. An acquittal would outrage hard-line conservatives, and those who led the protests against the Yingluck government. If she is sent to prison, hard-line

opponents of the Shinawatra clan would be satisfied, and she would be completely removed from politics. Convicting her would also help the generals to justify their coup, as part of a fight against corruption. But it risks making Ms Yingluck into a symbol of resistance for the so-called red-shirt mass movement that supports her. The military itself is factionalised, and it is not clear that the current ruling clique will remain dominant. Another important unknown is what new King Vajiralongkorn wants. The intimidating shadow of the lese majeste law makes any discussion of his role impossible in Thailand, but he has already made it clear that he wishes to be consulted on important decisions, and that he is willing to exercise his influence in ways that his father did not. He may prove to be one of the most important factors in reshaping Thailand's future. However, it is a poorly-concealed secret that some in the military government would have been happy to see her leave the country before the verdict. Had she been convicted and jailed, she could have been seen as a victim by her supporters. The government was nervous about their reaction. Acquitting her, though, would have been equally unacceptable to her hard-line opponents, many of them very influential. That would also have undermined the justification for the military coup which overthrew her government. So it is unlikely anyone tried to stop her leaving, or that they will try to get her back.

UNITED STATES

Gp Capt GD Sharma, VSM (Retd)

Trump's South Asia Policy and Its Implication on India. On 21 Aug, President Donald Trump stated his much awaited south Asia policy. It spelled out US strategy on Afghanistan and South Asia. It sought to introduce changes on many fronts far different than the Obama's policy on Afghanistan. First, he spelled clear US objective to win the 16 year's old war on terror outfits in Afghanistan. At the same time, he did not set any deadlines to achieve this. Second, unlike before he did not spell out any time frame for withdrawal of US forces till US objective is achieved. He in fact, hinted on reinforcement of forces, the decision on numbers and time of induction, he left on the Defense Secretary and his team. This step has been generally appreciated as the President is not expected to micro-manage the operation which can be best handled by the experts on the field. Third, he took a tougher Stance on Islamabad and clearly expressed that Pakistan has much to lose by continuing to harbor terrorists. He talked of targeting the hideout terror outfits and even a possibility to examine designation of Pakistan as state sponsor of terror. Such a designation would trigger harsh U.S. sanctions, including a ban on arms sales and an end to U.S. economic assistance for Pakistan. Four, President has sent a strong message to the Taliban that US will not settle for stalemate and looking for victory on them. The policy therefore is a dampener on their plans. Fifth, what has caused heart burns in Pakistanis that, President Trump saw bigger role for

India in Afghanistan. He talked of strategic partnership of US with India and sought more economic assistance and development to Afghanistan. India has already invested nearly \$3 billion in development work and welcomed more involvement in this sphere. We don't favour Indian troop's deployment in Afghanistan that would have brought India in direct confrontation with the Pakistan sponsored Taliban and such involvement could have affected the goodwill which we have earned by our development work. India always had always feared of negative fallout of hurried withdrawal of ISAF from Afghanistan leading to strengthening of terror outfits and ISIS which could have impacted Kashmir situation. It would have also negated somewhat order and stability of the civilian government. Though it is estimated that Afghan army and police is much more effective than before and capable of carrying out independent operations but, impending of withdrawal of ISAF had emboldened the Taliban; and ISIS outfit which is finding its ground in Afghanistan. India has invested billions of dollars into the reconstruction effort in Afghanistan, trained hundreds of Afghan officers, and sent Kabul non-lethal weapons and planes. Expansion of Indian role in Afghanistan could set off alarm bells in rival Pakistan, a nuclear power that is always suspicious of New Delhi's activities in the region.