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Delhi Policy Group

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DPG INDIA STRATEGIC REVIEW

The DPG India Strategic Review (ISR) is a monthly survey of key developments, trends and policies pertaining to India's immediate and continental neighbourhood. It is compiled by a research team which is led by Sanjay Pulipaka, Senior Fellow, and includes Research Associates Mohit Musaddi, Sanket Joshi, Shreyas Deshmukh and Anushka Nair. The ISR is based on open source official statements, reports and publications. Your comments and feedback may be addressed to Mohit Musaddi at mohit@dpg.org.in.To subscribe, please click here.

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World map

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DPG India Strategic Review

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I. Overview: The Challenges of Multipolarity

Sanjay Pulipaka and Mohit Musaddi

Complex challenges emanate from multipolarity. For instance, the strengthening of India's strategic partnerships has been uneven. Delhi's relationship with Washington is progressing better than with other strategic partners. On the other hand, even as Russia claims it has an even-handed policy between India and China, Moscow's policy in Asia is defined by contradiction given that China is the principal security threat for India. Moreover, India is the only country that is standing up to the Chinese PLA's territorial incursions. Multipolarity also mandates agility, which India has demonstrated in the Middle East through fluid partnerships. The lapse of multipolarity into bipolarity will, to a large extent, be defined by the trajectory of India-US cooperation and, of course, will be contingent on collaborative initiatives with other democracies.

China

Early in the month, there were <u>reports</u> of a significant increase in the deployment of troops on the India-China border.¹ Subsequently, there was <u>heightened</u> Chinese military activity in the central sector across Uttarakhand with increased patrolling by the PLA.² Further, reports indicate that China is rapidly scaling up <u>infrastructure</u> facilities and building new airfields close to India's border.³ Reflecting on the evolving situation, Indian Chief of Defence Staff (CDS) General Bipin Rawat stated on July 2 that the current situation cannot continue indefinitely as "it could lead to <u>misadventure</u> at some time."⁴

Amidst concerns about the increased deployments, India's External Affairs Minister (EAM) Dr. S. Jaishankar met his Chinese counterpart on the sidelines of the SCO Foreign Ministers 'meet in Tajikistan on July 14, where he said that the prolonged standoff is "visibly impacting the relationship in a <u>negative manner</u>". At the meeting, the EAM reiterated that <u>normalisation</u> in other segments of the bilateral relationship is not possible unless normalcy is restored in the border region. However, diplomatic and military-to-military negotiations have not so far resulted in reducing border tensions between the two countries. As of July 26, India and China <u>have "held</u> 10 Major General level talks, 55 Brigadier level talks and around 1,450 calls over the two hotlines" since the standoff began last year. Another hotline has been established between the Indian Army in Kongra La, north Sikkim and the PLA in Khamba Dzong of the Tibet Autonomous Region (TAR). Both sides continued their search for



"enhanced mutual understanding" during the <u>12th round</u> of the Corps Commander-level talks on July 31 at Moldo, with focus on disengagement at Gogra and Hot Springs.⁹

Border tensions continue to affect bilateral economic interactions between the two countries. In the quarter ending June, out of the USD7.2 billion in funding raised by Indian start-ups, only <u>USD745 million</u> was through Chinese investors. American investors contributed a whopping USD5.7 billion. Moreover, there is growing anticipation that Indian tech start-ups may benefit because of the ongoing crackdown on tech companies in China. 12

Chinese infrastructure building close to the Indian border has continued apace. While in June, a high speed rail network to Tibet was inaugurated, in July, Chinese president Xi Jinping made his first <u>visit</u> to the Tibetan city of Nyingchi, which borders Arunachal Pradesh.¹³ During his visit, President Xi reportedly called on the ethnic minorities "to set their <u>roots</u> at the border" and promised to further "strengthen infrastructure construction".¹⁴

As border tensions continue, it appears that there is greater co-ordination between India and the US. Indian Prime Minister Narendra Modi in a phone call personally wished HH the <u>Dalai Lama</u> on his 86th birthday. US Secretary of State Antony J. Blinken also interacted with a <u>representative of the Dalai Lama</u> during a meeting with civil society leaders in New Delhi on July 28, 2021. 16

The United States

US Secretary of State Antony J. <u>Blinken visited India</u> on July 27-28 and held wide ranging discussions with EAM Dr. S. Jaishankar. They exchanged views on "regional concerns, multilateral institutions and global issues...[including] Afghanistan, Indo-Pacific and the Gulf".¹⁷ Mr. Blinken also met NSA Ajit Doval and called on Prime Minister Modi. The Blinken <u>visit</u>," from atmospherics to substance, confirmed the forward momentum of the India-US comprehensive and global partnership."¹⁸

On July 16, the <u>United States handed over</u> "the first two Sikorsky MH-60R multi-role helicopters to the Indian Navy". ¹⁹ In total, the United States will deliver 24 multi role helicopters (MRH) to the Indian Navy for a total cost of USD2.4 billion. ²⁰

Delhi and Washington are also exploring ways to strengthen healthcare cooperation. On July 13, the US government spokesperson remarked that in addition to co-operation to combat the COVID-19 pandemic, India and the US



will soon scale up collaboration in "<u>diagnostics, therapeutics and vaccines"</u> to combat other infectious diseases as well.²¹

During the month, a bill titled the "Indian Ocean Region Strategic Review Act" was introduced in the US House of Representatives. It calls for "continuing to build the US-India relationship in order to regularise security co-operation through the negotiation of agreements concerning access, communication and navigation". These developments indicate that in the executive and legislative branches of the US government, there is growing support for India and recognition of the need to double down on the Indo-Pacific strategy.

Russia

On July 2, Russian President Vladimir Putin signed into law an updated version of the Russian <u>National Security Strategy</u> (NSS).²³ The NSS notes that partnerships with China and India are necessary "to create reliable mechanisms in the Asia-Pacific region".²⁴ Russia continues to grapple with its grand strategy. While its relationship with the West is defined by friction, its relationship with India and China can be said to be defined by contradiction, given that Delhi and Beijing are increasingly pulling apart.

High level visits between India and Russia have picked up momentum in recent months. While Russian Foreign Minister Sergey Lavrov visited New Delhi in April, EAM Dr. S. Jaishankar travelled to Russia in July. Delhi and Moscow have decided to hold a 2+2 meeting between foreign and defence ministers this year, reportedly before Prime Minister Modi and President Putin meet in New Delhi for the annual leaders 'summit.²⁵ EAM Jaishankar and FM Lavrov discussed co-operation in the nuclear and defence sectors in addition to exchanging views on regional and global issues.²⁶ India-Russia vaccine co-operation has also continued to gain momentum, with new licensed production facilities in India for manufacture of the Sputnik V vaccine.²⁷

The Russia-China relationship also maintained momentum, with FM Lavrov meeting Chinese State Councillor Wang Yi on the sidelines of the "Central and South Asia: Regional Connectivity Challenges and Opportunities" conference in Tashkent on July 15. FM Lavrov reportedly described the <u>Russia-China relationship</u> as "the best in history".²⁸

Neighbourhood

China continued to make inroads in the Indian subcontinent through two South Asia-related forums held during the month. On July 8, China established the <u>China-South Asia</u> Countries Poverty Alleviation and Co-operative



Development Centre in Chongqing city to "pool strength, integrate resources, and exchange wisdom" with member countries.²⁹ On July 9, China set up the China-South Asia <u>Emergency Supply Reserve</u> at the Chengdu International Railway Port to "enable co-operation to combat the pandemic and other emergencies".³⁰ India, the Maldives and Bhutan are not part of either initiative.

Nepali Congress President <u>Sher Bahadur Deuba</u> was sworn in as Prime Minister of Nepal on July 13, ending months of political instability in the country.³¹ This came after the Nepal Supreme <u>Court overturned</u> former PM KP Sharma Oli's recommendation to dissolve the House of Representatives.³² Since assuming office, PM Deuba has held <u>telephone conversations</u> with Indian PM Narendra Modi³³ and with other international leaders.

The situation in Myanmar continued to deteriorate. Anti-coup demonstrations have been hampered by a record surge in the number of <u>COVID-19 cases</u> in the country.³⁴ To make matters worse, the Myanmar military (Tatmadaw) has ramped up <u>attacks on doctors</u> and medics.³⁵ On July 26, the Tatmadaw <u>formally cancelled</u> the results of the November 2020 elections, citing massive voter fraud.³⁶

South Asian countries have stepped up their vaccination drives. Nepal received 1.5 million doses of the Johnson and Johnson (J&J) vaccine from the US, USD165 million from the ADB for vaccine procurement and is due to receive 1.6 million doses of the AstraZeneca vaccine from Japan. Bangladesh has also received 245,000 doses of the AstraZeneca vaccine from Tokyo under the UN's COVAX initiative. The US, Denmark and Croatia sent 850,000 doses of the Moderna and AstraZeneca vaccines through the COVAX facility to Bhutan, while China shipped 50,000 doses of its Sinopharm vaccine.

As India's COVID-19 outreach to the neighbourhood continued, India sent four express trains carrying <u>Liquid Medical Oxygen</u> (LMO) to Bangladesh during the month.⁴⁰

Bhutan became the first neighbouring country to adopt India's <u>BHIM UPI initiative</u>. All Newly elected President of the UNGA and Foreign Minister of the Maldives <u>Abdullah Shahid</u> visited India on July 22-24 and held discussions with EAM Jaishankar, besides calling on Prime Minister Modi. India and the Maldives <u>renewed the MoU</u> on India's High Impact Community Development Project in the Maldives and Delhi extended assistance of USD10 million. During the month, the navies of India, Sri Lanka and the Maldives also conducted a virtual <u>Trilateral Table Top Exercise</u> (TTX) to enhance mutual understanding and improve "assistance in maritime search and rescue".



Afghanistan-Pakistan

The possibility of a complete military takeover of Afghanistan by the Taliban prompted frenzied diplomatic activity across the region. Iran hosted a <u>Taliban-Afghan government meeting</u> in the first week of July. In the third week, the <u>intra-Afghan dialogue</u> was hosted in Doha. Afghan was due to host the <u>Afghan Peace Conference</u> on July 17-19 but cancelled it at the last minute. The EAM <u>Jaishankar was in Teheran</u> to discuss the evolving security situation in the region. President <u>Putin held telephonic conversations</u> with his counterparts in Tajikistan and Uzbekistan. On the side-lines of the conference on connectivity in Central and South Asia, regional leaders discussed the evolving <u>security dynamic</u> in Afghanistan and Pakistan. These multiple conferences indicate that there is genuine concern about Taliban control of Afghanistan. Tajikistan deployed an additional <u>20,000 troops</u> along its border with Afghanistan. Si <u>Russia</u> is also sending additional equipment to its base in Tajikistan and is planning to conduct joint military exercises with Tajikistan and Uzbekistan.

On July 28, Taliban representatives met with <u>Chinese foreign minister</u> Wang Yi.⁵³ The meeting assumed significance, given the growing economic footprint of China in the region and its security concerns pertaining to Xinjiang.

A <u>terrorist attack</u> on July 14 in the Upper Kohistan region resulted in the death of at least 13 people, including nine Chinese who were working on a hydropower project.⁵⁴ The incident demonstrated that economic activity and infrastructure building are being adversely affected by the deteriorating security situation in Pakistan.

Middle East

India maintained the positive momentum in its relations with the Gulf. India's Reliance Industries announced that it would invest in a joint-venture with the Abu Dhabi National Oil Company (ADNOC) to build a mega petrochemical complex in the UAE.⁵⁵ India and the UAE have initiated negotiations on a free trade agreement (<u>FTA</u>), which may serve as a platform for similar agreements with other GCC countries.⁵⁶ There is increased trade diversification, with exports of agricultural commodities picking up momentum in the recent past.

In the realm of defence and security co-operation, Indian Air Force chief R. K. S. Bhadauria visited UAE on July 31. Reports suggested that India may be considering the purchase of <u>anti-drone</u> systems from Israel.⁵⁷ <u>Pakistan</u> on its part is reportedly procuring armed drones from Turkey.⁵⁸



There was renewed tension in Turkey-Greece relations, with the Erdogan government attempting to alter the status-quo in Cyprus by opening the <u>closed</u> town of Varosha.⁵⁹ India expressed deep concern about the "unilateral announcements" by Turkey to alter the status quo.⁶⁰

Conclusion: Developing a Shared Multilateral Vision

During the month, Indian Foreign Secretary Harsh Vardhan <u>Shringla visited</u> <u>New York</u> for high-level meetings of the UN Security Council (UNSC). He attended a briefing on the situation in Libya, called on UN Secretary General Antonio Guterres and French Foreign Minister Jean-Yves Le Drian, and met the US Permanent Representative to the UN.⁶¹

In the run-up to India's UNSC presidency, the <u>Foreign Secretary</u>⁶² briefed the UN Secretary-General and other envoys on the <u>agenda</u> that New Delhi seeks to pursue.⁶³ India will organise high-level <u>meetings on</u> maritime security, peacekeeping and counter-terrorism.⁶⁴

Three elements defined India's engagement on multilateral platforms during the month. First, India used its membership of the UNSC to press issues that it considers essential. For instance, the Indian representative participating in the UN General Assembly debate called on the international community to refrain from reverting to "the era of 'your terrorists' and 'my terrorists' and fight the scourge collectively". 65

Second, India is building partnerships to reform the multilateral system. During the month, India's call for reform of the multilateral system received strong endorsement from France. France's ambassador to India, Emmanuel Lenain, noted that India's call for "reformed multilateralism... echoes France's long-standing efforts to make the United Nations more representative and efficient." 66

Third, Delhi called for developing a shared understanding of the evolving multipolar world order. In his speech at the Primakov Institute of World Economy in Moscow, <u>EAM Dr. S. Jaishankar</u> remarked that, "[t]he grammar of multi-polarity... is very different from that of bi-polarity".⁶⁷ He delineated three important principles that should guide the behaviour of major powers: first, "each pole has its own needs, but its pursuit is to be moderated not by the balance of power, but by balance of interests;" second, "[b]alance of interests may be individually defined, but it is the task of diplomacy to ensure that it is collectively realised;" and third, "[t]he operating principle of a multi-polar world is the legitimate pursuit of flexibility without seeking exclusivity".⁶⁸



II. Russian Grand Strategy: India, the US and China

Anushka Nair

Russia-India

On July 2, Russia released an <u>updated National Security Strategy</u> (NSS) based on an analysis of Moscow's security threats, national interests and policy priorities.⁶⁹ The document acknowledges Russia's rapidly deteriorating relationship with the West. It calls for <u>reduction of dollar usage</u> in foreign trade as a crucial step to securing Russia's economic stability in the face of the barrage of sanctions imposed by the West.⁷⁰ It also identifies co-operation with China and India as key foreign policy priorities.

Indian Foreign Minister Dr. S. <u>Jaishankar visited Russia</u> between July 7 and 9, and met with his Russian counterpart Sergei Lavrov as well as Russian Deputy Prime Minister Yuri Borisov. Apart from several high level meetings covering numerous topics concerning Indo-Russian co-operation, Dr. Jaishankar also delivered a <u>speech on India-Russia relations</u> at Moscow's Primakov Institute of World Economy & International Relations. He noted that the "relations between Russia and India have been among the steadiest of the major relationships in the world after the Second World War... The paradox though is that precisely because it has held so steady, this relationship is sometimes taken for granted. The case for its constant nurturing is, therefore, as powerful, if not more, than with the more volatile ones."

The Russian envoy to India later confirmed that a <u>2+2 ministerial dialogue</u> between defence and foreign ministers that Prime Minister Modi and President Putin established in April 2021 will be held later this year, possibly before India prepares to host President Putin for the annual bilateral leaders' summit.⁷⁴

Russia hosted its largest aerospace expo, International Aviation and Space Salon (MAKS 2021), in Zhukovsky from July 20 to 25. A spokesperson from Russia's Federal Service for Military-Technical Co-operation said that India had submitted an enquiry for 21 MiG-29 fighters to Russia; a commercial offer for the aircraft has already been made and is under consideration at the moment. A defence industry source also reportedly said that the Indo-Russian BrahMos supersonic missile would soon undergo another upgrade, with the flight range being increased to 800 km from the present 450 km range.



During MAKS 2021, the Sukhoi Aircraft Company, along with Russia's Unified Aircraft-Building Corporation (OAK), revealed a new single engine stealth fighter, now known as <u>Su-75 Checkmate Light Tactical Aircraft</u>.⁷⁷ President Putin was present at the launch and examined the model plane. A video uploaded in the week leading up to the launch portrays pilots from various countries – namely the UAE, India, Vietnam and Argentina – suggesting that Russia may be eyeing export deals for its new aircraft. Some <u>reports</u> also indicate that the low price point on the Checkmate may dampen sales of competitor fighter aircraft manufactured by other countries, including Lockheed Martin's F-35, Sweden's JAS-39E/F Gripen, and Chinese made Shenyang J-35.⁷⁸



The Su-75 Checkmate unveiled during the 2021 MAKS air show in Russia Source: International Aviation and Space Salon (MAKS 2021)

On July 19, the Russian military announced the successful <u>launch of a hypersonic cruise missile</u>, Zircon. The missile was launched from the Admiral Gorshkov frigate in the White Sea, and hit a target 350 km away on the coast of the Barents Sea, travelling 7 times faster than the speed of sound.⁷⁹ The Russian Navy plans to equip its submarines and surface ships with this missile system, although the timeline is unknown.



This generated a backlash from the United States and its NATO allies, with the latter releasing a statement saying that Russia's recent missile development caused significant <u>risk of escalation</u> and miscalculation, particularly in the Euro-Atlantic area. In response, a Kremlin spokesperson stated it was in fact the <u>United States and NATO</u> that had worked to actively dismantle arms parity in the region, by "creating ballistic missile defence positioning areas, [and] deploying interceptor missile systems in Romania and other countries in the close vicinity to Russia's borders."

Russia-US

President Putin held a telephone conversation with his American counterpart Joe Biden on July 9, to further their June 16 discussion on information security and tackling cybercrimes. The two leaders discussed the possibility of setting up permanent <u>information exchange channels</u> between the appropriate government agencies, under the existing provisions of international laws.⁸²

The two Presidents had also agreed during their June summit to initiate a <u>Strategic Stability Dialogue</u> to help identify and address points of contention in the bilateral relationship, which was held in Geneva on July 28.83 The <u>dialogue focused on</u> current security environment, nuclear arms control, format for future sessions and both sides agreed to reconvene in late September.84 Subsequently, the US delegation headed to Brussels to brief its NATO allies on the developments.85

In April, the Russia imposed restrictions on employing locals as "foreign service nationals" at its diplomatic missions. On July 30, US Secretary of State, in a press release stated that <u>Russian restrictions</u> will severely impact the U.S. mission to Russia's operations, potentially including the safety of our personnel". Ambassador <u>John Sullivan</u> noted that post imposition of the restrictions, American diplomatic staff would shrink to 120 officials, as opposed to nearly 1200 at the commencement of his posting to Moscow in 2017. 87

In a surprising development, Russia has reportedly offered the United States access to its bases in Tajikistan and Kyrgyzstan to conduct limited, precoordinated security operations in Afghanistan. The offer was made by President Putin to President Biden during their June 16 meeting, but no official response has been made by the United States.⁸⁸ It is also unclear whether the countries in question, Kyrgyzstan and Tajikistan, were consulted about the move, as neither has issued any comment on this so far.



Russia-China

FM Lavrov met with his Chinese counterpart Wang Yi on the sidelines of the high-level international conference Central and South Asia: Regional Connectivity Challenges and Opportunities in Tashkent on July 15. The discussion <u>reportedly covered</u> data security, the situation in Afghanistan and Central Asia, and the future of the Iran nuclear deal.⁸⁹

July 2021 marked 20 years of the signing of the Treaty of Good-Neighbourliness, Friendship and Co-operation between China and Russia. To commemorate the occasion, Russia's Foreign Minister wrote an article that was published by news organisations in both Russia and China. He lauded Sino-Russian co-operation as an example of responsible international behaviour by superpowers. He took note of the enormous trade relationship between Moscow and Beijing, which has grown 1300 per cent since the signing of the Treaty in 2001, while expressing hope that the two countries would soon reach the long-term bilateral trade target of USD 200 billion that had been set by their leaders. While he commended the military collaboration between the armed forces of Russia and China, FM Lavrov also reiterated that their co-operation in that sphere was purely defensive in nature, and did not seek to target any external entities.

Vaccine Update

On July 6, Russia's sovereign wealth fund (RDIF) and India's Morepen Laboratories announced the <u>production of a test batch</u> of the Sputnik V vaccine at a facility in Himachal Pradesh in India.⁹³ The first batch was shipped to Russia's Gamaleya Center for quality control checks. The RDIF is also set to begin <u>producing Sputnik V</u> in collaboration with the Serum Institute of India (SII) in September this year.⁹⁴

Russia is lagging behind in its attempt to <u>vaccinate 60 per cent</u> of its population by fall. While currently, 22 per cent Russians have received one dose and 14 per cent have been fully vaccinated, there are some estimates that 60 per cent of Russia's total population may have reached herd immunity against Covid-19 through a combination of vaccination and post-infection antibodies.⁹⁵

The European Union's ambassador to Russia revealed that the <u>EU had contacted</u> Russia's health ministry to discuss the possibility of mutual vaccine recognition. At present, none of Russia's four COVID vaccinations are recognised in Europe and in response, Russia has not authorised any foreignmade vaccines domestically yet. If implemented, a mutual vaccine recognition programme could help facilitate travel for citizens who have been administered different variants of the vaccine. This could also impact Indians who have been administered the Sputnik-V vaccine.



III. India and the Neighbourhood¹

Mohit Musaddi

Nepal

Uncertainty in Nepal's politics seems to have reached a near-term conclusion as the Supreme Court on July 12 <u>overturned</u> former PM KP Sharma Oli's May 2021 decision to dissolve the House of Representatives. ⁹⁷ Subsequently, Nepali Congress President Sher Bahadur Deuba was sworn in as Prime Minister on July 13 and won the <u>vote of confidence</u> on July 18 in a reinstated House of Representatives. ⁹⁸ A hundred and sixty-five parliamentarians voted <u>in favour of PM Deuba while 83 voted against.</u> ⁹⁹ Notably, out of the lawmakers who voted in favour of Deuba, 22 belonged to the rival Oli-led <u>CPN-UML faction</u>. ¹⁰⁰ PM Deuba is expected to lead the government for a year and a half.



Nepal Prime Minister Sher Bahadur Deuba after winning the vote of confidence, July 18, 2021. Source: The Kathmandu Post

After assuming office, PM Deuba <u>met the ambassadors</u> of India, the US and China.¹⁰¹ In a telephone conversation on July 19, Indian <u>PM Narendra Modi</u> congratulated PM Deuba and agreed to "work together to enhance bilateral co-

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¹ In the neighbourhood, this chapter will cover developments in Nepal, Myanmar, Sri Lanka, Bangladesh, the Maldives and Bhutan.



operation in all areas". ¹⁰² They also discussed co-operation against the ongoing COVID-19 pandemic. ¹⁰³ On July 18, India handed over <u>150 ICU beds</u> to assist in Nepal's fight against the pandemic. ¹⁰⁴

Recently, the US, through the COVAX facility, shipped 1.5 million doses of the single-dose Johnson and Johnson (J&J) vaccine to Nepal. Since July 19, the Nepal Ministry of Health and Population has begun administering J&J vaccines to migrant workers who have been worst hit by the pandemic. It has been a welcome move, given that remittances contribute roughly a quarter of Nepal's total GDP. The Nepal government is reportedly also close to signing a deal with China to purchase 6 million doses of its Vero Cell vaccine. Japan will send 1.6 million doses of the AstraZeneca vaccine to Nepal through the COVAX initiative. Moreover, on July 22, the Asian Development Bank (ADB) approved a loan of USD165 million, which will allow Nepal to purchase an estimated 15.9 million doses of the COVID-19 vaccines. The funds are part of ADB's USD9 billion vaccine initiative project that offers developing member countries support to procure and deliver vaccines.

Myanmar

The coronavirus pandemic has hampered Myanmar's anti-coup movement in recent weeks. July has seen a <u>record high</u> of over 7,000 new daily cases (July 14) and over 390 deaths (July 26). Estimates are that the figures are much higher than has been reported by the military junta. The vaccination programme is at a "standstill, testing has collapsed, and government hospitals are <u>barely functioning</u>". At the same time, the Myanmar military (Tatmadaw) has ramped up <u>crackdowns</u> on doctors and medics. To compound matters, <u>flooding</u> "has displaced hundreds of people" in parts of eastern Myanmar. General Hlaing has <u>called on ASEAN</u> and other "friendly countries" for cooperation on prevention, control and treatment of COVID-19.

The military coup along with the coronavirus pandemic has resulted in a loss of 1.2 million jobs in Myanmar in the second quarter of 2021. The construction, garments, and tourism and hospitality sectors have been among the hardest hit, "with employment dropping by 35%, 31% and 25% respectively in the first half of 2021". The World Bank has estimated that "the number of people living in poverty will double from 2019 to 2022".

On July 26, the military junta formally <u>annulled the results</u> of the November 2020 elections, which the Aung San Suu Kyi-led National League for Democracy (NLD) won comfortably. The military-appointed Union Election Commission (UEC) claimed that more than 11.3 million ballots had been found



to be fraudulent and irregular. 121 However, the Tatmadaw has provided no legal evidence to back their claims.



Houses submerged due to floods in Hpa-An, capital of Kayin state. Source: Agence France-Presse/The New York Times

The situation in Myanmar has apparently not affected China's Belt and Road Initiative (BRI) related investments and projects in the country. Power China has completed the first phase of the Kyaukphyu power plant located in the Rakhine state. In March, the junta approved a China-funded USD2.5 billion liquefied natural gas power project in Ayeyarwady region. Is Similarly, in late March, the chairman of the State Administrative Council (SAC) in Myanmar chaired a high-level meeting to finalise the land acquisition process for the controversial USD1.5 billion New Yangon City project to be funded by China. In July, the Chinese Ambassador to Myanmar reportedly held talks with the junta-appointed Minister for Agriculture, Livestock and Irrigation "to discuss issues related to promoting agricultural trade between the two countries". However, amidst the COVID-19 spike in Myanmar, China has reportedly tightened control in parts of Yunnan which border Myanmar. China has also constructed "walls made of iron wire" along the border to prevent illegal crossing of Burmese into the country.

Russia continues to <u>work closely</u> with the military junta. The head of Rosoborexport, Russia's state arms exporter said that "[t]here is close co-



operation between us on the supply of military products, including aircraft". ¹²⁸ The Tatmadaw is one of Rosoborexport's main ASEAN clients and is also a key partner of Rostec, Russia's aerospace and defence conglomerate. ¹²⁹

US Secretary of State Anthony Blinken, on the other hand, has "called on <u>ASEAN</u> to take action to urge the end of violence, the restoration of Burma's democratic transition, and the release of all those unjustly detained". During Secretary Blinken's visit to India on July 28, EAM Dr. Jaishankar <u>conveyed India's commitment</u> to Myanmar's democratic transition and support for ASEAN's initiatives. ¹³¹

Sri Lanka

In July, Sri Lankan President Gotabaya Rajapaksa's spokesperson announced that the President would seek a <u>second term in office</u> when elections are held in 2024.¹³² The Gotabaya family has a strong presence in the Cabinet with five members. However, there has been growing criticism of the government over its "inability to address the acute financial strain on ordinary families, amid an unprecedented economic crisis stifling the country".¹³³ There were also protests based on <u>reports</u> that approximately 40 acres of land in Sri Lanka's northern Jaffna province was being sold to China.¹³⁴ The government has dismissed the reports and denied the allegations.

To maintain foreign exchange reserves, Colombo has <u>cut back on the import</u> of items such as farm chemicals, cars, turmeric, vinegar and sugar.¹³⁵ Sri Lanka's <u>foreign exchange reserves</u> stands at USD4 billion, enough for three months of imports.¹³⁶ However, Colombo expects to receive <u>approximately USD2.6 billion</u> in forex inflows over the next three months.¹³⁷

In a positive development, Sri Lanka settled a scheduled <u>repayment of USD1</u> <u>billion</u> issued through bonds on July 26.¹³⁸ Two further payments, including a USD500 million bond and USD1 billion debt is due to be repaid in 2022.¹³⁹

A virtual <u>Trilateral Table Top Exercise (TTX)</u> 2021 was conducted on July 14-15 between the navies of India, Sri Lanka and the Maldives to enhance "mutual understanding... and assistance in maritime search and rescue". ¹⁴⁰ The exercise assumes relevance in light of Operation Sagar Aaraksha II, which was conducted between the Indian Coast Guard with Sri Lankan authorities to survey the damage caused by a <u>major fire</u> on the MV X-Press Pearl in May 2021. ¹⁴¹



Bangladesh

India's External Affairs Minister (EAM) Dr. S. Jaishankar met his Bangladeshi counterpart AK Abdul Momen on July 15 in Tashkent, Uzbekistan, on the sidelines of the International Conference on Regional Connectivity of Central and South Asia. Discussions reportedly revolved around "bilateral and regional connectivity, COVID-19 and vaccination situation and the repatriation of Rohingyas to Myanmar". The two ministers stressed the need to resume joint mechanism activities once the pandemic situation improves. 144



EAM Dr. S. Jaishankar with Bangladesh Foreign Minister AK Abdul Momen in Tashkent, July 15, 2021. Source: Twitter/@DrSJaishankar

FM Momen also met his <u>Chinese and Russian counterparts</u> in separate bilateral meetings in Tashkent. He requested <u>Russian FM Sergei Lavrov</u> for active and fruitful co-operation to facilitate the return and reintegration of the Rohingya to their homeland. Chinese foreign minister <u>Wang Yi said</u> that China will continue to support Bangladesh in safeguarding national sovereignty, independence and territorial sovereignty. Momen reiterated Bangladesh's insistence on the "one-China principle" and <u>supported Beijing's stance</u> on "Xinjiang, Hong Kong and Tibet". However, there have been reports that Bangladesh has <u>resisted Chinese investment</u> in the Sonadia deepsea project, which was "suitable for a future Chinese Navy presence". China has <u>committed 15 million doses</u> of its Sinopharm vaccine to Bangladesh of which it has supplied two million doses; it is scheduled to supply five million more in August.



Dhaka has also received 245,000 doses of the AstraZeneca vaccines on July 24 from Tokyo under the UN's COVAX initiative. Bangladesh will receive a total of 3 million doses of the vaccine from Japan and may also <u>begin co-production</u> of the vaccine in the coming months. Moreover, India could resume vaccine exports to Bangladesh in August. Dose of the vaccine and the coming months.

Swift vaccinations will help Bangladesh, which has witnessed a <u>resurgence of the pandemic</u> and registered a record number of COVID-19 cases and deaths in July after restrictions were eased to facilitate travel ahead of the Eid al-Adha festival. In a historic move, an <u>oxygen express train</u> of the Indian railways supplied 200 MT of liquid medical oxygen (LMO) to Bangladesh on July 24. This was the "first time ever that the Oxygen Express [was] put into operation in a neighbouring country". Subsequently, <u>three more trains</u> carrying tranches of LMO have departed for Benapole, Bangladesh. Bangladesh.

The Maldives

On July 14, Prime Minister Narendra Modi held a <u>telephone conversation</u> with Maldives President Ibrahim Mohamed Solih, during which the two leaders "reviewed the progress of the India-supported development projects in the Maldives". ¹⁵⁶ PM Modi stressed Male's importance in India's Neighbourhood First Policy and congratulated President Solih for Foreign Minister Abdulla Shahid's election as President of the UNGA. ¹⁵⁷



FM Abdullah Shahid and EAM Dr. S. Jaishankar signed an MoU on High Impact Community Development Project, New Delhi, July 23, 2021. Source:

Twitter/@abdullashahid



FM <u>Shahid visited India</u> between July 22 and 24 and called on PM Modi and held talks with EAM Dr. S. Jaishankar on "key international, multilateral, regional and bilateral issues". The Indian PM "assured him of <u>India's full support</u> and co-operation" during his UNGA presidency. With the EAM, FM Shahid <u>renewed the MoU</u> on India's High Impact Community Development Projects in the Maldives and increased the size of Delhi's grant assistance from MVR85 million to MVR155 million (USD10 million approximately). On July 22, India and the Maldives <u>also signed an MoU</u> on the "exchange of pre-arrival information for trade facilitation and control of customs over goods". 161

In an <u>unofficial trip to Sri Lanka</u>, President Ibrahim Solih met his Sri Lankan counterpart President Gotabaya Rajapaksa and discussed strengthening of the bilateral relationship as well as challenges posed by the COVID-19 pandemic.¹⁶²

On July 16, President Solih held a telephone conversation with China's President Xi Jinping to discuss areas of mutual interest. President Solih highlighted China's contributions to the development of Maldives over the years and expressed gratitude for the COVID-19 assistance that it has received.

Bhutan

Bhutan became the first country in India's immediate neighbourhood to <u>adopt</u> India's digital payment application, BHIM UPI (Unified Payments Interface). The initiative was launched via a virtual ceremony by the finance ministers of India and Bhutan.



Indian Finance Minister Nirmala Sitharaman at the joint e-launch of the BHIM UPI in Bhutan, July 13, 2021. Source: Twitter/@MEAIndia



Following a bilateral trade meeting between officials from India and Bhutan on July 2, the Indian government on July 14 "decided to allow the <u>import of seven fresh vegetables</u>... from Bhutan" through Jaigaon. Such a move will be beneficial in gradually transitioning trade between the two countries to the formal economy.

Bhutan received <u>COVID-19 vaccines</u> from various countries during the month. The US, Denmark and Croatia sent 850,000 doses of the Moderna and AstraZeneca vaccines through the COVAX facility while China shipped 50,000 doses of its Sinopharm vaccine. Bhutan is reportedly preparing to mix the vaccine doses in order to quickly immunise its population against the virus. India had supplied <u>550,000 doses</u> of the made-in-India AstraZeneca vaccine to Bhutan as a grant in January and March 2021. Delhi has also <u>supplied relief material</u> to Bhutan including "PPE kits, N-95 Masks, RT-PCR test kits... portable X-ray machines" among others.



Bhutan Prime Minister Lotay Tshering receiving the COVID-19 vaccine. Bhutan has fully vaccinated 90 percent of its eligible adult population. Source: ABC News



IV. India, PAI and CARs: Centrality of the Afghan Crisis²

Shreyas Deshmukh

During the month, the Taliban captured approximately half the districts in Afghanistan. Neighbouring countries, who were already alarmed after the announcement of the withdrawal of coalition troops, have rushed to protect their borders as the Taliban launches attacks on strategically important border towns. Despite intensive diplomatic efforts by competing powers in the region, there have been no positive results yet.

State of Afghanistan

On July 2, the US evacuated the Bagram airbase, which marked the final drawdown of US troops. Bagram airbase is one of the <u>largest military</u> bases in the region and was vital for logistical support to Afghanistan. Here are only a few hundred US soldiers to protect the American embassy and diplomatic staff. Further, on July 12, the commander of the Resolute Support Mission relinquished command at a ceremony in Kabul and handed over the <u>remaining operations</u> in Afghanistan to the US CENTCOM commander. Similarly, coalition partners such as Italy, Germany, and the UK pulled out their troops from bases located in Kandahar, Herat, Balkh, Mazar-e-Sharif, and other provinces while handing over the command to the officer-in-charge of the Afghan National Army. Washington is currently working to reinvigorate the stalled intra-Afghan dialogue while ensuring the security of Kabul airport and to relocate the <u>families of 4,000</u> Afghan nationals who helped the US in its mission over the last twenty years. The same surface is a surface of the US in its mission over the last twenty years.

The Taliban, according to the Doha agreement, assured the US that it would not attack provincial capitals. However, in the recent past, the Taliban has launched sporadic assaults and surrounded large cities such as Kunduz, Jalalabad, Herat, and Kandahar. Assaults on major cities forced many countries including India. Taliban also captured the strategic border towns of Islam Qala (Herat, Iran Border, on July 9), Taliban di (Herat, Turkmenistan Border, July 9), Spin Boldak (Kandahar, Pakistan border, July 14), Taliban Special Khan Bandar (Kunduz, border with Tajikistan, June 23).

² PAI stands for Pakistan, Afghanistan and Iran and CARs stands for Central Asian Republics.



Forces, backed by pro-government militias, have launched operations to take back these cities that are crucial for cross-border trade.



The Taliban attacked strategic border crossings in Afghanistan. Source: Google Maps

High-level summits in different regional capitals have been taking place while fighting continues. Iran hosted talks between the Taliban and Afghan representatives on July 7-8.¹⁷⁷ The intra-Afghan dialogue was re-initiated in Doha on July 17 where the Islamic Republic side was led by Abdullah, the Chairman of the High Council for National Reconciliation (HCNR), and the Taliban team was headed by Mullah Abdul Ghani Baradar.¹⁷⁸ The meeting concluded with the 'hope' of solving 'problems through dialogue'.¹⁷⁹

The Afghan Peace Conference being <u>hosted by Pakistan</u> on July 17-19 was cancelled after a clash between President Ashraf Ghani and Prime Minister Imran Khan at a regional connectivity conference in Uzbekistan. In <u>his remarks</u> at the conference, President Ghani blamed Pakistan for supporting the Taliban and added that "the Taliban are openly celebrating the destruction of the assets and capabilities of the Afghan people and State". Subsequently, the Taliban called for the resignation of President Ghani.



Pakistan-Afghanistan relations have continued to deteriorate. Kabul called back its Ambassador from Islamabad after the <u>abduction and release</u> of the Ambassador's daughter on July 16.¹⁸³ There was also a huge <u>rally conducted</u> by the Taliban supporters in Quetta (Pakistan) after the US troop withdrawal from the Bagram airbase.¹⁸⁴ Cordial relations between Islamabad and Kabul are vital for the stability of the region. However, Pakistan's not so covert support to the Taliban makes stability unlikely.

Concerns in the Neighbourhood

Three crucial visits on the Afghan front took place at the end of July. These include the Taliban delegation to Beijing, the DG ISI and NSA of Pakistan to Washington, and the US secretary of State to New Delhi. Secretary Anthony Blinken's conversation with the media and joint statements suggest that India and the US have a convergence of interest in Afghanistan at all levels. However, the reports do not provide any clear approach over India's role in this conundrum.¹⁸⁵

The <u>week-long visit</u> of DG ISI and Pakistan NSA is vital considering the relations between the two countries and the uncertainty of the Afghan conflict. On July 28, Chinese Foreign Minister Wang Yi held a meeting with the <u>Taliban delegation</u> led by Mullah Baradar and expressed the hope that the "Afghan Taliban will make a clean break with all terrorist organisations including the ETIM" (East Turkestan Islamic Movement). FM Wang Yi also raised concerns over securing China's economic interests in the region. 187

En-route to Moscow, India's External Affairs Minister Dr. S Jaishankar met his Iranian counterpart Javad Zarif in Tehran on July 7 and expressed concern about the deteriorating <u>security situation</u> in Afghanistan. The meeting coincided with the intra-Afghan talks hosted in Tehran and the clashes that erupted at <u>Islam-Qala</u> and Abu Nasr Farahi customs facilities located on the Iran-Afghanistan border. Several Afghan staff members entered the Iranian soil to take refuge. Similar incidents were reported on the Tajik and Turkmen borders as well.

According to a news report, Taliban now controls 900 km of the 1,357 km border with Tajikistan.¹⁹⁰ Against this background, Tajikistan checked the combat readiness of its armed forces as the 230,000 members of the security forces were alerted for a surprise military inspection at 2:00 a.m. local time (2300 GMT, July 21) on the order of President Emomali Rakhmon.¹⁹¹ On July 5, Tajikistan send an additional 20,000 troops to reinforce its borders.¹⁹²



Earlier in the month, Russian President Vladimir Putin held separate telephone conversations with his counterparts from Tajikistan and Uzbekistan about the escalation of strife in Afghanistan. Russian Foreign Minister Sergei Lavrov has stated that Russia will do everything to protect its allies from any threat emerging from Afghanistan. The statement coincided with the military exercises conducted by Russia's 201st Division stationed in Tajikistan on July 6 and the visit of representatives of the Collective Security Treaty Organization (CSTO) to the Tajik-Afghan border. Russia announced that it was sending additional reinforcement to its military base in Tajikistan with 17 infantry fighting vehicles, including new BMP-2 vehicles. Russia has also planned joint exercises near the Afghan border with Uzbekistan (July 30-August 10) and with Tajik and Uzbek troops (August 5-10). In light of these developments, the Defence Minister of Tajikistan, met the Pakistan Chief of Army Staff General Qamar Bajwa in Rawalpindi on July 14. In Rawalpindi on July 14.

Turkmenistan, which shares a border with Afghanistan, has moved <u>heavy</u> <u>weaponry</u> and helicopters closer to its border. Meanwhile 18 military personnel, including a major and a lieutenant, have reportedly <u>died in</u> <u>Turkmenistan</u>, although the cause of their death has not been revealed. Turkmenistan

Besides Russia, China is also increasingly concerned about the security situation in Afghanistan and its impact on ongoing Chinese projects in the region. In his speech at <u>Tsinghua University</u>, on July 3, Foreign Minister Wang Yi stated that the US, "should not simply shift the burden onto others and withdraw from the country with the mess left behind unattended". Chinese security concerns may have stemmed from the <u>attack targeting Chinese engineers</u> working on the Dasu power project in the Upper Kohistan region of Pakistan on July 14, which resulted in the death of 13 civilians, including nine Chinese nationals. Chinese chinese attack at 15-member investigative team to the area.

Pakistan Prime Minister Imran Khan called Premier of the State Council Li Keqiang and <u>assured</u> him that an investigation would take place. He also promised enhanced security to Chinese nationals working on different projects in Pakistan.²⁰⁴ Subsequently, Pakistan's Foreign Minister, and DG ISI visited Beijing to participate in the third China-Pakistan Strategic Dialogue on July 23-24. During the month, Foreign Minister <u>Wang Yi visited</u> Turkmenistan, Tajikistan, and Uzbekistan from July 12-16.²⁰⁵





Local residents and rescue workers gather at the site where a bus was attacked. The attack apparently targeted Chinese engineers working on the Dasu power project in the Upper Kohistan region of Pakistan, July 14, 2021. Source: The Indian Express

Pakistan's Tactics

Islamabad has deputed new counsellors in China to promote foreign direct investment in Pakistan. Pakistan's Board of Investment also appointed eight honorary <u>investment counsellors</u> in different regions of China.²⁰⁶ On July 15, Pakistan and Russia signed a shareholders' agreement for the construction of approximately 1,100 km of a <u>gas pipeline</u> from Port Qasim in Karachi to Lahore at an estimated cost of USD2.5-3 billion by the end of 2023.²⁰⁷

The Commander of the Turkish Land Forces, General Umit Dundar, visited Pakistan on July 5. During a meeting with General Bajwa, both sides agreed to strengthen military-to-military ties, particularly in the training and counterterrorism domain. Pakistan and Turkey depend on each other on a range of issues including in Afghanistan. The US Department of State has added both to its Child Soldiers Prevention Act (CSPA) list on July 1. This designation could lead to strict sanctions on military assistance and participation in peacekeeping programmes and prohibit the issuance of licences for direct commercial sales of military equipment. Pakistan's foreign office rejected the list stating it was "unsubstantiated and baseless". US diplomats have also stated that at no stage have they ever asked Pakistan for military bases to keep eye on Afghanistan. The American leadership has demanded Pakistan give up its disruptive policies. On July 9, US Secretary of State Antony J. Blinken, during his call with Foreign Minister Shah Mahmood Qureshi, underscored their desire for a stable



and <u>sustainable relationship</u> between the two countries.²¹² The US special representative to Afghanistan, Amb. Khalilzad, during his meeting with Prime Minister Imran Khan and Gen. Bajwa in Islamabad, asked them to take "tangible steps" to support the <u>Afghan peace process</u>.²¹³

Since the Islamabad Security Dialogue in March 2021, Pakistan's military and civilian leadership has propagated the idea that there has been a shift in their country's strategic policy posture from geopolitics to geo-economics. However, the role of Pakistan in the recent developments in Afghanistan and its outreach to specific countries with geopolitical agendas indicate that the country is sticking to old policies and priorities and is <u>promoting</u> its geographical position through short-term tactics.²¹⁴

Pakistan conducted elections for the <u>legislative assembly</u> of Pakistan-Occupied-Kashmir (POK) on July 25 in which the Imran Khan-led Pakistan Tehreek-E-Insaf (PTI) expectedly won 26 seats out of 45 seats while the Pakistan People's Party won 11 seats.²¹⁵ However, the elections were marred by political violence and PML-N refused to accept the results. The Indian MEA Spokesperson said that this was "an attempt by Pakistan to camouflage its illegal occupation" and that India has "<u>lodged</u> a strong protest with Pakistani authorities on this cosmetic exercise".²¹⁶ It should be noted that the PoK legislative assembly possesses limited authority. Instead, the 'Kashmir council', headed by Prime Minister of Pakistan, manages the affairs of the state from Islamabad.

Central Asia

Uzbekistan held an <u>international conference</u> on "Central and South Asia: Regional Connectivity. Challenges and Opportunities" in Tashkent on July 15-16. Officials from 44 countries and 30 international organizations participated in the conference. The focus was on encouraging co-operation in the development and use of the transit and logistics potential of Central and South Asia. EAM Dr. S Jaishankar represented India and <u>remarked</u> that "blocking connectivity in practice while professing support in principle benefits no one". On the sidelines of the conference, Dr. Jaishankar conducted bilateral meetings with President Mirziyoyev of Uzbekistan, FM Mukhtar Tileuberdi of Kazakhstan and Bangladesh FM Dr AK Abdul Momen in which he discussed issues related to bilateral co-operation. The EAM also announced that an MoU on Indian grant assistance for the implementation of High Impact Community Development Projects had been signed between India and Turkmenistan. He also held a meeting with President Ghani, US



Deputy NSA Elizabeth Sherwood-Randa and Amb. Khalilzad with whom he discussed the progress of the Afghan peace process.

A new quadrilateral diplomatic platform focused on enhancing regional connectivity has been agreed in principle between the United States, Afghanistan, Pakistan and Uzbekistan.²²¹ Besides, on the sidelines of this conference, the C5+1 countries (Central Asian Republics and the US) issued a joint statement that focused on trade and connectivity and ensuring stability in Afghanistan.²²²



Delegates at the Central and South Asia: Regional Connectivity, Challenges and Opportunities Conference in Tashkent, July 16, 2021. Source: Dawn



V. India-West Asia: Trade, Security and Strategic Partnerships

Sanket Joshi

In July, the Organisation of the Petroleum Exporting Countries (OPEC) and their allies agreed to "ease its production cuts" by 400,000 b/d each month starting August, amounting to a 2 million b/d total increase by the end of 2021". 223 The OPEC's decision to boost oil production was preceded by intense negotiations and disagreements between Saudi Arabia and the UAE. 224 Subsequently, the oil production quota of the UAE, Saudi Arabia, Russia, Iraq, and Kuwait will be increased from May 2022. 225 This is likely to lead to a sizeable jump in OPEC+ crude production in the second half of 2022 with the global oil markets expected to make a full recovery from the COVID-19 pandemic. 226 As rising crude prices have been adding significant inflationary pressure on India, Petroleum Minister Hardeep Singh Puri had earlier spoken with his Saudi, Emirati, and Kuwaiti counterparts with a view "to bring greater predictability and calm in the global oil markets, and also to see hydrocarbons become more affordable". 227



Prince Abdul Aziz Bin Salman, Saudi Arabia's Minister of Energy addresses the 19th OPEC and non-OPEC Ministerial Meeting via videoconference, July 18, 2021. Source: Twitter/@OPECSecretariat

Trade and Economic Relations

In an important development, India and UAE have reportedly begun talks on a <u>free trade agreement</u> (FTA).²²⁸ Such an agreement will help New Delhi boost its



exports of goods and services to the Gulf country while paving the way for a possible FTA with the Gulf Co-operation Council (GCC) in the future.²²⁹

As part of India's deepening trade relations with West Asia, "Reliance Industries (RIL) plans to invest USD2 billion in the <u>TA'ZIZ chemical joint venture</u> between UAE's Abu Dhabi National Oil Company (ADNOC) and sovereign wealth fund ADQ".²³⁰ This will be <u>RIL's first investment in the Gulf</u> region.²³¹ On the green energy front, Saudi Arabian company <u>Alfanar</u> acquired wind turbine maker Senvion India from Senvion GmbH.²³²

Another development was the export of the Geographical Indications (GI) certified 'Fazli' mango from West Bengal to Bahrain,²³³ and the export of flowers from Tamil Nadu to the UAE (Dubai) and the United States.²³⁴ A major commodity in India's import-export basket with the UAE is gold; India's gold trade have registered a significant increase during April-May period this year.²³⁵ The appointment of non-resident Indian businessman 'Yusuff Ali MA' as the Vice-Chairman of the board of 'Abu Dhabi Chamber of Commerce and Industry' (ADCCI) is also likely to further boost UAE-India business cooperation.²³⁶

Kuwait has recognised India's <u>'Covishield'</u> as equivalent to the Oxford-Astra Zeneca vaccine.²³⁷ Meanwhile, according to the new travel guidelines issued by Doha, vaccinated visitors from India will have to undergo compulsory hotel quarantine in Qatar upon their arrival beginning August 2.²³⁸

India and the Gulf: Security Dynamic

As India's economic engagement with the Gulf registers an increase, the Indian navy has reiterated its intent to maintain a <u>strong naval presence</u> in the Persian Gulf and the Gulf of Oman to protect India-flagged merchant vessels and oil tankers.²³⁹ For this, the Indian Navy, "under 'Operation Sankalp', will continue to deploy a frontline warship, or a frigate with a marine commando intervention team".²⁴⁰ Considering the vulnerability of the maritime trade route in the region, the Indian Navy had earlier dispatched destroyer INS Chennai and patrol vessel INS Sunayna to the Gulf of Oman.²⁴¹

In a significant development, Israel, the US and the UK have blamed Iran for a drone attack on the Israeli-owned oil tanker 'Mercer Street' off the coast of Oman in the Arabian Sea.²⁴² US Secretary of State Blinken vowed "collective response" to this attack.²⁴³ Iran described the US and Israel's accusations as "childish" and "influenced by the Zionist lobby in US".²⁴⁴



While bilateral relations between India and the Gulf countries are improving, the Organisation of Islamic Co-operation (OIC) stance on Kashmir has been a constant irritant. In a <u>meeting</u> with Indian Ambassador to Saudi Arabia, the OIC conveyed its desire to send a delegation to Kashmir and called for possible mediation between India and Pakistan.²⁴⁵ In response, the Indian Ministry of External Affairs stressed that "OIC should be watchful that their <u>platform is not subverted</u> by... vested interests for comments on internal affairs of India or for anti-India propaganda through biased and one-sided resolutions".²⁴⁶

Drone Threat and India-Israel Strategic Partnership

Four Kargil-based students arrested in a case related to an explosion near the Israeli embassy in New Delhi have been <u>granted bail</u> by a city court.²⁴⁷ While describing all accused as blemish-free, Metropolitan Magistrate stressed that "nothing incriminating had been put forth by the investigating officer (IO) to suggest that they were linked to any terrorist organization or constituted a threat to society".²⁴⁸



Israeli Ministry of Defence and Elbit Systems successfully completed a series of interception tests employing an airborne, high-power laser system destroying 100 percent of the UAVs launched during the test. Source: Ministry of Defence, State of Israel

The recent attack on a Jammu airbase has highlighted the growing security threat of armed drones (unmanned aerial vehicles – UAVs) to India.²⁴⁹ India's Defence Research and Development Organization (DRDO) Chief stressed that the indigenously-developed <u>anti-drone drone technology</u> "has the capability



to not only swiftly detect, but to also intercept and destroy small drones that pose a security threat".²⁵⁰ DRDO highlighted its 'D-4 Drone System' as an option to prevent Jammu like drone attacks.²⁵¹ However, defence experts are of the view that the DRDO anti-drone system does not meet the requirements of border security.²⁵² As Delhi looks at options to counter this threat, Israel Aerospace Industries (IAI) reportedly announced that it is delivering 'ELI4030 Drone Guard system', which provides the "capability to detect, classify, identify and defeat drone attacks", to a "South Asian Country".²⁵³

Importantly, the Israeli Defence Ministry and Elbit Systems demonstrated a prototype of "Airborne Laser Interceptor for Drones". 254 A high-power airborne laser system placed on an aircraft shot down multiple <u>UAVs over the Mediterranean Sea</u>. 255 The Israel Defence Forces (IDF) also conducted the first-of-its-kind <u>international drone exercise</u> 'Blue Guardian', involving Israel, the US, the UK, France, Germany, and Italy. 256 As a part of the exercise, foreign teams operated Israeli Air Force <u>Hermes-450 unmanned aerial vehicles</u> while "simulating various scenarios, including ground troop support, reconnaissance-intelligence collection missions and co-operation with various forces in the air". 257

Turkey-Pakistan Nexus

Pakistan is reportedly in "discussion with Ankara to procure Turkish armed drones, including the 'Bayraktar TB-2', extensively used by the Azerbaijan forces in their conflict with Armenia". ²⁵⁸ In light of the growing political and strategic proximity between Turkey and Pakistan, Greek Foreign Minister Nikos Dendias stressed that "India, Greece, and UAE will soon establish a trilateral dialogue even as Athens is working to develop a strategic partnership with New Delhi". ²⁵⁹ The Indian External Affairs Minister Dr. S. Jaishankar had visited Greece in June and, in a joint statement, "recognized the threats posed by radicalization, violent extremism, including cross-border terrorism". ²⁶⁰

Northern Cyprus (Turkish Cypriot) authorities announced partial reopening of the abandoned town of 'Varosha', "deserted since the 1974 war that split the island of Cyprus, a military zone nobody has been allowed to enter". The latest development comes amid Turkish President Erdogan's visit to breakaway Northern Cyprus where he announced the "beginning of a new era in Maras (Varosha) that will benefit everyone". This has prompted a backlash from Greek Cypriots, who view it as indirect land grab by Turkey. India expressed "deep concern" regarding the "unilateral announcement [by Turkey] with regard to the status of Varosha" and stressed that India has "always advocated peaceful resolution of this issue in accordance with the UN resolutions and



consistently supported the independence, sovereignty, territorial integrity, and unity of the Republic of Cyprus". 264



India's External Affairs Minister Dr. S. Jaishankar meets Greek Foreign Minister Nikos Dendias in Athens. Source: Twitter/@DrSJaishankar

In a related development, the United Nations Security Council (UNSC) has "extended a <u>cross-border aid operation</u> from Turkey into Syria after Russia agreed to a compromise with the United States, ensuring the delivery of humanitarian aid to Syrians for up to the next 12 months". ²⁶⁵ Commenting on the Syrian issue, India's Permanent Representative to the UN reaffirmed New Delhi's commitment to a "Syrian-led and Syrian-owned <u>UN-facilitated political process</u>, to help bring long term security in the conflict-ridden region". ²⁶⁶

Chinese Strategic Calculus and the Middle East

The importance of the Middle East and Africa is growing in China's strategic calculus. In July, <u>Foreign Minister Wang Yi</u> visited Syria, Egypt, and Algeria. Chinese state media described the visit as "underscoring <u>Beijing's independent foreign policy</u> in sharp contrast to the West and sending a positive message to the region in countering the negative influence of the US". In another important development, the Tanzanian government is likely to <u>revive a port project</u> on the East Coast of Africa that was originally planned to be a three-way collaboration with China and Oman. This project had stalled due to "Tanzania's frustration over the conditions China had presented, including a



request that Tanzania not question who invests in 'Bagamoyo' once the port was operational".²⁷⁰



Chinese Foreign Minister Wang Yi meets Syrian President Bashar al-Assad in Damascus, July 18, 2021. Source: Twitter/@MFA_China

Further, Chinese Foreign Minister blamed the United States for conflicts from Afghanistan to Iran while describing China as a "defender" and "friendly neighbour" of these countries.²⁷¹ He also urged the United States to re-join the 2015 Joint Comprehensive Plan of Action (JCPOA).²⁷²

Even after six rounds of Vienna talks, the future of JCPOA remains uncertain. Iran's Ambassador to the United Nations made it clear that "Tehran's essential condition for reviving the <u>2015 nuclear deal</u> is a commitment by the US that it will never again unilaterally pull out of the agreement". ²⁷³ Meanwhile, India has urged Iran to continue to co-operate with the International Atomic Energy Agency (IAEA) in the <u>verification activities</u> related to its nuclear programme. ²⁷⁴



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