

ENVIRONMENT SCAN: 01-15 SEP 2017

China (Continental), China (MARITIME), Pakistan, Nepal, Afganistan, Myanmar, Russia, United States Of America

CHINA (CONTINENTAL)

Brig Jai Singh Yadav, VSM

India, Japan Take on China's OBOR with Regional Connect Sep 13, 2017. While the groundbreaking ceremony of India's first bullet train will be the highlight of PM Shinzo Abe's visit starting Wednesday, the two countries are quietly firming up plans to take their ties "beyond the bilateral" in the form of cooperation in building infrastructure and connectivity in third countries. With an eye on China's OBOR, India and Japan are looking to ensure that Abe's fourth summit with his counterpart provides an impetus to shared initiatives like Asia Africa

Growth Corridor (AAGC), Tokyo's participation in development of Chabahar port project and the commitment to ensuring "free and open Indo-Pacific". The twin cities here are decked up with flags of the two countries with Modi set to kick off Abe's visit with a road show from airport to Sabarmati Ashram. The road show, with cultural programmes performed by artistes along the 8-km route, will perhaps be the one noticeable difference from the otherwise grand welcome offered to Chinese President Xi Jinping when he came here in 2015.

Officials from the two countries are busy thrashing out the agenda for bilateral engagement on Thursday. After civil nuclear agreement came into effect earlier this year, there are no real outstanding issues left between the two countries and both believe it's time to take the special strategic partnership to another level. Civil nuclear cooperation and defence partnership, with Tokyo willing to supply military technology, are likely to emerge as strongest pillars of cooperation.

Both countries believe Japan's generous financing and India's presence and goodwill it enjoys in parts of Africa can help improve connectivity between the two continents. The visit is likely to see the formal launch of AAGC with India and Japan showcasing it as an initiative based-- unlike what's the case with China's OBOR-- on rule of law and transparency.

The joint statement to be issued after Modi-Abe dialogue is likely to reflect the synergy between India's Act East policy and Japan's Expanded Partnership for Quality Infrastructure to facilitate

better regional integration.

China Banks Fear US North Korea Sanctions 12 September 2017. China's big banks have been quietly but surely weaning themselves off North Korean money. This is not particularly about their troublesome neighbour. It is because of a fear of US repercussions. Bank branches near the North Korean border have told the BBC they've been instructed not to open any new accounts for that country's citizens and businesses.

This is not part of any United Nations sanctions regime. It is an attempt to head off further US measures targeting Chinese banks which are accused of doing sanctions-busting business with North Korea.

Quite apart from the UN, the US Treasury has its own sanctions regime blacklisting companies and people who are said to have assisted Pyongyang in developing nuclear weapons.

Once a person or a company is placed on the American list of prohibited entities, US (and even foreign) companies can face strict penalties within the US for having dealings with them.

'Conduit'. China's financial institutions have been accused of laundering funds used to facilitate North Korean intercontinental ballistic missile and nuclear warhead development. The government in Pyongyang is said to use front companies to move money around the world via Chinese banks.

For this reason, officials in Washington DC have been threatening to place major Chinese banks on the black list: international sanctions against these enormous institutions could cause global economic shockwaves. So the US fired a warning shot. China Open to Talks on Brahmaputra, Kailash 13 Sep 2017. China indicated on Tuesday -within a fortnight of the Doklam agreement with India -that it wants to negotiate on issues like resuming supply of Brahmaputra river flow data, and the movement of pilgrims to Kailash Mansarovar, suspended during the 10-week stand-off. The Chinese foreign ministry said it would talk to New Delhi on the pilgrim issue, adding that it needed time to consider reopening the Nathu la route to Indians visiting Mansarovar in Tibet. Beijing had stopped the passage of pilgrims in these areas following the Doklam stand-off. While conceding that Brahmaputra river data collection was stopped as systems were being upgraded, Chinese foreign ministry spokesman Gen Shuang said this did not mean Beijing was setting a timeline as to when the exchange of hydrological data would resume. India considers hydrological data crucial for making advance preparations to face floods or droughts, which are common in Brahmaputra basin areas in Assam and other parts of the Northeast. For long time we have conducted cooperation on river data with the Indian side. But to upgrade and renovate the relevant station on the Chinese side, we do not have the conditions now to collect the relevant statistics (sic), Chinese foreign ministry spokesman Shuang said. He did not specify when the supply of river data would resume. "We will later consider that" he said, adding that India was

aware of the upgrading of data collection stations on the Brahmaputra on the Chinese side. The signal from Beijing is that it wants to renegotiate some aspects of bilateral ties without allowing Delhi to assume that the end of the border stand-off would mean a return to the old situation. On the Mansarovar pilgrimage, he said China would “keep communication“channels open. He indicated that the route was opened assuming there was no problem on the border and that the situation changed after Indian troops “illegally“crossed the border.

CHINA (MARITIME)

Capt Ranjit Seth

India and Japan to Deepen Security Ties. India and Japan today agreed to boost cooperation in the Indo-Pacific region in the midst of China's growing assertiveness. They affirmed strong commitment to their values-based partnership in achieving a free, open and prosperous Indo-Pacific region where sovereignty and international law are respected, and differences are resolved through dialogue, and where all countries, large

or small, enjoy freedom of navigation and over flight. But significantly, the joint statement issued after their talks did not mention South China Sea directly unlike last year's joint statement.

{After the 2016 summit during Modi's visit to Japan, the joint statement had said, "regarding the South China Sea, the two Prime Ministers stressed the importance of resolving the disputes by peaceful means, in accordance with universally recognized principles of international law including the UNCLOS."} The two countries could play a central role in safeguarding and strengthening a rules-

based order in the Indo-Pacific and pledged to reinforce their efforts to enhance defence and security cooperation and dialogue, including the MALABAR and other joint exercises. PM Abe referred to the recent Malabar Japan-India- US naval exercise and said cooperation would be further strengthened. The two sides agreed for defence equipment and technology cooperation in surveillance and unmanned system technologies, and defence industry cooperation apart from aligning Japan's Free and Open Indo-Pacific Strategy with India's Act East Policy, including through enhancing maritime security cooperation and improving connectivity in the wider Indo-Pacific region, it added. Japan's readiness to provide its state-of- the-art US-2 amphibian aircraft was appreciated as symbolising the high degree of trust between the two countries.

Chinese Submarine Docks at Malaysian Port. A Chinese submarine docked in Malaysia, the second such visit to the Southeast Asian country this year. The Malaysian Chief stated “This is part of our efforts to enhance defence diplomacy and strengthen bilateral relations”. The submarine was escorted by a surface ship from the Chinese navy and was returning to China after

conducting escort missions in the Gulf of Aden.

Tensions between China and Malaysia over their overlapping claims in the South China Sea appear to have eased after Malaysia agreed in November to buy four Chinese naval vessels and agreed with China to handle South China Sea disputes bilaterally.

PAKISTAN

Brig Deepak Malhotra

Pak PM Inaugurates Country's 5th Nuclear Power Plant at Chashma. Prime Minister Shahid Khaqan Abbasi inaugurated the country's fifth nuclear power plant C-4 at Chashma, Mianwali area and is capable of generating 340MW electricity. The plant would be operational on trial basis and pass through various functional and safety related tests at full power. With tremendous efforts of PAEC and Chinese friends, the nuclear power plant C-4 would become operational and connected to the country's power grid. The prime minister thanked the government of China for its cooperation and said that the projects could not have been completed without the support of Chinese people and the government. Pakistan has been grappling with power shortage and unusually long hours of power outages have been haunting its people for about a decade. Chashma already has three nuclear power plants known as C-1, C-2 and C-3 which are contributing to the national grid along with a similar plant in Karachi. Pakistan is also building two more nuclear power plants in Karachi known as K-2 and K-3 aimed to give a major boost to civil nuclear energy after completion.

Pakistan's Biggest Bank Kicked Out of US, Fined Over Terror Financing Charge. US banking regulators ordered Pakistan's Habib Bank to shutter its New York office after nearly 40 years, for repeatedly failing to heed concerns over possible terrorist financing and money laundering. Habib, Pakistan's largest private bank, neglected to watch for compliance problems and red flags on transactions that potentially could have promoted terrorism, money laundering or other illicit ends as per the New York banking officials. The state's Department of Financial Services, which regulates foreign banks, also slapped a \$225 million fine on the bank, although that is much smaller than the \$629.6 million penalty initially proposed. Habib has operated in the United States since 1978, and in 2006 was ordered to tighten its oversight of potentially illegal transactions but failed to comply. Habib bank has allegedly facilitated billions of dollars of transactions with Saudi private bank, Al Rajhi Bank, which reportedly has links to al Qaeda, and failed to do enough to ensure that the funds were not laundered or used for terrorism.

IRAN

Brig Deepak Malhotra

Iran in Compliance with 2015 Nuclear Deal: IAEA Report. Iran remains in compliance with the 2015 nuclear deal made with world powers, according to a UN atomic watchdog report. The International Atomic Energy Agency (IAEA) said that Iran's stock of low-enriched uranium is being used for peaceful purposes, and did not exceed the agreed limit of 300kg. The 2015 accord covered only Iran's nuclear activities and the new IAEA quarterly report showed that these remained in compliance. The report was the third since the January inauguration of US President Donald Trump, who has vowed to "dismantle" the "disastrous" accord between Iran and six major powers curtailing Tehran's atomic activities in exchange for sanctions relief. Comments. While US sanctions imposed over Iran's nuclear activities remain suspended, Washington has ramped up others related to Tehran's support for "terrorism", its ballistic missile programme and its human rights record. Trump is due in October to certify to Congress whether Iran is sticking to the nuclear deal. Tehran has warned that if the deal falls apart it can ramp up its atomic programme again within five days, giving Trump a second nuclear crisis to add to the standoff over North Korea. Qatar Restores Ambassador to Iran Amid Regional Crisis. Qatar says its ambassador will return to Tehran more than 20 months after he was recalled in protest over the ransacking of Saudi Arabia's missions by protesters angry at Riyadh's execution of a prominent Shia Muslim cleric. The information office however did not specify an exact date for the ambassador's return or provide his name. The decision to restore ties with Iran comes amid a diplomatic dispute between Qatar and several Arab countries, including Saudi Arabia, the UAE, Egypt and Bahrain. Qatar, which is dependent on food imports, imported the vast majority of its food from its Arab Gulf neighbours before they imposed a punishing trade and travel blockade. Since June 11, Doha has been receiving fresh food supplies from the Iran, which has also allowed Qatar's national carrier to use its airspace.

NEPAL

Brig HS Cheema

India-Nepal Joint Military Exercise Begins with Focus on Counter-Terrorism.(Nepal Army said the joint exercise will provide the two armies a platform to exchange experiences, ideas and skills). India and Nepal on 11 Sep began their joint military exercise in the western part of the Himalayan country, focusing on counter-terrorism and forest fighting operations. The exercise - Surya Kiran - was being participated by around 300 troops each side in Rupandehi district. The 12th edition of Nepal-India joint military exercise will conclude on Sep 16. The battalion-level

joint training between the two armies will focus on counter-terror operations in mountainous terrain by facilitating interoperability. Disaster management and joint operations for disaster relief will also be a part of the exercise. The joint military exercises will further strengthen friendly relations existing between the two countries for centuries and will promote mutual understanding between the two armies. Surya Kiran series of exercises are held alternately in India and Nepal.

MYANMAR

Brig HS Cheema

Prime Minister of India Visited to Myanmar (September 5-7, 2017). PM Modi was accorded a ceremonial welcome at Nay Pyi Taw on his arrival for state visit. The Indian delegation led by Prime Minister held bilateral talks with the Myanmar delegation led by State Counsellor Daw Aung San Suu Kyi. Prime Minister witnessed the signing and exchange of various documents between Myanmar and India in the areas of health, culture, capacity building, maritime security and collaboration between key institutions and held a Joint Press Conference. PM Modi also visited places of historical and cultural importance at Bagan and Yangon.

In Bagan, he visited the holy and historic Ananda Temple, where restoration work is being carried out by Indian and Myanmar archaeologists under the expert guidance of the Archaeological Survey of India. In Yangon, he paid his respects to the memory of General Aung San at the Martyrs' Mausoleum and also visited the Bogyoke Aung San Museum. He also interacted with the Indian origin and expatriate Indian community of Myanmar during his stay in Yangon. PM appreciated the measures taken by the Government of Myanmar towards peace and national reconciliation and commended the on-going peace process. He discussed the security situation prevailing along their borders and expressed concern at various incidents of terrorism and extremist-inspired violence. Both countries jointly called for the expeditious finalization and adoption of a Comprehensive Convention on International Terrorism by the United Nations General Assembly. Myanmar reaffirmed its respect of the sovereignty and territorial integrity of India and steadfastly upheld the policy of not allowing any insurgent group to utilise Myanmar's soil to undertake hostile acts against the India. Both sides reiterated their mutual respect for the already demarcated boundary and

emphasised the need to resolve outstanding boundary demarcation issues as fast as possible through existing bilateral mechanisms and consultations. Both sides reviewed the security situation in their immediate neighborhood and agreed upon the special need for enhancing closer bilateral cooperation in maritime security. They also agreed to foster mutually beneficial and

deeper defence cooperation between the two countries and, in this context, noted with satisfaction the recent successful visit of the Commander-in- Chief of the Defence Forces of Myanmar to India. Besides institutionalized cooperation through regular coordinated patrolling initiatives, they agreed to focus on bilateral maritime cooperation in non-traditional security domains, such as humanitarian assistance and disaster relief, which are critical for safeguarding the Bay of Bengal and the Indian Ocean as global commons. The two sides shared the view that the situation in Rakhine State had a developmental as well as a security dimension. In this context, they agreed to bring about overall socio-economic development in the State by undertaking both infrastructure and socio-economic projects, particularly in the spheres of education, health, agriculture and allied activities, agro-processing, community development, construction of small bridges, upgradation of roads, small power projects, livelihood activity, setting up of training centers, promotion of household crafts, conservation of environment and cultural heritage. Myanmar welcomed India's offer of assistance under the Rakhine State Development Programme and the two sides agreed to finalize the implementation modalities within the next few months Myanmar thanked India for supporting various projects in Myanmar that enhance bilateral as well as regional connectivity like the Kaladan Multi Modal Transit Transport Project and other road and bridge construction projects as fully funded grant-in- aid projects. Myanmar appreciated the substantial progress made on the Kaladan Multimodal Transit Transport Project with the completion of works on the Sittwe Port and the Paletwa Inland Water Transport Terminal and the handing over of six cargo barges to the Myanmar Port Authority and Inland Water Transport. The two sides agreed to enter into a MoU on appointing a port operator that may include both sides to be responsible for the operation and maintenance of the port in keeping with the practice that has been adopted at other international ports in Myanmar. Both sides deliberated on the progress made in utilization of US\$ 500 million concessional Line of Credit extended by India to Myanmar in 2012. Noting that the projects to be implemented under the Line of Credit would help augment the physical infrastructure in vital areas and enhance capacities in agriculture and transport, they resolved to implement mutually agreed projects expeditiously. Both sides expressed that, in order to derive full value from these infrastructure projects, the institutional arrangements related to connectivity needed to be put in place on priority. In this regard, they noted the importance of concluding a bilateral agreement that would enable motor vehicle traffic, both passenger and cargo, to cross the border. The two sides acknowledged the importance of pulses in the bilateral trade basket, and the implications this trade has for the Myanmar farmers and Indian consumers. In this context, the State Counselor expressed grave concern at the recent notification issued by India imposing quantitative

restrictions on various categories of pulses and requested Prime Minister of India to lift all restrictions on imports from Myanmar in view of the bonds of friendship and long term interests of the two peoples and nations. The Indian Prime Minister responded that it was important to work out long term arrangements whereby the interests of both the peoples could be safeguarded in future. India Dispatches First Diesel Consignment to Myanmar. Symbolising the growing hydrocarbon engagement between India and Myanmar, the first consignment of 30 MT of High Speed Diesel was sent on 11 Sep from India to Myanmar by land route, according to a statement. Numaligarh Refinery Ltd. (NRL), which has been supplying HSD to Bangladesh, dispatched the first diesel consignment through NH 37 across the Moreh Custom Check Point on the Indian side and Tamu Custom Check Point on the Myanmar side. India to start 5 major river-linking projects- Dhaka voices concern, says they would cause water crisis here. India has planned to start working on five major projects to connect its rivers, raising concern in Bangladesh that any human intervention in the course of trans-boundary Rivers will change the ecosystem and push Bangladesh into an acute water crisis. "I have decided to start five big river connectivity projects costing Rs 50,000 crore within three months," said Indian Union Minister Nitin Gadkari recently as quoted by Financial Express. "The project to take water from Ganga to Kaveri was deliberated about in the country." Gadkari also said the work on the development of inland waterways in the Ganga and the Brahmaputra rivers was going on. "It will be completed by 2018 with 40 river ports... We are working on inland waterways running across 20,000 kilometres. "While Gadkari expressed how far he wanted to go to address India's water situation, his projects worried the Bangladesh government. The country conveyed its concern through the foreign ministry that the proposed river connectivity in India would put the river ecology in peril and cause a water crisis here. The withdrawal of water from the Ganges basin will create an acute water crisis in the Padma, and the Sundarbans will be the worst victim due to salinity. Bodos Impose Bandh over Statehood Demand (Nagaland Post). Bodo groups demanding the creation of a separate Bodoland state by carving parts of Assam imposed a 12-hour shutdown at several places on Monday. This the second part of their agitation, which resumed on August 28 with a 10-hour blockade of national highways, urging BJP-led governments at the Centre and the state to hold tripartite talks to solve the three-decade long issue. Rohingya Crisis. The government of Bangladesh has decided to shelter the Rohingyas, who have entered Bangladesh since August 25, in a particular place and bring all of

them under biometric registration. It has allocated 2,000 acres of forest land to build a temporary camp for the refugees. More land will be allocated, if necessary. Al-Qaeda threatens to punish Myanmar Government over Rohingya violence. Khalsa Aid, a Sikh volunteer organisation volunteers provide food, shelter to Rohingya Muslims at the Bangladesh-Myanmar border. Suu Kyi to miss UN Assembly debate due to Rohingya violence. Voices being raised to strip her Nobel Peace Award over Rohingya crisis.

AFGHANISTAN

Brig Deepak Malhotra

India to Partner Afghanistan for 116 'High Impact' Projects. India and Afghanistan agreed to launch a New Development Partnership involving 116 new high impact development projects jointly implemented in the suburban and rural communities in 31 provinces of landlocked country amid US President Donald Trump's suggestion to the Modi government to expand socio economic footprints there. Delhi and Kabul also signed Motor Vehicles Agreement for the regulation of passenger, personal and cargo vehicular traffic that would pave the way for much needed overland transit. India will assist in setting up Shatoot dam and drinking water supply project for Kabul, low cost housing for returning refugees, water supply network for Charikar city and polyclinic in Mazar-e- Sharif, a gypsum board manufacturing plant in Kabul to promote value added industry among slew of projects planned for Afghanistan. Foreign Minister Sushma Swaraj announced the decision after the second Indo-Afghan strategic partnership council meeting with her counterpart Salahuddin Rabbani. Three more documents were signed in the areas of medicine, satellite and New Development Partnership. India's focus will continue on building governance and democratic institutions; human resource capacity and skill development, including in the areas of education, health, agriculture, energy, administration, application of remote sensing in resource management and space technology in governance. India has so far extended \$3 b aid to Afghanistan since the fall of Taliban in 2001. India's current plans to intensify strategic cooperation with Afghanistan could well mark an inflection point in its regional security politics.

RUSSIA

Col Harpreet Singh

Russia-Turkey Defence Deal. In the clearest sign of his pivot toward Russia and away from NATO and the West, President Recep Tayyip Erdogan announced that Turkey had signed a deal

to purchase Russian surface-to-air missile system, known as S-400. The deal cements a recent rapprochement with Russia, despite differences over the war in Syria, and comes as Turkey's ties with the United States and European Union have become strained. Although a prospective missile purchase from Russia was made public several months ago, Mr Erdogan's announcement was the first confirmation that Turkey had transferred money to pay for the missile system. A NATO official in Brussels, the headquarters of the alliance, said that no NATO member currently operates the Russian missile system and that the alliance had not been informed about the details of the purchase by Turkey. "What matters for NATO is that the equipment allies acquire is able to operate together," a NATO official said. "Interoperability of allied armed forces is essential to NATO for the conduct of our operations." Mr Erdogan however, dismissed issues of interoperability, brand loyalties or the geopolitical optics of such a sale. The transfer of technology from Russia is attractive to Turkey. Mr Erdogan has previously spoken also of his frustration at having requests to the United States for drones turned down, and of his satisfaction that Turkey developed its own. The arms deal is certain to stir unease in Washington and Brussels, where officials are trying to keep Turkey — a longtime NATO member, and an increasingly unlikely candidate for European Union membership — from entering Russia's sphere of influence. The deal comes as relations between Russia and the West are at a particularly low point. Tensions escalated in 2014 when Russia annexed Crimea and then began fomenting armed revolt in eastern Ukraine. They have grown still worse as evidence has mounted that Moscow was behind the hacking of the 2016 election in the United States and also tried to interfere in other nations' elections. The purchase of the missile system is a setback to the cooperation within the NATO alliance, which Turkey has belonged to since the early 1950s. NATO does not ban purchases of military hardware from manufacturers outside the American-led alliance, but it does discourage members from buying equipment not compatible with that used by other members. Yet Turkey has other reasons for the missile purchase. It needs to cultivate good relations with Russia, and it also needs to build its own military defense and Russia is always happy to drive a wedge into the NATO alliance. Though NATO's collective defense should be sufficient for Turkey, but Turkey has lost trust in the West since last year's failed coup, which Mr Erdogan has interpreted as a Western plot to oust him, and appears determined to secure his own defense. As suspicions toward the West have grown, relations with Russia have warmed, driven by the personal relationship between Mr Erdogan and President Vladimir V Putin of Russia. Mr Erdogan has expressed personal admiration for Mr Putin, to the consternation of many European and American leaders. Turkey has also shown a preference for the Russian model, with its sense of restoring a lost empire, returning Turkey to a

more independent place in the world and rejecting Western democracy.

After a tense falling out in 2015, when Turkish jets shot down a Russian warplane on Turkey's border with Syria, Mr Erdogan sought to improve relations with Russia, sending two letters to Mr Putin and then traveling to Moscow for a meeting in June 2016. His visit represented a marked shift from the Cold War era, when Turkey was a staunch ally of the West in facing down the Soviet Union. (Turkey shares a border with

Georgia, Armenia and Azerbaijan, former Soviet republics that remain, to varying degrees, under Russian influence.) Russian-Turkish rivalry in the Black Sea and the Caucasus dates back centuries. Russia, at odds with the West since annexation of Crimea from Ukraine in 2014, has also worked hard to patch up relations with Ankara, seeing in Mr Erdogan a like-minded strongman who shares their distrust of meddling by

the West. Last year, Russia and Turkey reached an agreement to revive a suspended natural-gas pipeline project. The purchase of Russian missiles would take cooperation to a new level, but is not the first time that Turkey has bought military equipment from Russia. It turned to Moscow in the early 1990s to buy military helicopters and armored personnel carriers. After relations hit a rocky patch over Russia's 1994 war in Chechnya, however, Turkey disappointed hopes in Moscow that it would become a major new market for Russian hardware. Russia, largely squeezed out of the arms market in Western and Eastern Europe, even

in countries that once bought nearly all their weapons from the Soviet Union, has looked for years to NATO's eastern flank as a promising market and the alliance's weakest link. It has also sold weapons to Greece, another NATO member and to Cyprus, which is not a member of NATO but houses British military bases and effectively serves as an outpost of the alliance. Turkey had earlier planned to buy missiles from China, but that deal fell through under pressure from the United States. Western arms makers lobbied hard for the expansion of NATO into former Soviet satellite countries after the collapse of Communism. They have since lobbied both new and old NATO member states not to stray outside the alliance for weapons purchases that would cut into their business. Recently Germany also said that it was suspending all major arms exports to Turkey because of the deteriorating human rights situation in the country and the increasingly strained ties. Mr Erdogan's announcement appeared as a counter to Germany and also timed as a riposte to two judicial cases announced last week in the United States. One is against his presidential bodyguards, who are charged with assaulting protesters when Mr Erdogan visited Washington this year. The other is against a group of Turks, including a former minister, accused of breaking United States sanctions against Iran. As far as India is concerned, this new tendency of Russia to engage in defence deals with countries with a grouse against the west will be worrying only if it is extrapolated to Pakistan. However the fact that India is a much bigger

market for the Russians and the expected reposts from India in such a case, is likely to dissuade them from a similar deal with Pakistan. However it will be interesting to compare the pricing of the S-400 system for Turkey vis-à-vis the Indian S-400 deal.

UNITED STATES OF AMERICA

Gp Capt GD Sharma, VSM (Retd)

Nuclear. Since the time, President Donald Trump talked of US response to the North Korean activism on the nuclear and Missiles tests with “fire and fury”, North Korea has not dropped its aggressive posture in fact, it has upped its ante with yet another IRBM test on Friday to show its defiance to the 8th set of UN security council’s economic measures. All earlier skepticism on North Korean capability to target US has been taken over by greater US and its allies concern about the looming threat. Yet another thing which comes to fore that despite all warnings by US North Korea will not curtail its activism. The latest North Korean threat that, it will sink Japanese and South Korean cities with nuclear attack has caused great concerns to both Japan and South Korea. This development also shows that US threats of military response or imposition of sanctions failed to change North Korean attitude. US also had tried persuading China to use its influence, has also failed to curb North Korean nuclear activism. There appears no other solution than negotiating with North Korea in discussion and persuading it to limit its arsenal in return for softening / removal of sanctions / concessions. Denuclearization of North Korea remains a far cry. The world probably will have to accept nuclear North Korea. The other geopolitical implication is that continued security concern and lack of confidence on US could motivate Japan and South Korea too, to develop their own deterrence. This though will not make the environment safe but, will give a feeling of safety. The deployments of ABM systems such as THAAD only reduce the threat and not eliminate it.