

# India's Proximity Archives March 1, 2023



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#### Delhi Policy Group

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



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#### **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.

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# India's Proximity Archives

India's Proximity Archives covers major developments in South Asia, Southeast Asia, West Asia, China, and Central Asia of strategic relevance to India, compiled from open-source media. The research team includes Angana Guha Roy, Ph.D., Shreyas Deshmukh, Sanket Joshi, Anshita Shukla and Jayantika Rao T.V, Research Associates. Your comments and feedback can be addressed to Sanket Joshi at <a href="mailto:sanket@dpg.org.in">sanket@dpg.org.in</a>.

#### Cover Image:

**South Asia:** Pakistan Defence Minister Khawaja Asif meets Taliban's Acting First Deputy Prime Minister Abdul Ghani Baradar on February 22, 2023. Source: <u>Dawn</u>

**Southeast Asia:** Indonesia's Foreign Minister Retno Marsudi and China's Foreign Minister Qin Gang delivering remarks at a joint press conference on February 22, 2023. Source: Retno Marsudi Official Twitter Account

West Asia: India and Oman held the 12<sup>th</sup> Round of Strategic Consultative Group Meeting in Muscat on February 27, 2023. Source: Twitter/@Indemb Muscat

**Central Asia:** US Secretary of State Antony Blinken meets with Kazakhstan's President Kassym-Jomart Tokayev in Astana on February 28, 2023. Source: <u>Twitter (President of Kazakhstan's Official account)</u>.

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#### South Asia

by

# Shreyas Deshmukh

Political upheaval in Nepal, which started after the November 2022 General Elections, continues. CPN-UML, the second largest party in the Nepal Parliament, withdrew its support to PM Pushpa Kamal Dahal's government on February 27, resulting in a political imbroglio ahead of the presidential polls. The Rastriva Prajatantra Party also withdrew its ministers from the government on February 26. Given the political developments, the Nepal government withheld permission for a visit to the country by CIA Director William J Burns which was due on February 15. PM Dahal also cancelled the visit of Foreign Minister Bimala Rai Paudyal to Geneva for participation in the 52nd session of the UNHCR.

A <u>delegation led</u> by Pakistan Defence Minister Khawaja Asif visited Kabul on February 22 to discuss the issues related to security and economic matters. They held meeting with Taliban Deputy Prime Minister Mullah Baradar, Defence Minister Yagoob Mujahid, Interior Minister Sirajuddin Haggani, and Foreign Minister Amir Khan Muttaqi. The meeting was held in the backdrop of weeklong closure of Torkham border crossing between Pakistan-Afghanistan. Meanwhile, the Afghanistan Embassy in Tehran was "formally" handed over to the Taliban on February 26.

Sri Lanka's election commission indefinitely postponed local polls due to the ongoing financial crisis and lack of funds. On February 26 protests broke out in Colombo against this decision. The World Bank has said it will provide Sri Lanka with a USD 400 million cross-currency swap facility to help fund essential imports. The 7th Annual Defence Dialogue between India and Sri Lanka was held in New Delhi from February 23-25. India's Defence Secretary Giridhar Armane and Sri Lanka's General Kamal Gunaratne led the delegation to discuss ongoing defence cooperation initiatives.



Pakistan Finance Minister announced that the Board of China Development Bank on February 22 approved a USD 700 million credit facility.

Moody's downgraded the government of Pakistan's local and foreign currency credit ratings to Caa3 from Caa1 in the wake of the drop in the country's foreign exchange reserves and rise in the risk of default on foreign debt repayment.

The Taliban killed the intelligence and military chief of Islamic State Khorasan Province during an operation in Kabul on February 28.



#### Southeast Asia

by

#### Anshita Shukla

The 30th meeting of the <u>ASEAN-EU Joint Cooperation Committee (JCC)</u> was convened on February 24 in Jakarta. Both sides discussed recent developments in the region and reiterated their commitment to sovereignty, political independence, and territorial integrity of Ukraine. The <u>joint press release</u> stated the support of the European Union "for the implementation of ASEAN's Five-Point Consensus on Myanmar."

During the <u>fourth meeting</u> of the Joint Commission on Bilateral Cooperation (JCBC) in Jakarta, China's Foreign Minister Qin Gang remarked to the incoming chair of ASEAN that "regional countries should not be forced to pick sides". <u>Minister Qin</u> stated Beijing's commitment to work with ASEAN countries "fully and effectively implement the COC and speed up consultations on COC". The central theme of this year's JCBC was trade and investment with the two sides discussing ways to enhance cooperation in green development, digital economy, and healthcare.

For the first time ever an Indian submarine, <u>INS Sindhukesari</u>, <u>docked in Indonesia</u> for the 'maiden operational turnaround' on February 23. "This first long-range deployment of a submarine underlines the operational capability and reach of the country's underwater combat arm as well" as stated by a senior official. INS Sindhukesari has undergone a <u>medium refit</u> of Rs 1,197-crore in 2018 at Severodvinsk in Russia.

A week after the laser-pointing incident, an aerial visit by the Philippines Coast Guard revealed <u>"intimidating presence of Chinese ships"</u> in a Philippine-controlled Sabina shoal in the contested Spratly Islands chain. The Philippines has registered <u>ten diplomatic protests</u> against China since the beginning of the year for alleged "violations" in the South China Sea.

On February 22, the Australian <u>Defence Minister Richard Marles met with his Philippine counterpart</u>, Carlito Galvez, in Manila. The two sides discussed the possibility of joint patrols in the South China Sea in light of the "concerning developments" in the region.



Myanmar military expands martial law as crackdown continues

Malaysia's Anwar unveils first budget, with social welfare boost

Jokowi seeks support from China for Indonesia's new capital

Philippines ratifies RCEP trade deal after shift by Marcos

Asean has no licence to interfere in Myanmar's internal affairs: Singapore



#### West Asia

by

#### Sanket Joshi

The Gulf Cooperation Council (GCC) is likely to appoint a new chief negotiator in March 2023 for talks on a <u>free trade agreement</u> (FTA) with India. India and UAE continue to work towards finalising the <u>Rupee-Dirham arrangement</u> for trade. Meanwhile, underscoring the deepening of <u>India-Saudi Arabia relations</u>, the Saudi Ambassador reiterated Riyadh's interest in upgrading relations with India to the "highest level".

India and Oman held the 12<sup>th</sup> Round of <u>Strategic Consultative Group Meeting</u> (IOSCG) in Muscat on February 27. The two sides explored avenues of cooperation in key sectors including energy, trade and investment, health, education, defence, and cultural exchanges.

Israel's Ambassador to India expressed Tel Aviv's confidence in Adani Group's acquisition and the ability to handle the strategically important <u>'Haifa Port'</u>. In another development, the 'I2U2' group comprising <u>India</u>, <u>Israel</u>, <u>UAE</u>, <u>and the US</u> met in Abu Dhabi on February 22 to discuss food security.

Highlighting Iran's nuclear progress, US Under Secretary of Defence informed that Iran could make <u>fissile material for one nuclear bomb</u> in "about 12 days", down from the estimated one year it would have taken while the 2015 nuclear deal (JCPOA) was in effect. Heightening tensions between Iran and the West, a quarterly report by International Atomic Energy Agency (IAEA) has found <u>Uranium particles enriched</u> up to 83.7 percent in Iran's Fordo nuclear site.

Oman joined Saudi Arabia in <u>opening its airspace</u> to all airlines including Israeli carriers. Israeli Foreign Minister Eli Cohen lauded Oman's decision as "another great step toward <u>regional integration</u>". In another development, Saudi Arabia's Foreign Minister Prince Faisal bin Farhan met Ukrainian President Volodymyr Zelenskyy in Kyiv on February 26. Saudi Arabia will provide war-torn Ukraine USD 400 million as humanitarian aid.

UAE signed <u>defence deals</u> worth USD 6.36 billion in the recently held International Defence Exhibition (IDEX) in Abu Dhabi. To diversify its defence suppliers, UAE plans to buy <u>Chinese L15 training and light combat aircraft</u>.



Abu Dhabi defence firm signs MOU with India's HAL at UAE's defence expo

Bharat Electronics Ltd to manufacture Israel's LORA ballistic missile for Indian **Tri-Services** 

Israel cabinet approves \$2.8 billion for potential strike on Iran nuclear program

<u>Israeli settler violence is causing enormous pain, US envoy Nides says</u>

Jordan hosts Palestinian-Israeli talks amid tensions



#### China

bу

## Angana Guha Roy

China released a 12-point 'position paper' on the Russia-Ukraine war, in which it called for a ceasefire and talks between the two parties. "All parties must stay rational and exercise restraint, avoid fanning the flames and aggravating tensions, and prevent the crisis from deteriorating further or even spiralling out of control", it said. Reacting to the paper, US Secretary of State Antony Blinken said "China's been trying to have it both ways — it's on the one hand trying to present itself publicly as neutral and seeking peace, while at the same time it is talking up Russia's false narrative about the war".

Chinese Foreign Minister Qin Gang will travel to India this week to take part in the G20 Foreign Ministers' meeting on March 2.

Bangladesh's Information and Broadcasting Minister Dr Hasan Mahmud had a meeting with the newly appointed Chinese Ambassador to <u>Bangladesh</u> Yao Wen about the role of the Chinese government in 'development processes', development ideas and other issues. During a press meet, Dr Mahmud said "China is a development partner of Bangladesh. And they want to be a development partner in future also to materialize the dream of a developed nation by 2041". He added, "they didn't poke nose in the politics of Bangladesh and don't want to do it in future too".

On February 21, in a meeting of the Joint Working Group comprising representatives of the Nepal Electricity Authority and the State Grid Corporation of China, the latter proposed to construct a <u>cross-border transmission line</u> for the purpose of importing electricity from Nepal in winter. According to the Chinese side, power production in Tibet slumps during the winter, a condition alike to Nepal.

Amidst China's reluctance to restructure Sri Lanka's loan, a prerequisite for an IMF loan, Donald Lu, Assistant Secretary of State for South and Central Asia expressed US concern about Chinese loan strategy in India's neighborhood. He emphasised "Concerning Chinese loans to countries in India's immediate neighbourhood, we are deeply concerned that loans may be used for coercive leverage."

#### Other Developments

China, Myanmar have resumed work on Railway Project



#### Central Asia

by

Jayantika Rao T.V.

On February 25, Kazakhstan expressed strong support for China's peace initiative to resolve the conflict in Ukraine. A statement issued, <u>Kazakhstan's Foreign Ministry</u> said it "welcomed China's position on the political settlement of the Ukraine Crisis" and the proposal "deserves support as contributing to the cessation of bloodshed".

A few days after Kazakhstan's support of the Chinese initiative, United States Secretary of State Antony Blinken arrived in Kazakhstan to visit top diplomats of the Central Asian nations as tensions from the Russia-Ukraine War soared. To rally global support for Ukraine, Secretary of State, Antony Blinken is travelling to <u>pull some of Moscow's traditional partners closer to the US</u>. Donald Lu argued that while the "United States is aware that it is not realistic that the <u>five-Central Asian countries will end their partnership with Russia</u> or their growing alliance with China", the Blinken visit is aimed at emphasising US's reliability as a partner.

Rome hosted the 7<sup>th</sup> European Union-Central Asia High-Level Conference on Environment and Water Corporation (conference) on February 23-24. Ministers and high-level diplomats of the Central Asian and the European Union countries were joined by representatives of international financial institutions, international and regional organisations and civil society that are involved in the development, management and implementation of environment, climate change and water policies.

KazTransOil National Company has begun receiving <u>Kazakh oil for transportation to Germany</u>. According to the Kazakh Energy Ministry, KazTransOil will transport 20,000 tons of Kazakh oil in February via the Druzhba Oil pipeline to the Adamowo-Zastawa oil delivery in Poland for further shipment to Germany. KazTransOil aims to deliver 300,000 tons of oil to Germany in the first quarter of 2023.



A Gas OPEC? Turkmenistan Being pushed to Follow Russia's Lead in Gas Games

Turkmenistan and Bahrain Sign INSTC Rail Connectivity Agreements

Foreign Minister of Kyrgyzstan held talks with his Kazakh counterpart on the margins of the C5+1 meeting



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