



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## INDO-PACIFIC MONITOR

### JANUARY 2026

*Author*

Lalit Kapur

Volume VII, Issue 1



**Delhi Policy Group**

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)



# Delhi Policy Group

Advancing India's Rise as a Leading Power

## INDO-PACIFIC MONITOR

**Vol. VII, Issue 1**  
**January 2026**

### **ABOUT US**

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

### **INDO-PACIFIC MONITOR**

This publication is a monthly analytical survey of developments and policy trends that impact India's interests and define its challenges across the extended Indo-Pacific maritime space, which has become the primary theatre of global geopolitical contestation. It is authored by Cmde. Lalit Kapur (Retd.), DPG Senior Fellow for Maritime Strategy, assisted by Ms. Divya Rai, based on open source reports and publications. Your comments and feedback may be addressed to the author at [lalit@dpg.org.in](mailto:lalit@dpg.org.in). To subscribe, please [click here](#).

#### **Cover Images:**

*Prime Minister Narendra Modi meets President of the European Council Antonio Costa and President of the European Commission Ursula von der Leyen at Hyderabad House, New Delhi on January 27, 2026. Source: PIB*

*South Korean President Lee Jae Myung meets Japan's Prime Minister Sanae Takaichi in Nara Province, Japan, on January 13, 2026. Source: Prime Minister's Office of Japan*

*Prime Minister Narendra Modi receives Sheikh Mohamed bin Zayed Al Nahyan, President of the UAE at the airport in New Delhi, January 19, 2026. Source: PIB Photo Gallery*

© 2026 by the Delhi Policy Group

#### **Delhi Policy Group**

Core 5A, 1st Floor,  
India Habitat Centre,  
Lodhi Road, New Delhi- 110003.  
[www.delhipolicygroup.org](http://www.delhipolicygroup.org)

**INDO-PACIFIC MONITOR**  
**Vol. VII, Issue 1**  
**January 2026**

**Contents**

<b>Abstract .....</b>	<b>1</b>
<b>The China South Korea Summit.....</b>	<b>3</b>
<b>The MBZ Visit to India .....</b>	<b>6</b>
<b>The Merz Visit to India.....</b>	<b>9</b>
<b>The Japan South Korea Summit.....</b>	<b>12</b>
<b>Future-Proofing Alliances: Implications of Japan-Philippines ACSA.....</b>	<b>13</b>
<b>Other Indo-Pacific Developments .....</b>	<b>15</b>

# INDO-PACIFIC MONITOR

January 2026

## Abstract

In a military action with a pronounced disruptive impact on the global order, the US Operation Absolute Resolve inserted Delta Force personnel into Caracas on January 03, captured the Venezuelan President Nicolas Maduro and his wife Cilia Flores and transported them to New York to stand trial on charges of narco-terrorism. The operation set an interventionist precedent that could be followed by major powers in other parts of the world, including Taiwan and the larger Indo-Pacific.

The Thailand-Cambodia border remained generally calm following the ceasefire reached bilaterally in December 2025. While large scale combat has subsided, the situation remains volatile. High-level military talks from January 27-29 ended in a deadlock.

South Korean President Lee Jae Myung visited China from January 04-07 and Japan from January 13-14 for back-to-back summits with South Korea's principal neighbours. The visit to China signalled restoration of ties following the freeze over THAAD deployment in South Korea in 2017, while that to Japan signalled a continuation of the normalisation and shuttle diplomacy pursued by his predecessor. Lee was careful not to get drawn into China-Japan tensions.

UAE President Sheikh Mohamed bin Zayed Al Nahyan visited New Delhi on January 19, continuing the momentum propelling India-UAE ties. Several announcements were made, including decisions to establish a strategic defence partnership and double bilateral trade to \$ 200 billion by 2032.

German Chancellor Friedrich Merz visited India on January 12-13 to advance the India-Germany strategic partnership. His thrust was on defence and security, economic and technological cooperation, and skilled migration.

Presidents of the European Council and European Commission Antonio Costa and Ursula von der Leyen made a State Visit to India from January 25-27. Following their talks with Prime Minister Modi, the two sides announced completion of negotiations for the India-EU Free Trade Agreement and an India-EU Security and Defence Partnership. They also adopted a roadmap for the India-EU Strategic Partnership to 2030.

Canadian Prime Minister Mark Carney visited China from January 14-17, committing to expanding engagement and announcing a China-Canada Trade Cooperation roadmap.

Italian President Giorgia Meloni visited Japan on January 16, upgrading the bilateral relationship to a Special Strategic Partnership and pledging to accelerate defence and security cooperation, advance secure supply chains and strengthen collaboration on energy.

UK Prime Minister Kier Starmer visited China from January 28-31, focusing on economic growth and trade and repairing bilateral relations in a signal of geopolitical balancing. Starmer followed up with a visit to Japan on January 31, focusing on defence and security, supply chain resilience and trade.

Continuing its pressure campaign after Takaichi's comments on Taiwan, China banned the export of dual use items that could enhance Japan's military capabilities on January 06. Japan protested China's initiating installation of a new structure in the vicinity of the not yet delimited maritime border between the two countries.

Japan and Philippines signed an Access and Cross Servicing Agreement on January 19, marking a further step in the integration of the security architecture in the Western Pacific.

Japan's Prime Minister Sanae Takaichi dissolved Japan's lower house on January 23, in preparation for snap elections on February 08.

US President Donald Trump reversed his stand on the UK's transfer of sovereignty over Diego Garcia to Mauritius, describing it as an "act of great stupidity". He said there was no doubt that China and Russia, who recognise only strength, had noticed this act of total weakness, and that the UK decision strengthened the case for the US to acquire Greenland.

Warships from China, Russia, Iran and South Africa came together off Simon's Town from January 09-16 for Exercise Will for Peace 2026. Observers from Brazil, Egypt and Ethiopia were also present at the event described as the first defence cooperation activity under the BRICS framework. India did not participate.

The USS Abraham Lincoln Carrier Strike Group entered the Indian Ocean on January 20, for deployment within range of Iran in preparation for a possible US strike. President Trump warned Iran that time was running out to make a deal on limiting its nuclear programme.

## The China South Korea Summit

China's efforts to build relations with South Korea, a country it sees as the weakest link in the US alliance system in Northeast Asia, have been ongoing for a long time. Relations were formally normalised in May 1988, with the two entering into a collaborative partnership for the 21<sup>st</sup> century. 15 years later, in 2003, the relationship was upgraded to a comprehensive cooperative partnership. In 2014, it was further upgraded to an enriched strategic cooperative partnership. China has been South Korea's main trade and investment partner since 2004.

On the security front, however, differences persist. Memories of China's intervention on North Korea's side in 1950, leading to division of the country, remain strong. South Korea continues to host about 28,000 US troops despite differences on payment for them, remaining part of the US alliance. China and South Korea's overlapping EEZ in the Yellow Sea has not been demarcated and talks to resolve differences have not yielded results. China sees Taiwan as an internal province, whereas South Korea, though acknowledging the One China principle, sees it as a semi-independent democratic partner.

Improving relations between the two countries turned frosty after ROK approved the deployment of the Terminal High Altitude Area Defense (THAAD) system in South Korea in March 2017. Beijing saw the deployment as part of a broader US-led regional missile defence system intended to contain China's rise. It imposed unannounced economic sanctions such as tourism restrictions, cultural and consumer boycotts, delayed customs, tighter sanitary inspections and difficulties in obtaining business visas to coerce compliance.

Despite significant economic losses, however, South Korea did not give in on the deployment of THAAD. Trade relations were renewed following the visit of ROK President Moon Jae-in to Beijing in December 2017<sup>1</sup>. This would be the last bilateral exchange between South Korea's and China's leaders till November 2025. The impact of COVID in 2020 and the May 2022 election of Yoon Suk-yeol as South Korea's President, with his outreach to both Japan and the US, froze the South Korea China relationship.

The June 2025 advent of Lee Jae-Myung as South Korea's president opened up a fresh opportunity for China. Lee aspires to full scale restoration of South Korea's

<sup>1</sup> South Korea, China Make Amends, But THAAD Dispute Lingers, December 15, 2017, <https://www.voanews.com/a/china-south-korea-xi-moon-meeting/4165368.html>

relationship with China, while remaining a part of the US alliance, managing its relations with both without being forced to choose sides.

Xi Jinping had a bilateral meeting with him at Gyeongju on November 01, 2025<sup>2</sup>, during which he proposed strengthening strategic communication and consolidating mutual trust, deepening mutually beneficial cooperation, strengthening friendship between the peoples, and enhancing coordination in multilateral fora. The process of rebuilding relations was carried forward when Lee undertook his first State Visit to Beijing and Shanghai, with a delegation of over 200 businessmen, from January 4-7, 2026<sup>3</sup>.

Lee was received at Beijing's Shoudu Airport by China's Minister of Science and Technology, Yin Hejun. Xi hosted a formal welcome ceremony for Lee at the Great Hall of the People. A traditional 21-gun salute was fired for him in Tiananmen Square. He reviewed a Guard of Honour alongside Xi, followed by a march past. A welcome banquet was held in his honour. Apart from Xi, Lee met China's Premier Li Qiang, Chairman of the Standing Committee of the National People's Congress Zhao Leji, and Shanghai Party Secretary Chen Jining.

The two countries signed 14 MoUs covering trade, technology, the digital economy, supply chains, restoration of the Korea-China Business Forum, and environmental cooperation<sup>4</sup>. China pledged to ensure a stable supply of critical raw materials for South Korean semiconductor production, using new general licensing systems. Ministerial level trade talks were upgraded to a regular commercial cooperation dialogue. Lee hailed 2026 as the year for full restoration of ties, pledging annual summits and vice-ministerial talks on maritime issues. In the immediate aftermath of the summit, South Korea signed 24 export deals worth \$44.11 million. There was, however, no joint statement<sup>5</sup>. Concerns about China's industrial espionage and US export controls are likely to continue to limit ROK-China trade in high technology.

As mentioned earlier, the overlapping EEZ of the two nations in the Yellow Sea is an area of dispute. In 2001, under the Korea-China Fisheries Agreement, the two sides

<sup>2</sup> President Xi Jinping Holds Talks with ROK President Lee Jae Myung, November 01, 2025, [https://in.china-embassy.gov.cn/eng/zgxw/202511/t20251101\\_11745458.htm](https://in.china-embassy.gov.cn/eng/zgxw/202511/t20251101_11745458.htm)

<sup>3</sup> President Lee to make state visit to China Jan. 4-7, hold summit with Xi, December 30, 2025, <https://www.koreatimes.co.kr/foreignaffairs/20251230/president-lee-to-make-state-visit-to-china-jan-4-7-hold-summit-with-xi>

<sup>4</sup> Regular trade talks set, 14 bilateral MOUs signed with China, January 06, 2026, <https://www.korea.net/NewsFocus/policies/view?articleId=285239>

<sup>5</sup> Absence of joint statement dampens prospects for improved ties, January 08, 2026, <https://www.koreatimes.co.kr/opinion/20260108/absence-of-joint-statement-dampens-prospects-for-improved-ties>

established separate fishing zones, transitional zones and a jointly managed area Provisional Measures Zone (PMZ) to provide a framework for managing fisheries and overlapping claims through consultation. The agreement prohibits the construction of permanent installations or the conduct of non-fishing activities within the PMZ. Beginning 2018, however, China unilaterally deployed aquaculture cages and a management platform (Atlantic Amsterdam) within the PMZ, violating the agreement and raising fears of creeping sovereignty on the pattern of its actions in the South China Sea. South Korean requests to relocate these structures outside the PMZ were rejected. China also declared “no-sail zones” within the PMZ for exercises. During the current visit, Lee proposed drawing a median line within the PMZ and allowing each side to use the area on its side of the line<sup>6</sup>. China reportedly said it would remove the management platform and hold working level talks to resolve the issue. No agreements were, however, announced in this respect.

To influence South Korea’s THAAD decision, China had imposed an unofficial but effective “Hallyu Ban”, restricting Korean cultural products and entertainment. Korean dramas and films were removed from Chinese platforms. Korean artists found their live concerts were abruptly cancelled, or were unable to obtain necessary performance permits. Collaboration in variety shows and other cultural products was halted. South Korean online games faced a block on receiving sales licenses on the Chinese market. Korean cosmetics and tourism companies faced boycotts. Removal of the ban was discussed by Lee during his meetings with Chinese interlocutors. As announced by Korea’s Blue House, “Both sides shared the view that cultural content exchanges should be gradually expanded starting from mutually acceptable areas, and agreed to promote exchanges in fields such as Go and football”<sup>7</sup>. Further progress will evidently take more time.

Lee sought China’s assistance to help restart dialogue with North Korea and to curb its nuclear programme. North Korea has repeatedly said it will not put denuclearisation back on the negotiating table and has ignored overtures for dialogue with the South. In fact, North Korea launched a ballistic missile into the Sea of Japan a day before Lee commenced his visit<sup>8</sup>. Xi reportedly said China would try to help but counselled patience. Notably, official Chinese statements no longer call for the

<sup>6</sup> President Lee proposes solution to sea border row with China, January 08, 2026, <https://www.korea.net/NewsFocus/policies/view?articleId=285367&pageIndex=1>

<sup>7</sup> President Lee Amis to Make South Korea-China Relations Irreversible, 07 January 2026, <https://www.chosun.com/english/national-en/2026/01/07/13INU7QF15A2HMXPLA2MPP3A7Q/>

<sup>8</sup> North Korea Conducts First Missile Launch of 2026 into Sea of Japan, January 05, 2026, <https://news.usni.org/2026/01/05/north-korea-conducts-first-missile-launch-of-2026-into-sea-of-japan>

DPRK's denuclearisation. In a positive development for Lee, China did not display public concern about the ROK's decision to build nuclear submarines.

There was a small change in South Korea's position on Taiwan. Lee's predecessor Yoon had described the Taiwan issue as not simply one between China and Taiwan, but a global issue. His joint statement with Biden and Kishida had reaffirmed the importance of peace and stability across the Taiwan Strait as an indispensable element of security and prosperity in the international community<sup>9</sup>. Lee reverted back to the pre-Yoon South Korean position, holding that South Korea respected the One China Policy and making no other comments<sup>10</sup>.

Xi referred to China and South Korea's shared history of resistance against Japanese militarism in WWII in an attempt to enlist South Korea's support in its current standoff with Tokyo over Takaichi's suggestion that Japan could intervene militarily in a Taiwan contingency. Lee, however, refused to be drawn, retaining a neutral position.

In sum, Lee's visit to Beijing did not result in any breakthroughs in resolving differences between the two sides but did carry forward the process of improving bilateral relations. South Korea continues to need China for its massive market, technology supply chains (especially semi-conductors) and the influence it has over North Korea. China needs South Korea for its hi-tech inputs, particularly semi-conductors, as a significant trading partner, and to ensure the geopolitical balance in Northeast Asia does not tilt against it. The relationship between the two can be expected to continue growing in the months ahead, without significant change in South Korea's position of strategic balancing between the US and China.

## The MBZ Visit to India

A small but wealthy country in the Arabian Peninsula, the United Arab Emirates (UAE) has historical people-to-people connections with India. In fact, till 1966, the India rupee was the region's de facto currency. The discovery and export of hydrocarbons and the development that followed led to a flood of Indian migrants into the UAE, coupled with sharp increase of trade. Political and strategic engagement

<sup>9</sup> Joint Statement by President Biden, President Yoon Suk Yeol of South Korea, and Prime Minister Fumio Kishida of Japan - Camp David, August 18, 2023, <https://www.presidency.ucsb.edu/documents/joint-statement-president-biden-president-yoon-suk-yeol-south-korea-and-prime-minister-0>

<sup>10</sup> Lee says no change in S. Korea's position to respect 'one-China' policy, January 3, 2026, <https://www.koreatimes.co.kr/foreignaffairs/20260103/lee-says-no-change-in-s-koreas-position-to-respect-one-china-policy>

was, however, neglected till the visit of Prime Minister Modi to Abu Dhabi in August 2015 and the launch of a comprehensive strategic partnership between India and the UAE<sup>11</sup>. Since then, PM Modi has visited the UAE seven times<sup>12</sup>, and there have been a similar number of high-level visits from the UAE to India.

The brief but consequential visit of UAE President Sheikh Mohamed bin Zayed Al Nahyan (MBZ) to India on January 19, 2026, marks another significant step in development of the India-UAE strategic partnership<sup>13</sup>. MBZ was received personally at the airport by Prime Minister Modi. The two then travelled together to the Prime Minister's residence, where intensive discussions were held in both the restricted and delegation formats. MBZ's delegation included members of the royal families of both Abu Dhabi and Dubai and several senior ministers and officials.

The two sides signed a letter of intent to work towards concluding a framework agreement for a strategic defence partnership between India and the UAE<sup>14</sup>. Another letter of intent was signed for a joint initiative for space infrastructure development and its commercialisation. A third letter of intent signed related to UAE's participation in the development of a special investment region in Dholera in Gujarat. A ten-year agreement was signed for the supply by the UAE of 0.5 million tons of LNG per annum commencing 2028, making the UAE the second largest supplier of LNG to India, after Qatar. An MoU on food safety and technical requirements was signed, which will facilitate food and agricultural product exports to the UAE from India. The two sides decided to explore partnership in advanced nuclear technologies, including the development and deployment of large nuclear reactors and small modular reactors. They further decided to collaborate in setting up a supercomputing cluster in India, as well as expanding data centre capacity in India. The two leaders decided to double bilateral trade, which has crossed \$ 100 billion, to \$ 200 billion by 2032. They emphasised the value of the UAE-India partnership in multilateral cooperation efforts to advance global development, stability, and prosperity, reflecting their shared belief in the importance of collective international action. MBZ affirmed the UAE's support for all efforts that promote peace in South Asia, in line with the country's longstanding

<sup>11</sup> Joint Statement Between the United Arab Emirates and the Republic of India, August 17, 2015, [https://www.mea.gov.in/bilateral-documents.htm?dtl/25733/Joint\\_Statement\\_between\\_the\\_UAE](https://www.mea.gov.in/bilateral-documents.htm?dtl/25733/Joint_Statement_between_the_UAE)

<sup>12</sup> Bilateral Visit, Embassy of India, Abu Dhabi, <https://www.indembassyuae.gov.in/bilateral-visit.php>

<sup>13</sup> Joint Statement: Visit of President of UAE, His Highness Sheikh Mohamed bin Zayed Al Nahyan to India, January 19, 2026,

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2216270&reg=3&lang=1>

<sup>14</sup> List of Outcomes: Visit of His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of UAE to India, January 19, 2026,

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2216278&reg=3&lang=1>

approach of resolving disputes through dialogue and diplomatic solutions that serve the interests of all sides<sup>15</sup>.

The UAE has, over the years, emerged as a global success story and has transformed itself into a regional leader and thriving international centre that attracts people and business from all over the world. It is at the heart of the Gulf region, where nearly 9 million Indian citizens have made their home. Over 3.5 million of them live in the UAE, making up 35% of the country's population<sup>16</sup>. Collectively, they remit around \$ 50 billion to India annually; the UAE itself is India's second largest source of remittances, after the US. These remittances offset nearly half of India's merchandise trade deficit. The UAE is India's third largest trading partner, after China and the US, and the second largest export destination. It is India's seventh largest source of FDI, with a cumulative investment of over \$ 23 billion and commitments to invest \$ 100 billion<sup>17</sup>. It is a significant energy partner, providing over 500,000 bpd of crude and around 4.7 million tons of LNG per annum; this partnership is now diversifying into clean energy underpinned by nuclear cooperation. It acts as a gateway and connectivity hub between India, the Gulf nations and Africa, and a hub for India's "Think West" policy. It is a crucial partner for India in the India-Middle East-Europe Economic Corridor (IMEEC) connecting India to Europe.

Some see the India-UAE-Israel partnership emerging as a counter to the emerging partnership between Saudi Arabia, Pakistan and Turkey<sup>18</sup>. Relations between Saudi Arabia and the UAE are in troubled waters. While India would prefer to avoid taking sides, it must factor in how these relations shape up in the long-term. Whatever happens, the India UAE partnership is poised to grow, expanding from trade, investment and people-to-people links to encompass security cooperation, including in defence technology, innovation and manufacturing, training and education, special operations, cyber space and counter terrorism. It will expand India's strategic presence in the Gulf at a time when the US appears to be relinquishing its role as the region's stabiliser, enabling India to play a part in countering the turmoil in this volatile region.

<sup>15</sup> UAE President, Indian Prime Minister discuss ways to strengthen bilateral partnership, January 19, 2026, <https://www.mohamedbinzayed.ae/en/latest-news-listing/2026/01/UAE-President-Indian-Prime-Minister-discuss-ways-to-strengthen-bilateral-partnership>

<sup>16</sup> Population of Overseas Indians, <https://www.meaindia.gov.in/population-of-overseas-indians.htm>

<sup>17</sup> Overview of India-UAE Commercial Relations, <https://www.cgidubai.gov.in/page/overview-of-india-uae-commercial-relations/>

<sup>18</sup> Is an India-UAE-Israel axis forming to counter Saudi-Pak-Turkey Islamic NATO? January 21, 2026, <https://www.indiatoday.in/world/story/india-uae-israel-axis-counter-saudi-arabia-pakistan-turkey-islamic-nato-us-donald-trump-defence-agreement-2855518-2026-01-21>

## The Merz Visit to India

The visit of Chancellor Friedrich Merz to India (Ahmedabad and Bengaluru) on January 12-13 takes forward German efforts to develop economic and security relations with India and in the Indo-Pacific, the world's economic hub for the coming century. Though China is by far Germany's largest trading partner in Asia, Merz chose India for his first visit, signalling the importance he attaches to India. A business delegation accompanied him. This was the fourth visit by the German Chancellor to India since 2023.

On his arrival shortly after midnight on January 11/12, Merz was received at the airport by the Governor and Chief Minister of Gujarat, along with senior officials. His programme included a visit with Prime Minister Narendra Modi to the Sabarmati Ashram, followed by inauguration of the International Kite Festival at the Sabarmati Riverfront. He then held talks with Modi, followed by press interaction and an address to the CEOs forum. Merz travelled to Bengaluru on January 13, visiting the Bosch Campus and the Centre for Nano Science and Engineering. He emplaned for Germany on the afternoon of January 13.

A joint statement was released following the interaction between the leaders<sup>19</sup>. This encompassed six pillars, with defence and security at the forefront, followed by trade and economy; technology, innovation, science and research; green and sustainable development partnership/renewable energy; Indo-Pacific, connectivity and global issues; and education, skilling, mobility and culture. The outcomes of the visit comprised 19 MoUs/Agreements and eight announcements<sup>20</sup>.

Defence and Security cooperation was the leading focal area of the visit. The leaders welcomed the November 2025 decision to augment bilateral defence cooperation including institutionalised services Staff Talks and visits by the Service Chief, joint exercises and training. They welcomed the establishment of a new Track 1.5 Foreign Policy and Security Dialogue between the two countries. India welcomed Germany's intent to participate in the forthcoming Exercise MILAN, the IONS Conclave of Chiefs, Exercise TARANG SHAKTI and the decision to deploy a Liaison Officer to the Information Fusion Centre-Indian Ocean Region. Both sides welcomed the signing of a Joint Declaration of Intent to develop a Defence Industrial Cooperation Roadmap to promote long-term industry-level cooperation, including technology partnership and co-development and co-production of defence platforms and equipment.

<sup>19</sup> India-Germany Joint Statement, January 12, 2026, [https://www.mea.gov.in/bilateral-documents.htm?dtl/40581/India\\_Germany\\_Joint\\_Statement\\_January\\_12\\_2026](https://www.mea.gov.in/bilateral-documents.htm?dtl/40581/India_Germany_Joint_Statement_January_12_2026)

<sup>20</sup> List of Outcomes: Visit of the Chancellor of the Federal Republic of Germany to India, January 12, 2026, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2213739&reg=3&lang=1>

Leaders appreciated the continuing cooperation in submarines. The Defence Acquisition Council had accorded approval for the construction of six submarines under this project in January 2019. Five foreign firms, from France (Naval Group), Germany (TKMS), Russia (Rubin Design Bureau), Spain (Navantia) and South Korea (Daewoo) were short-listed. In January 2025, the MDL-TKMS alliance was the only one of the five deemed qualified; commercial negotiations commenced thereafter. The submarines to be built are a customised variant of the Type 214, with a displacement of around 3000 tonnes, an air independence propulsion system installed, diesel-electric propulsion, and with 18 heavyweight torpedoes and at least 12 cruise missiles. Negotiations are reported to be in the final stages, and the contract is projected to be signed in March 2026. The first submarine under this project is to be delivered seven years after the contract is finalised. In other areas of defence industry collaboration, Germany is pitching the EU's Airbus A400M Atlas for the IAF's Medium Transport Aircraft Programme; its competitors are the Lockheed Martin C-130J and the Embraer C-390 Millenium.

The second focal area was business development and trade. Trade between India and Germany exceeded \$ 51 billion in 2024 and amounted to over 25% of India's trade with the EU. This falls far short of the over \$ 215 billion trade between Germany and China in the first nine months of 2025. But Germany is looking to diversify due to concerns about a widening trade deficit, lack of market access, Chinese industrial overcapacity flooding European markets and making German industry uncompetitive, rare earth export controls and technology transfer concerns. There are already over 2000 German companies in India, providing over 400,000 direct and indirect jobs. Moreover, the majority of them are led by Indians. German investment in India cumulatively amounts to over \$ 15 billion, making it India's 9<sup>th</sup> largest FDI investor. The leaders welcomed holding of the CEO forum, and encouraged CEOs and industry leaders to invest in technology, automotives, defence, shipbuilding, smart infrastructure, pharma, chemicals, bio-technology, industrial equipment engineering and energy. No target was, however, set for the growth of trade or investment. Chancellor Merz also voiced strong support for the early conclusion of the India-EU Free Trade Agreement (completion of negotiations for the agreement was announced on January 27, 2026).

Germany's median age is around 45.5 years, indicating an aging population; projections indicate it rising further, driven by low birth rates and increased life expectancy. The working age population is expected to decline by over 10 million individuals by 2050, leading to an increasing number of jobs remaining unfilled. A third focal area was thus migration and mobility. India and Germany signed a

Migration and Mobility Partnership Agreement in December 2022 and the agreement became effective in March 2023<sup>21</sup>. It facilitates easier legal movement for Indian students, researchers and skilled workers to Germany, addressing Germany's labour shortage and India's demographic dividend. According to MEA figures, there are over 260,000 overseas Indians in Germany, including about 60,000 students<sup>22</sup>. Chancellor Merz announced a visa free transit for Indian passport holders transiting through Germany. Both sides expressed their willingness to further strengthen legal mobility and cooperation on return of persons required to leave the country and in the fight against irregular migration, human trafficking and document and visa fraud. Joint declarations of intent were signed on the Global Skills Partnership, as well as to establish an Indo-German Centre of Excellence for Skilling in Renewable Energy. Both sides committed to the teaching of German in Indian schools, universities and vocational education centres.

As the world's fourth largest economy, Germany understands that in the 21<sup>st</sup> century, economic and political forces are shifting towards the Indo-Pacific. About half of Germany's seaborne trade and two thirds of its container exports pass through the Indian Ocean. Its prosperity depends on open shipping routes, physical and digital connectivity and participation in functioning growth markets. It must address the security concerns of its partners, be involved in coming up with responses to developments and make a tangible contribution. Thus, in 2020, it published policy guidelines for the Indo-Pacific region<sup>23</sup>. These focus on strengthening multilateralism, diversifying relations beyond China, promoting a rules-based international order, enhancing security cooperation (especially maritime) and addressing shared challenges, aiming for a free and open region without bloc formation. Germany has chosen India as its lead partner in the Indian Ocean, and Australia and ASEAN states in the Western Pacific. It has carried out two deployments of ships in the Indo-Pacific in 2021 and 2024. Its Air Force has participated in Australia's Exercise Pitch Black in 2022 and 2024. Its Army has participated in Australia's Exercise Talisman Sabre in 2023 and 2025. It has committed to participation in India's Exercise MILAN and the IONS Conclave of Chiefs in February 2026, as well as Exercise TARANG SHAKTI in September 2026. As Russia becomes increasingly adversarial and China becomes mercantilist and coercive, it can be expected that Germany's engagement with India, including in the defence and security field, will grow.

<sup>21</sup> Agreement between the Government of the Republic of India and the Government of the Federal Republic of Germany on a Comprehensive Migration and Mobility Partnership, <https://www.mea.gov.in/Portal/LegalTreatiesDoc/DE22B3878.pdf>

<sup>22</sup> Population of Overseas Indians, <https://www.mea.gov.in/population-of-overseas-indians.htm>

<sup>23</sup> Policy Guidelines for the Indo-Pacific,

<https://www.auswaertiges-amt.de/blob/2380514/f9784f7e3b3fa1bd7c5446d274a4169e/200901-indo-pazifik-leitlinien-1--data.pdf>

## The Japan South Korea Summit

Relations between Japan and the Republic of Korea have often been frosty due to issues stemming from Japan's 1910-1945 colonial rule (compensation for wartime forced labour and comfort women) and territorial disputes (over the Liancourt Rocks/Dokdo Islands), among others. The advent of Yoon Suk-yeol followed by the Japan-ROK summit of March 16, 2023, opened a new chapter in the bilateral relationship<sup>24</sup>, with leaders of the two countries agreeing to resume "shuttle diplomacy" and visit each other frequently without being bound by formality. They further agreed to activate communication between their governments in a wide range of fields to promote mutually beneficial cooperation. They also emphasised strengthening bilateral and trilateral (with the US) security cooperation to address regional threats, specifically North Korea's nuclear and missile activities. Five months later, at Camp David in August 2023, the leaders of Japan, South Korea and the US committed to expanding trilateral cooperation and to raising their shared ambition to a new horizon, across domains and across the Indo-Pacific<sup>25</sup>.

Lee Jae-Myung's assumption of the presidency of South Korea had cast doubt over the upward trajectory of Japan-ROK relations. As the opposition leader, he was a vocal critic of his predecessor's pro-Japan policies<sup>26</sup>. He openly called for scrapping Yoon's compensation scheme for wartime forced labour, and questioned the safety of Fukushima water release on several occasions. He was also seen as having a greater affinity for China. However, in a break from the tradition of South Korean leaders making their first international visit to the US, Lee's first overseas bilateral visit was to Tokyo, in August 2025<sup>27</sup>. He joined then Prime Minister Shigeru Ishiba in recommitting to shuttle diplomacy and significantly developing Japan-ROK relations in a future-oriented and stable manner. He described Japan as an indispensable partner for economic growth, and discussed joint responses to North Korean nuclear threats and the implications of US trade tariffs.

Lee's continued pragmatic approach towards relations with Japan was visible when he visited Japan on January 13-14 for a summit with Prime Minister Sanae Takaichi, a week after his visit to Beijing. A key objective was to establish strategic trust between

<sup>24</sup> Japan-ROK Summit Meeting, March 16, 2023,  
[https://www.mofa.go.jp/a\\_o/na/kr/page1e\\_000593.html](https://www.mofa.go.jp/a_o/na/kr/page1e_000593.html)

<sup>25</sup> The Spirit of Camp David: Joint Statement of Japan, the Republic of Korea, and the United States, August 18, 2023, <https://www.mofa.go.jp/files/100541826.pdf>

<sup>26</sup> Why the Rise of Lee Jae-myung is Unnerving Tokyo and Washington, April 25, 2025, <https://japan-forward.com/why-the-rise-of-lee-jae-myung-is-unnerving-tokyo-and-washington/>

<sup>27</sup> Japan-ROK Summit Meeting, August 23, 2025,  
[https://www.mofa.go.jp/a\\_o/na/kr/pageite\\_000001\\_01221.html](https://www.mofa.go.jp/a_o/na/kr/pageite_000001_01221.html)

the leaders, given Takaichi's reputation as a security hawk and Lee's history as a critic of Japan's colonial actions. Takaichi personally welcomed Lee in front of the hotel at Nara, where both leaders were staying, providing a warm and friendly tone for the summit. The leaders assessed the future-oriented progress of Korea-Japan relations as their countries marked the 60th anniversary of the normalisation of diplomatic ties, and exchanged in-depth views on rapidly changing international circumstances. A particularly symbolic moment occurred when the two leaders participated together in a drum performance.

The leaders shared a recognition of the strategic importance of Japan-ROK relations and affirmed their intent to work together to play a role in ensuring stability of the region<sup>28</sup>. They discussed the importance of strategic coordination, including trilateral cooperation between Japan, ROK and the US, and reaffirmed that they would work together for the complete denuclearisation of North Korea. They agreed to continue close communication between their governments, including active promotion of shuttle diplomacy. They further agreed to draft a document to accelerate cooperation on dealing with transnational organised fraud. Lee avoided getting drawn into the sharpening confrontation between Japan and China.

In essence, the summit signals that the pragmatic reset in Japan-ROK relations coupled with shuttle diplomacy started by Yoon Suk-yeol continues, notwithstanding political changes in both countries. Historical disputes will not, for the present, be allowed to create unmanageable friction. The countries will continue their focus on economic security, especially stable supply chains for rare earth elements and artificial intelligence. Lee has been successful so far in juggling South Korea's interests with China, the US and Japan. Continued success, however, will face difficulties if the many differences between China and the US and its allies leads to a downturn in relations.

## Future-Proofing Alliances: Implications of Japan-Philippines ACSA

by Divya Rai

On January 15, 2026, Japan's Foreign Minister Toshimitsu Motegi and the Philippines' Foreign Secretary Maria Theresa Lazaro signed an Acquisition and Cross-Servicing Agreement (ACSA) in Manila. The ACSA comes against a backdrop of persistent tension in maritime Asia, particularly in the South China Sea and the Taiwan Strait. It enables mutual provision of essential supplies like fuel, food, ammunition and other logistical support between Japan's Self-Defense Forces (SDF) and the Armed Forces of the Philippines (AFP) during joint activities. This covers bilateral training, exercises,

<sup>28</sup> Japan - ROK Summit Meeting (Summary), January 13, 2026, <https://japan.kantei.go.jp/104/diplomatic/202601/13rok.html>

operations, humanitarian assistance, and disaster relief efforts<sup>29</sup>. The new security agreement will permit the tax-free provision of supplies and services between the two nations to enhance operational efficiency. The ministers also signed Japan's Official Security Assistance project for the 2025 fiscal year. It's the first infrastructure project under Japan's OSA program, which constructs boathouses and slipways for the Philippine Navy<sup>30</sup>.

The groundwork for the ACSA was laid during the first bilateral meeting between Philippine President Ferdinand Marcos Jr. and Japanese Prime Minister Sanae Takaichi on the sidelines of the 47th ASEAN Summit in Kuala Lumpur in October 2025<sup>31</sup>. Philippines became Japan's 11th ACSA partner following pacts with the Netherlands and New Zealand in December 2025. Previous partners include the US, Australia, UK, Canada, France, India, Germany, and Italy. This follows the landmark Reciprocal Access Agreement (RAA), signed by both countries in July 2024, that opened the door for Japanese troops to train and operate in Philippine territory for the first time since World War II.<sup>32</sup> Both agreements are expected to facilitate practical and sustainable implementation through the establishment of a logistics backbone for bilateral defence engagements.

In recent years, President Ferdinand 'Bongbong' Marcos has vigorously pushed back against Chinese assertiveness in the Philippine exclusive economic zone (EEZ). Since mid-2023, Philippines and China have engaged in confrontations in disputed waters linked to Philippine rotation and resupply missions to Second Thomas Shoal, a Philippine-occupied atoll in the Spratlys. Given the power asymmetry between China and Philippines, Manila has accelerated efforts to modernise its military and cultivate closer security ties with Washington and its security partners. The cornerstone of its security remains the 1951 Mutual Defence Treaty with the United States, which obligates both nations to aid each other in case of an armed attack. Complementing this is the 2014 Enhanced Defence Cooperation Agreement (EDCA), which grants U.S.

<sup>29</sup> Ministry of Foreign Affairs of Japan, "Signing of the Agreement between the Government of Japan and the Government of the Republic of the Philippines Concerning Reciprocal Provision of Supplies and Services between the Self-Defense Forces of Japan and the Armed Forces of the Philippines," January 15, 2026, [https://www.mofa.go.jp/s\\_sa/sea2/ph/pageite\\_000001\\_01456.html](https://www.mofa.go.jp/s_sa/sea2/ph/pageite_000001_01456.html).

<sup>30</sup> The Diplomat. "Japan, Philippines Sign New Defense Pact to Facilitate Flow of Military Supplies", January 20, 2026, <https://thediplomat.com/2026/01/japan-philippines-sign-new-defense-pact-to-facilitate-flow-of-military-supplies/>.

<sup>31</sup> Ministry of Foreign Affairs of Japan. "Japan-Philippines Summit Meeting". October 26, 2025. [https://www.mofa.go.jp/s\\_sa/sea2/ph/pageite\\_000001\\_01325.html](https://www.mofa.go.jp/s_sa/sea2/ph/pageite_000001_01325.html)

<sup>32</sup> Embassy of Japan in the Philippines, "Exchange of Diplomatic Notes for Entry into Force of the Japan-Philippines Reciprocal Access Agreement," August 12, 2025, [https://www.ph.emb-japan.go.jp/itpr\\_en/11\\_000001\\_01969.html](https://www.ph.emb-japan.go.jp/itpr_en/11_000001_01969.html).

forces rotational access to Philippine bases—recently expanded by four additional sites to a total of nine.

Compounding these issues, Manila also grapples with the lack of sophisticated weapon systems and maintenance for acquired hardware, which tends to be highly technical and costly for naval and air assets. Against this backdrop, diversifying security partnerships beyond the United States has become a priority for Manila. This imperative stems from a potential “grand bargain” between President Trump and Chinese President Xi Jinping. Such a deal could leave partners like the Philippines more exposed to Beijing's pressures. Despite the Philippines' foreign policy swings, Tokyo has been its largest provider of development assistance and remained a key partner in maritime security. The ACSA agreement, represents the most recent boost to burgeoning Tokyo-Manila security ties, serving as a deterrence against China's expanding military presence while enabling Philippine defence forces to secure logistics support, supplies, and services from Japan. This fosters capacity-building and logistical interoperability between the two nations' militaries, allowing forces to rapidly obtain necessary capabilities through ACSA exchanges.

Defence ties between the Philippines, United States, Japan and Australia will likely remain the central pillar of effective deterrence and regional stability in the SCS. Philippines has been strengthening its regional security posture by turning its traditional alliance with the US and its allies into minilateral arrangements, with Australia and Japan emerging as key partners. Although these developments will not deter China from asserting its claims, it is unlikely to escalate its ‘grey zone’ tactics to the use of lethal military force.

Manila's main challenge remains to respond tactically to the tensions in the SCS while pursuing a strategic modus vivendi with Beijing. A major implication of the various defence agreements lies in bolstering Philippines' maritime capabilities and establishing credible deterrence and a defensive posture to counter further Chinese expansionism. As Manila presses forward to improve its capabilities and diversify partnerships, developing effective deterrence without the possibility of the US clearly presents a formidable challenge.

## Other Indo-Pacific Developments

Operation Absolute Resolve. In an action with pronounced disruptive impact on the global order, the US carried out Operation Absolute Resolve, inserting Delta Force personnel into Caracas on January 03. Venezuelan President Nicolas Maduro and his wife Cilia Flores were captured and transported to New York to stand trial on charges

of narco-terrorism<sup>33</sup>. The operation involved the use of over 150 aircraft and cyber warfare to suppress Venezuela's air defences. There were no US casualties. On the other hand, a large part of Maduro's security team, including 32 Cubans, were killed. President Trump announced that the US would run Venezuela and manage its oil industry until it could do a safe, proper and judicious transfer of power. Venezuelan Vice-President Delcy Rodriguez was sworn in as the country's interim President. The unilateral US action without UN Security Council authorisation violates the basic principles of territorial sovereignty and prohibition on the use of force under the UN Charter, setting a dangerous precedent and weakening the rules-based order.

**Thailand Cambodia Border Dispute.** The Thailand-Cambodia border remained generally calm during the month, with the fragile ceasefire reached on December 27, 2025 still holding despite an isolated incident on January 06. High-level military talks from January 27-29 ended in a deadlock<sup>34</sup>.

**USS Abraham Lincoln Strike Group in Indian Ocean.** The USS Abraham Lincoln strike group crossed the Malacca Straits on January 19 and entered the Indian Ocean on January 20. It transferred operational command to CENTCOM on January 26<sup>35</sup>. Meanwhile, US President Trump warned Iran that a massive armada was heading in its direction and time was running out for Tehran to agree to a deal limiting its nuclear programme<sup>36</sup>. Middle East governments are trying to prod the US and Iran into talks to prevent a conflict. The calculation seems to be that striking Iran could help reignite protests and destabilise the Iranian regime.

**Trump Criticises UK Mauritius Deal Over Diego Garcia.** In a development that will impact the Indian Ocean, US President Donald Trump accused the UK of "an act of great stupidity" by agreeing to return sovereignty over the Chagos Archipelago, including Diego Garcia, to Mauritius. He said there was no doubt that China and Russia, who recognise only strength, had noticed this act of total weakness, and said that the UK decision strengthened the case for the US to acquire Greenland. It may be recalled that in October 2024, the Kier Starmer led UK government had agreed that

<sup>33</sup> The US Capture of Nicolas Maduro, January 6, 2026, <https://commonslibrary.parliament.uk/research-briefings/cbp-10452/>

<sup>34</sup> First Army Area Holds Border Talks with Cambodia, January 29, 2026, <https://x.com/ThaiEnquirer/status/2016386576096678095>

<sup>35</sup> Abraham Lincoln Carrier Strike Group now in US Central Command, January 26, 2026, <https://news.usni.org/2026/01/26/abraham-lincoln-carrier-strike-group-now-in-u-s-central-command>

<sup>36</sup> Trump Says "Massive Armada" Heading to Iran, Warns 'Time is Running Out to Make a Deal', January 29, 2026, <https://time.com/7358425/trump-iran-massive-armada-nuclear-deal/>

Mauritius would regain sovereignty over the Chagos Archipelago<sup>37</sup>, subject to negotiation of a bilateral treaty<sup>38</sup>. The Biden Administration had supported the agreement. Treaty negotiations were completed in May 2025<sup>39</sup>, with Secretary Marco Rubio voicing US support<sup>40</sup>. Under its terms, while sovereignty over the entire Chagos Archipelago will revert to Mauritius, Mauritius authorises the UK to exercise all its rights and authorities with respect to Diego Garcia as required for the long-term, secure and effective operation of the Base, including full responsibility for defence and security of Diego Garcia as well as jurisdiction and control arrangements. The agreement is to have a duration of 99 years from the date of its entry into force and may be extended for a further period of 40 years in the first instance, followed by subsequent periods as both sides agree to. The treaty has not yet come into force, awaiting ratification by the governments of Mauritius as well as UK. In the absence of ratification, the Chagos Archipelago remains a British territory.

India-EU Summit. President of the European Council Antonio Costa and of the European Commission Ursula von der Leyen made a State Visit to India from January 25-27<sup>41</sup>. They were the chief guests for India's 77<sup>th</sup> Republic Day parade. They co-chaired the 16<sup>th</sup> India-EU Summit with Prime Minister Modi on January 27<sup>42</sup>. Leaders announced the successful conclusion of negotiations for the India-EU FTA<sup>43</sup>, enabling the creation of an economic bloc comprising nearly 2 billion people, reducing dependency on China and the US, diversifying supply chains and enabling India to boost its exports to the EU (and vice versa). An agreement on the India-EU Security and Defence partnership was signed and exchanged, bolstering engagements in maritime security, the defence industry, on cyberspace, and on counter-terrorism. The

<sup>37</sup> UK and Mauritius Joint Statement, 3 October 2024, <https://www.gov.uk/government/news/joint-statement-between-uk-and-mauritius-3-october-2024>

<sup>38</sup> For an overview, see Lalit Kapur, "Mauritius to Regain Chagos Archipelago", Indo-Pacific Monitor, October 2024, [https://www.delhipolicygroup.org/storage/uploads/publications\\_file/indo-pacific-monitor-5198.pdf](https://www.delhipolicygroup.org/storage/uploads/publications_file/indo-pacific-monitor-5198.pdf)

<sup>39</sup> See Lalit Kapur, "Mauritius Sovereignty Over Diego Garcia", Indo-Pacific Monitor, May 2025, [https://www.delhipolicygroup.org/storage/uploads/publications\\_file/indo-pacific-monitor-5324.pdf](https://www.delhipolicygroup.org/storage/uploads/publications_file/indo-pacific-monitor-5324.pdf)

<sup>40</sup> US Support for UK and Mauritius Agreement on Chagos Archipelago, May 22, 2025, <https://www.state.gov/u-s-support-for-uk-and-mauritius-agreement-on-chagos-archipelago>

<sup>41</sup> Transcript of Special Briefing on the State Visit of President of European Council & President of European Commission to India, January 27, 2026, [https://www.mea.gov.in/media-briefings.htm?dtl/40619/Transcript\\_of\\_Special\\_Briefing\\_on\\_the\\_State\\_visit\\_of\\_President\\_of\\_EU\\_Council\\_President\\_of\\_EU\\_Commission\\_to\\_India\\_January\\_27\\_2026](https://www.mea.gov.in/media-briefings.htm?dtl/40619/Transcript_of_Special_Briefing_on_the_State_visit_of_President_of_EU_Council_President_of_EU_Commission_to_India_January_27_2026)

<sup>42</sup> India-EU Joint Statement on the State Visit of President of the European Council, and the President of the European Commission to India, and the 16<sup>th</sup> India-EU Summit, January 27, 2026, [https://www.mea.gov.in/bilateral-documents.htm?dtl/40614/India\\_EU\\_Joint\\_Statement\\_on\\_the\\_State\\_Visit\\_of\\_President\\_of\\_the\\_European\\_Council\\_and\\_President\\_of\\_the\\_European\\_Commission\\_to\\_India\\_and\\_the\\_16th\\_India](https://www.mea.gov.in/bilateral-documents.htm?dtl/40614/India_EU_Joint_Statement_on_the_State_Visit_of_President_of_the_European_Council_and_President_of_the_European_Commission_to_India_and_the_16th_India)

<sup>43</sup> Fact Sheet India and European Union Trade Agreement, January 27, 2026, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219146&reg=3&lang=1>

two sides launched negotiations for a Security of Information agreement, which will facilitate intelligence exchanges. A roadmap for the India-EU Strategic Partnership to 2030 was adopted<sup>44</sup>. The two sides also concluded an MoU on a comprehensive framework on cooperation for mobility. In sum, the summit signals a game-changing moment in India-EU relations, boosting them across the economic, security and technological domains.

**Canada China Summit.** Canadian Prime Minister Mark Carney paid an official visit to China from January 14-17 to reset relations, meeting President Xi Jinping, Prime Minister Li Qiang and Chairman of the Standing Committee of the National People's Congress Zhao Leji<sup>45</sup>. It was the first Canadian Prime Ministerial visit to China since 2017; Canada's detention of Huawei's Meng Wanzhou in 2018 and China's retaliation by detaining Canadians Michael Spavor and Michael Kovrig sent bilateral relations into free fall thereafter. Canada reaffirmed its commitment to its One China Policy. Leaders announced a Canada-China new strategic partnership, committing to strengthening exchanges at all levels and advancing macroeconomic engagement, economic and trade cooperation, energy cooperation, finance cooperation, law enforcement cooperation, people-to-people ties, expanding agricultural trade and multilateralism. China announced 30-day visa free access for Canadians and slashed tariffs on Canola, Canadian lobster and other products<sup>46</sup>. A Canada-China Trade Cooperation Roadmap was signed<sup>47</sup>. Carney's rapprochement with China was initially praised by US President Trump, but he changed his stance, threatening 100% tariffs on all Canada's exports if it went ahead with a trade deal with China.

**Japan Italy Summit.** Italian President Giorgia Meloni visited Tokyo on January 16 for the Italy-Japan Summit. The leaders marked the 160<sup>th</sup> anniversary of diplomatic ties by upgrading their relationship to a special strategic partnership<sup>48</sup>. They decided to enhance the partnership in the areas of security and defence, including the joint development of the GCAP fighter by Italy, Japan and the UK. They agreed to further

<sup>44</sup> Towards 2030: A Joint India-European Union Comprehensive Strategic Agenda, January 27, 2026, [https://www.mea.gov.in/bilateral-documents.htm?dtl/40616/Towards\\_2030\\_A\\_Joint\\_IndiaEuropean\\_Union\\_Comprehensive\\_Strategic\\_Agenda](https://www.mea.gov.in/bilateral-documents.htm?dtl/40616/Towards_2030_A_Joint_IndiaEuropean_Union_Comprehensive_Strategic_Agenda)

<sup>45</sup> Joint Statement of Canada-China Leaders' Meeting, January 16, 2026, <https://www.pm.gc.ca/en/news/statements/2026/01/16/joint-statement-canada-china-leaders-meeting>

<sup>46</sup> Bilateral Roadmap and Summary of New Agreements between Canada and China, January 20, 2026, <https://www.cancham.org/news/bilateral-roadmap-and-summary-new-agreements-between-canada-and-china>

<sup>47</sup> Canada-China Trade Cooperation Roadmap, January 16, 2026, <https://www.pm.gc.ca/en/news/statements/2026/01/16/canada-china-economic-and-trade-cooperation-roadmap>

<sup>48</sup> Italy-Japan Joint Statement, January 16, 2026, <https://japan.kantei.go.jp/content/000190321.pdf>

strengthen cooperation on economic security to enhance supply chain resilience including cooperation regarding critical raw minerals. They confirmed their intention to cooperate in advanced technology, infrastructure and energy, and advancing bilateral trade and investment. They confirmed their cooperation towards realising a Free and Open Indo-Pacific, shared a common understanding on the importance of an international order based on the rule of law, and agreed to strengthen cooperation in the international arena. The summit highlights the view of both countries that the security of the Euro-Atlantic and Indo-Pacific are indivisible, with Italy linking its presence in the region to stability across the Taiwan Strait and maritime security in the East and South China Seas.

**UK China Summit.** UK Prime Minister Sir Kier Starmer visited China from January 28-31, the first visit by a UK PM since 2017. The visit focused on a reset of relations, prioritising economic growth<sup>49</sup>. Sensitive geopolitical differences, including China's breach of the 1997 Hong Kong agreement through imposition of the National Security Law of 2020, the incarceration of British citizen Jimmy Lai, China's repression in Xinjiang and Tibet, China's espionage and targeting of UK institutions and support for Russia were downplayed. Although there was no joint statement, Starmer and Xi Jinping committed to building a long-term, consistent and comprehensive strategic partnership. The two sides agreed to resume a range of exchanges, including a high-level security and strategic dialogues. Beijing agreed to grant UK citizens visa-free entry for stays under 30 days, facilitating business and tourism. It also halved import duty on British whisky from 10% to 5%. Astra Zeneca announced a \$15 billion investment in China, for R&D and manufacturing through 2030. The two sides agreed to initiate a feasibility study for a bilateral agreement on trade and services. The visit comes at a time the UK is hunting for business opportunities to revitalise a stagnant economy, while China is looking to attract a key American ally while ensuring Britain remains a reliable export market, especially for high value goods like electric vehicles, solar panels and batteries.

**UK Japan Summit.** UK Prime Minister Kier Starmer followed up his visit to China with a brief visit to Japan on January 31. He and Prime Minister Sanae Takaichi agreed to deepen cooperation across a broad range of areas, based on the industrial strategy partnership and the economic security partnership<sup>50</sup>. They upgraded cooperation on cyber security to a Strategic Cyber Partnership comprising sharing intelligence and analysis to deter cyber-attacks. The leaders affirmed that the security of the Euro-

<sup>49</sup> Prime Minister unlocks new opportunities for British businesses in China, January 29, 2026, <https://www.gov.uk/government/news/prime-minister-unlocks-new-opportunities-for-british-businesses-in-china>

<sup>50</sup> Japan-UK Summit Meeting and Working Dinner (Summary), January 31, 2026, <https://japan.kantei.go.jp/104/diplomatic/202601/31uk.html>

Atlantic and Indo-Pacific are inseparable, and pledged to accelerate development of the next generation fighter under the Global Combat Air Programme. The leaders discussed strengthening of supply chains to counter economic coercion.

**Philippines President Marcos Visits UAE.** Philippines President Ferdinand Marcos paid a working visit to the UAE on January 12-13, to participate in the Abu Dhabi Sustainability Week. He met UAE President Sheikh Mohamed bin Zayed Al Nahyan on January 13. Philippines and the UAE signed a Comprehensive Economic Partnership Agreement (CEPA), Manila's first such agreement in the Gulf region<sup>51</sup>. The two leaders reaffirmed their mutual commitment to further strengthening bilateral ties across all fields, in ways that deliver lasting benefits and prosperity for both countries and their peoples.

**Australia Timor-Leste Summit.** Australian Prime Minister Anthony Albanese made his maiden official visit to Dili, Timor-Leste, on January 28-29<sup>52</sup>. He met the President Dr Jose Ramos-Horta and the Prime Minister Kay Rala Xanana Gusmao, and addressed the parliament of Timor-Leste. The two countries established a partnership for the new era, founded on three pillars: Peace and Regional Integration, Prosperity and Resilience, and People-to-People and Institutional Linkages<sup>53</sup>. Australia will facilitate major projects, including a fibre optic cable and upgrading Dili's airport.

**US Withdraws from 66 International Organisation.** The US withdrew from 66 international organisations it judged were contrary to its interests on January 07<sup>54</sup>. This includes 35 non-UN organisations, including the India led International Solar Alliance, and 31 UN organisations.

**China Restricts Export of Dual Use Items to Japan.** China banned export of dual use items to Japanese military users and for any other end-user purpose that could

<sup>51</sup> UAE, Philippines begin new chapter of trade, investment cooperation with signing of CEPA, January 13, 2026, <https://www.mohamedbinzayed.ae/en/latest-news-listing/2026/01/UAE-Philippines-begin-new-chapter-of-trade-investment-cooperation-with-signing-of-CEPA>

<sup>52</sup> Strengthening our partnership with Timor-Leste, January 29, 2026, <https://www.pm.gov.au/media/strengthening-our-partnership-timor-leste>

<sup>53</sup> Joint declaration on establishing a Parseria Foun Ba Era Foun (New Partnership for a New Era) between the Government of the Democratic Republic of Timor-Leste and the Government of Australia, January 29, 2026, <https://www.pm.gov.au/media/joint-declaration-establishing-parseria-foun-ba-era-foun-new-partnership-new-era>

<sup>54</sup> Withdrawing the United States from International Organisations, Conventions and Treaties that are Contrary to the Interests of the United States, January 7, 2026, <https://www.whitehouse.gov/presidential-actions/2026/01/withdrawing-the-united-states-from-international-organizations-conventions-and-treaties-that-are-contrary-to-the-interests-of-the-united-states/>

enhance Japan's military capabilities on January 06<sup>55</sup>. A catalogue of dual-use items published by China includes rare earths, advanced electronics, aerospace and aviation components, drones and nuclear-related technology, among other items. The restrictions are part of China's pressure campaign in response to Takaichi's November 2025 comment that a Chinese invasion of Taiwan would constitute a situation threatening Japan's survival, potentially triggering a military response from Tokyo. Japan's foreign ministry strongly protested China's export control measures and demanded their immediate withdrawal.

**Japan South Korea to Resume Naval Exercise.** Meeting at Yokosuka on January 30, the Defence Ministers of Japan and South Korea agreed to resume joint search and rescue exercises that have been suspended since 2018<sup>56</sup>. They also agreed to conduct mutual visits every year, promote exchanges between the JSDF and South Korean military and to cooperate on advanced technologies such as AI.

**Takaichi Calls for Snap Elections.** Three months after assuming office as the Prime Minister, Sanae Takaichi announced on January 19 that she had decided to dissolve parliament and called for an early election on February 08<sup>57</sup>. She observed that in the last election, the people had offered judgement on the premise of a coalition government between the LDP and Komeito. The framework of the coalition government had changed and LDP had parted ways with Komeito, which should be approved by the people. She dissolved the lower house on January 23<sup>58</sup>.

**Japan Protests China's Unilateral Development in East China Sea.** Japan protested on January 16 China's initiating the installation of a new structure on the West side of the geographical equidistance line between the two countries in the East China Sea<sup>59</sup>. The protest comes as the EEZ and Continental Shelf in the East China Sea has not yet been delimited.

<sup>55</sup> Ministry of Commerce Announcement No. 1 of 2026: Announcement on Strengthening of Export Controls on Dual-Use Items to Japan, January 6, 2026, [https://www.mofcom.gov.cn/zwgk/zcfb/art/2026/art\\_8990fedae8fa462eb02cc9bae5034e91.html](https://www.mofcom.gov.cn/zwgk/zcfb/art/2026/art_8990fedae8fa462eb02cc9bae5034e91.html)

<sup>56</sup> Japan and South Korea Agree to Resume Joint Drills Halted Nearly One Decade Ago, January 30, 2026, <https://news.usni.org/2026/01/30/japan-and-south-korea-agree-to-resume-joint-drills-halted-nearly-one-decade-ago>

<sup>57</sup> Press Conference by Prime Minister Takaichi, January 19, 2026, <https://www.kantei.go.jp/jp/104/statement/2026/0119kaiken.html>

<sup>58</sup> Takaichi dissolves Lower House for Feb 8 snap election, January 23, 2026, <https://www.japantimes.co.jp/news/2026/01/23/japan/politics/diet-dissolves/>

<sup>59</sup> New Movement by China Concerning Unilateral Development of Natural Resources in the East China Sea, January 16, 2026, [https://www.mofa.go.jp/press/release/pressite\\_000001\\_02006.html](https://www.mofa.go.jp/press/release/pressite_000001_02006.html)

US National Defense Strategy. The US National Defense Strategy 2026 was published on January 23<sup>60</sup>. It prioritises homeland defence, followed by deterring China in the Indo-Pacific through strength, not confrontation, in the hope of a decent peace that both countries can live with. Russia, Iran and North Korea continue to be seen as threats that regional allies can deal with conventionally, with limited US help.

Former South Korean PM Sentenced. Han Duck-soo, the former prime minister and acting president of South Korea, was sentenced to 23 years in prison on January 21 after a three-judge panel in Seoul convicted him of collaborating in former President Yoon Suk Yeol's brief imposition of martial law in late 2024<sup>61</sup>. The sentence is subject to appeal.

India's GDP 2025-26. The first advance estimates indicate India's GDP will grow by 7.4% in 2025-26, as against 6.5% for 2024-25<sup>62</sup>. The IMF revised India's growth for 2025-27 to 7.3%, up from 6.6% for the previous year<sup>63</sup>.

China's Trade Surplus. China announced a record trade surplus of \$1.19 trillion for 2025 on January 13, 20% above the surplus for 2024<sup>64</sup>. The surplus came despite President Trump's use of tariffs to contain China's factories. Although exports to the US dipped, those to the EU, Africa, Latin America and Southeast Asia surged. India's trade deficit with China for 2025 is \$ 116.2 billion. China has had a trade surplus since 1993.

Spain Accedes to the Indo-Pacific Oceans Initiative. Spanish Minister for Foreign Affairs José Manuel Albares handed over a declaration on Spain's accession to the Indo-Pacific Oceans Initiative during his meeting with EAM Dr. S. Jaishankar on January 21<sup>65</sup>. While the pillar of IPOI Spain has joined has not yet been identified, it is likely to be the Maritime Security pillar.

---

<sup>60</sup> For an overview, see Lalit Kapur, "The US' National Defense Strategy 2026", DPG Policy Brief Volume XI Issue 5, [https://www.delhipolicygroup.org/storage/uploads/publications\\_file/publication\\_DPG%20Policy\\_Brief\\_XI\\_Issue\\_5%20\(1\).pdf](https://www.delhipolicygroup.org/storage/uploads/publications_file/publication_DPG%20Policy_Brief_XI_Issue_5%20(1).pdf)

<sup>61</sup> South Korean Ex-Premier Gets 23 Years in Prison for Role in Martial Law, January 21, 2026, <https://www.nytimes.com/2026/01/21/world/asia/south-korea-prime-minister-martial-law.html>

<sup>62</sup> First Advance Estimates of Gross Domestic Product, 2025-26, January 07, 2026, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2212087&reg=3&lang=1>

<sup>63</sup> IMF World Economic Outlook Update, January 19, 2026, <https://www.imf.org/-/media/files/publications/weo/2026/january/english/text.pdf>

<sup>64</sup> China Announces Record Trade Surplus as its Exports Flood World Markets, January 13, 2026, <https://www.nytimes.com/2026/01/13/business/china-trade-surplus-exports.html>

<sup>65</sup> Visit of Foreign Minister of Spain to India, January 21, 2026, <https://www.meaindia.gov.in/press-releases.htm?dtl/40608/Visit+of+Foreign+Minister+of+Spain+to+India+January+21+2026>

Trump Threatens to Raise Tariffs on South Korean Imports. US President Donald Trump threatened to raise US tariffs on South Korean imports from 15% to 25% on January 27, accusing the country of not living up to its deal by failing to ratify the trade agreement reached in July 2025. The US is South Korea's second largest export market, after China. South Korea's Trade Minister Kim Jung-kwan dashed to Washington on January 29 for talks on the issue.

Exercise Will for Peace. Exercise "Will for Peace 2026", described as the first defence cooperation event under the BRICS framework<sup>66</sup>, was held off Simon's Town in South Africa from January 9-16. South Africa hosted the event, with the Chinese Navy playing a lead role in planning and execution. Participants included China, Russia, Iran and South Africa. Observers from Brazil, Egypt and Ethiopia were also present. The exercise focus was counter-terrorism, anti-piracy, SAR, strikes at sea and protecting international shipping routes. India did not participate, saying that the exercise was entirely a South African initiative in which some BRICS members took part, it was not a regular or institutionalised BRICS activity<sup>67</sup>.

IMB Piracy Report 2025. The International Maritime Bureau (IMB), in its Annual Piracy and Armed Robbery Report 2025, recorded 137 incidents against ships in 2025 compared to 116 in 2024. It highlighted that 121 vessels were boarded, four were hijacked and two fired upon, as well as 10 attempted attacks. Geographically, Southeast Asia accounts for 95 of the incidents reported last year, with the Singapore Straits recording the highest number of reported incidents, followed by the Indonesian archipelago. While there was a highly publicised re-emergence of incidents off Somalia, the IMB highlights that only a small number of incidents were reported off the Somali coast in 2025<sup>68</sup>.

Philippines Gas Discovery. The Philippines announced on January 19 the discovery of a new natural gas reservoir containing roughly 98 billion cu. ft. of gas at Malampaya East, about 5 Km East of the existing Malampaya field off Northwest Palawan<sup>69</sup>. The

<sup>66</sup> Joint Exercise "Will for Peace 2026" Wraps up, January 19, 2026, [http://eng.chinamil.com.cn/2025xb/H\\_251454/L\\_251456/16438352.html](http://eng.chinamil.com.cn/2025xb/H_251454/L_251456/16438352.html)

<sup>67</sup> Official Spokesperson's response to media queries regarding comments relating to India's non-participation in a so-called 'BRICS Naval Exercise', January 17, 2026, [https://www.mea.gov.in/response-to-queries.htm?dtl/40595/Official\\_Spokespersons\\_response\\_to\\_media\\_queries\\_regarding\\_comments\\_re\\_lating\\_to\\_Indias\\_nonparticipation\\_in\\_a\\_socalled\\_BRICS\\_Naval\\_Exercise](https://www.mea.gov.in/response-to-queries.htm?dtl/40595/Official_Spokespersons_response_to_media_queries_regarding_comments_re_lating_to_Indias_nonparticipation_in_a_socalled_BRICS_Naval_Exercise)

<sup>68</sup> International Chamber of Commerce. "Global maritime piracy and armed robbery increased in 2025", January 15, 2026. <https://iccwbo.org/news-publications/report/global-maritime-piracy-and-armed-robbery-increased-in-2025/>

<sup>69</sup> Marcos hails first major gas discovery in over a decade, January 19, 2026, <https://mb.com.ph/2026/01/19/marcos-hails-first-major-gas-discovery-in-over-a-decade>

gas find is valued at under \$ 400 million. This is the country's first major gas find in over a decade. The field lies in the Philippines EEZ, but is also within China's ten-dash line claim. It could become a fresh bone of contention between China and the Philippines.

**North Korea Missile Launches.** North Korea conducted its first ballistic missile tests of the year on January 04, launching two missiles that travelled 900 and 950 Km respectively before hitting targets in the Sea of Japan outside Japan's EEZ<sup>70</sup>. The launch, which occurred just hours before ROK President Lee Jae Myung departed on a state visit to China, was condemned by South Korea, Japan and the West. In another test, North Korea launched four rockets from a large calibre Multiple Launcher Rocket System, striking a maritime target about 360 Km from the launch point<sup>71</sup>.

**Singapore to Get P-8A Poseidon.** The US State Department approved the Foreign Military Sale of four P-8A Poseidon maritime patrol aircraft and Mk 54 lightweight torpedoes, among other equipment, at an estimated cost of \$ 2.316 billion, on January 20<sup>72</sup>. The aircraft are expected to be delivered in the early 2030s.

**USS Cincinnati Visits Ream Naval Base.** USS Cincinnati arrived at Ream Naval Base in Cambodia on January 24<sup>73</sup>. Admiral Samuel Paparo, Commander of the US Indo-Pacific Command, hosted Cambodia's Defence Minister and Chief of Defence on board the ship on January 26<sup>74</sup>. The visit dispels concerns about the development of Ream as an exclusive Chinese naval base.

**Taiwan Strait Transit.** USS John Finn and USNS Mary Sears conducted the first US transit of Taiwan Strait in 2026 on January 16-17, remaining in a corridor that is outside

<sup>70</sup> North Korean missile-related information, January 04, 2026, <https://www.mod.go.jp/j/press/news/2026/01/04c.html>

<sup>71</sup> North Korea Strikes Maritime Target During Multiple Rocket Launcher System Test Fire, January 28, 2026, <https://news.usni.org/2026/01/28/north-korea-strikes-maritime-target-during-multiple-rocket-launcher-system-test-fire>

<sup>72</sup> Singapore – Maritime Patrol and Reconnaissance Aircraft P-8A and Mk 54 Lightweight Torpedoes, January 20, 2026, <https://www.dsca.mil/Press-Media/Major-Arms-Sales/Article-Display/Article/4382957/singapore-maritime-patrol-and-reconnaissance-aircraft-p-8a-and-mk-54-lightweigh>

<sup>73</sup> USS Cincinnati arrives in Ream Naval Base, January 24, 2026, <https://www.c7f.navy.mil/Media/News/Display/Article/4388958/uss-cincinnati-arrives-in-ream-naval-base/>

<sup>74</sup> US Indo-Pacom Commander visits USS Cincinnati with Cambodian Defence Officials, January 26, 2026, <https://www.pacom.mil/Media/NEWS/News-Article-View/Article/4389545/usindopacom-commander-visits-uss-cincinnati-with-cambodian-defense-officials/>

the territorial waters of both China and Taiwan. China's Eastern Theatre Command monitored and tracked the US movements<sup>75</sup>.

Commissioning of ICGS Samudra Pratap. ICGS Samudra Pratap, India's first indigenously designed pollution control vessel and the largest ship in the Coast Guard fleet, was commissioned by India's Defence Minister Rajnath Singh at Goa on January 05<sup>76</sup>. The ship displacing 4170 tons is equipped with advanced pollution detection systems, dedicated pollution response boats, and modern firefighting capabilities. It also features a helicopter hangar and aviation support facilities.

Training Squadron Deployment. India's First Training Squadron comprising IN ships Tir, Sujata and Shardul and ICGS Sarathi proceeded on a training deployment to Southeast Asia (Singapore, Indonesia and Thailand) on January 07<sup>77</sup>. This includes six international officer trainees, reflecting the Indian Navy's continued commitment to capacity building and professional training of personnel from friendly foreign nations.

INS Sudarshani Embarks on Transoceanic Sailing Expedition. The Indian Navy's Sail Training Ship INS Sudarshani embarked on a 10-month transoceanic expedition on January 20<sup>78</sup>. The expedition will see the ship sail over 22,000 nautical miles, visit 18 foreign ports in 13 countries, and represent India at tall-ship events in France and the US.

\*\*\*

<sup>75</sup> PLA monitors and tracks transit of US military vessels through Taiwan Strait: Spokesperson, January 17, 2026, [http://eng.chinamil.com.cn/2025xb/H\\_251454/L\\_251456/16437957.html](http://eng.chinamil.com.cn/2025xb/H_251454/L_251456/16437957.html)

<sup>76</sup> Raksha Mantri commissions Indian Coast Guard Ship Samudra Pratap, India's first indigenously designed Pollution Control Vessel built by GSL, January 05, 2026, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2211397&reg=3&lang=1>

<sup>77</sup> Long Range Training Deployment of Indian Navy's First Training Squadron (1TS) to South East Asia, January 07, 2026, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2212110&reg=3&lang=1>

<sup>78</sup> INS Sudarshani to Embark on Transoceanic Sail Expedition – Lokayan 26, January 19, 2026, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2216218&reg=3&lang=1>



**Delhi Policy Group**  
Core 5A, 1st Floor,  
India Habitat Centre, Lodhi Road  
New Delhi - 110003  
India

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)