



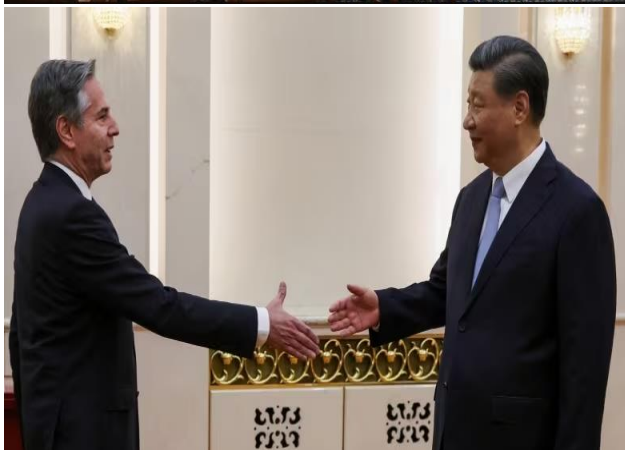
Delhi Policy Group

Advancing India's Rise as a Leading Power



India's Proximity Archives

June 21, 2023



Volume I, Issue 25 | June 21, 2023

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.

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.

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 sanket@dpg.org.in.

Cover Image:

Southeast Asia: Indian Ambassador Saurabh Kumar, Secretary (East) delivers virtual remarks at the ASEAN Regional Forum (ARF) Senior Officials' Meeting on June 14, 2023. [Source- Saurabh Kumar/Official Twitter](#)

West Asia: Saudi Arabia's Foreign Minister, Prince Faisal bin Farhan visited Iran on June 18, 2023. [Source: Twitter/@KSAmofaEN](#)

China: US Secretary of State Antony Blinken met with Chinese President Xi Jinping during a visit to Beijing on June 19, 2023. [Source: CBC](#)

Central Asia: Germany's Federal President Frank-Walter Steinmeir held talks with the President of Kazakhstan, Kassym Jomart Tokayev, during a state visit to the country from June 19-21. [Source: Official Website of President of the Republic of Kazakhstan](#)

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South Asia

by

Shreyas Deshmukh

Moody's published a report on June 15 indicating that [Pakistan might face a default situation](#) if it fails to convince the IMF to release USD 2.2 billion under the ongoing EFF program, by June 30. To streamline the [economic activities](#), Pakistan's civil-military leadership jointly presented an "Economic Revival Plan" on June 20. The government has established a 'Special Investment Facilitation Council (SIFC)' for this purpose. Meanwhile, China has refinanced a recently paid-back USD 1 billion [commercial loan](#) to Pakistan and also signed USD 4.8 billion deal to build a 1,200-megawatt [nuclear power plant](#).

There is a renewed push by the [Afghan Taliban](#) to restart talks between Pakistan and the Tehreek-e-Taliban Pakistan (TTP). The Afghan Taliban Spokesperson, Zabiullah Mujahid, said that if Islamabad requires then Islamic Emirate will [mediate negotiations](#) with TTP. Pakistan and the Afghan Taliban also [agreed](#) to shift and resettle TTP members to Northern Afghanistan.

Bangladesh has [formally requested](#) to join the BRICS. On June 19, Bangladesh [Foreign Minister](#) AK Abdul Momen said "We will surely join once they invite us. We have yet to receive any formal letter. BRICS leaders are thinking of taking some emerging economies -- around eight new countries including Saudi Arabia, United Arab Emirates, Indonesia, and Bangladesh."

Other Developments

[Pakistan constituted a negotiation committee to finalise a deal with the United Arab Emirates for handing over its Karachi port terminals.](#)

[Bangladesh and India will start using the Indian rupee and Bangladeshi taka for trade from September 2023.](#)

[Bangladesh hosted the 13th Bi-Annual Indian Ocean Rim Association \(IORA\) Committee of Senior Officials \(CSO\) Meeting on June 13-14.](#)

[Maldivian Foreign Minister Abdulla Shahid met the US Secretary of State Antony Blinken, on June 15.](#)

Southeast Asia

by

Anshita Shukla

The [ASEAN Regional Forum \(ARF\) Senior Officials' Meeting](#) was convened virtually on June 14. The meeting reviewed the developments of the outcomes of last year's ARF Ministerial Meeting, discussed the future development of the ARF, and exchanged views on regional and international issues. [Ambassador Saurabh Kumar, Secretary \(East\)](#) highlighted India's perspectives on ongoing regional and international issues, including India's initiatives and G20 presidency priorities.

The [third regional meeting](#) with representatives of Myanmar's military regime was hosted by Thailand on June 19. The meeting witnessed the participation of representatives of six countries – Philippines, Brunei, Cambodia, Laos, Thailand, and Vietnam, in addition to China and India. Three major players of the region including the ASEAN Chair Indonesia, Singapore, and Malaysia were absent from the meeting. In contrast to the Five-point consensus, Thailand's invitation suggested ASEAN "fully reengage with Myanmar at the leaders' level". Indonesian Minister of Foreign Affairs' special staff for regional diplomacy, Ngurah Swajayam, in a media briefing, stated that "engagement with just one group alone is not aligned with the five-point consensus."

The [National Security Advisers](#) of the US, Japan, and the Philippines met for the first time in Tokyo on June 17. The senior security officials [agreed to](#) "boost their countries' response capabilities to maintain peace and stability in the Indo-Pacific region and discussed opportunities to stage regular joint exercises". The strategic framework for a three-way security discussion on improving air and sea-based deterrence and response capabilities in the East and South China seas will be released by the end of 2023.

Amidst heightened tensions in the South China Sea, China's largest training vessel [Qi Jiguang docked in Manila](#) as the last leg of its 'goodwill tour'. The last goodwill visit to the Philippines by China was in 2019. A week after the first joint trilateral exercise by the Philippines, Japan, and the US, the Chinese vessel docked in Manila on June 14 for a four-day visit.

Other Developments

[Myanmar suspends U.N. access to cyclone-hit Rakhine region](#)

[Jokowi 'very honored' to host Japan emperor's first trip](#)

[Blinken, Singapore foreign minister share pessimism on Myanmar](#)

[Secretary-General of ASEAN meets with Ambassador of India to ASEAN](#)

West Asia

by

Sanket Joshi

On June 20, the Prime Minister of India, Narendra Modi, embarked on a visit to the [United States and Egypt](#). These two visits illustrate India's rapidly evolving strategic partnerships with the US and Egypt. India had hosted Egyptian President Abdel Fattah El-Sisi as the Chief Guest at the country's Republic Day celebrations on January 26, 2023.

Chinese President [Xi Jinping met Palestinian President](#) Mahmoud Abbas who visited Beijing on June 14. Xi reiterated China's firm support for the Palestinian cause while elevating China-Palestine relations to the status of a "strategic partnership". Chinese state media emphasised that there is "greater room for imagination in the negotiations for peace between Palestine and Israel under [Beijing's Global Security Initiative](#)" (GSI).

Meanwhile, Saudi Foreign Minister, Prince Faisal bin Farhan, in a [landmark visit to Tehran](#), met Iranian Foreign Minister Hossein, Amir-Abdollahian, on June 18. As part of China's GSI, [Iran and Saudi Arabia](#) continue to strengthen their relations.

President of the United Arab Emirates, [Sheikh Mohammed bin Zayed](#), met Russian President Vladimir Putin in St. Petersburg on June 16. The two leaders discussed UAE-Russia bilateral relations and the situation in Ukraine. Sheikh Mohammed reiterated Abu Dhabi's support for all efforts aimed at [resolving the Ukraine crisis](#) through dialogue and diplomacy.

Morocco has reportedly canceled plans to host the [second meeting of the 'Negev Forum'](#) in July 2023 as a result of Israel's plans to expand settlements in the West Bank. The US also remains "deeply troubled" by Israel's plans to build more [settlement units in the West Bank](#).

Following Iran's claims of developing a hypersonic missile, Israel's Rafael Advanced Defence Systems announced that it is developing a ['SkySonic Interceptor'](#) that would enable the IDF to intercept any hypersonic threat.

Other Developments

[U.S. and Iran in indirect talks over nuclear program and prisoners](#)

[Saudi Crown Prince, France's Macron call for an end to Lebanon's political vacuum](#)

[Intel to invest USD 25bn in Israel factory in record deal, PM Netanyahu says](#)

[China's Nio to get near USD 740 million investment from Abu Dhabi-backed firm](#)

[Türkiye, Russia, Iran, Syria to discuss Syria's future in Astana](#)

China

by

Angana Guha Roy

In an interview with the Wall Street Journal, [Prime Minister Narendra Modi](#), [stressed that](#) peace and tranquillity in the border areas were essential for “normal bilateral ties with China”. His statement came at a time when China said that the US attempts to ‘use’ India and that New Delhi should refrain from the game to contain China.

US Secretary of State, Antony Blinken, travelled to Beijing for meetings with President Xi Jinping, Director of the CPC Central Foreign Affairs Office Wang Yi, and State Councillor and Foreign Minister Qin Gang from June 18-19. [During the visit](#), both sides agreed to try and stabilize their intense rivalry to avoid veering into conflict but did not announce any major breakthroughs. The US described the talks as “candid, substantive, and constructive.”

The Bank of China has started [restricting transactions using the yuan](#) between Russian clients and lenders in the US, the European Union, Switzerland, and the UK. The bank reportedly has imposed these transfer restrictions owing to fears of secondary Western sanctions or other restrictions.

[India has raised serious concerns over Myanmar](#) allowing China to establish monitoring and surveillance facilities at Coco Islands in the Bay of Bengal. The facility can be used to track India's missile launches off the Balasore test range in Odisha as well as strategic assets stationed off the eastern seaboard south of the city of Visakhapatnam. The Myanmar junta has denied that the Chinese have any role to play in setting up monitoring stations or infrastructure development in Coco Islands.

Nepal's [Prime Minister Pushpa Kamal Dahal 'Prachanda' is likely to visit China](#) in early August 2023. The key agenda of the visit will be accelerating the connectivity projects as well as exploring new areas of cooperation between the two countries. Nepal's Ambassador to China, Bishnu Pukar Shrestha, said better connectivity is a prerequisite to enhance collaboration in trade, investment, and other areas. “We are equally focusing on railway connectivity, accelerating the construction of transmission lines and tunnels,” he said about Dahal's imminent Beijing visit.

Other Developments

[Change in China's stance on debt restructuring for Sri Lanka in 2023 is unlikely](#)

Central Asia

by

Jayantika Rao T.V.

Following the 26th St. Petersburg International Economic Forum (SPIEF), [Russia's presidential envoy for SCO affairs](#), Bakhtiyer Khakimov, said "Iran's accession as a full member will be one of the key decisions of the July 4 Summit." He also mentioned that a memorandum outlining Belarus' duties to become an SCO member state would be signed at the forthcoming summit.

The [SCO Industrial and Supply Chains Forum](#) celebrated its 22nd anniversary by convening in Jiaozhou, Shandong province of China, on June 15. During the event, officials and experts committed to strengthening collaboration to stabilise industrial and supply chains through digital and intelligent technology while promoting resilient investment.

During the Council of Foreign Ministers of the Collective Security Treaty Organisation (CSTO) in Minsk on June 20, [Belarusian President Aleksandr Lukashenko](#) said that the "CSTO should deepen cooperation with the UN, the SCO and other international organisations". The president highlighted that as the chairmanship of the SCO will be passed over to Kazakhstan in 2024 who will also be the chair of the CSTO, it will be a great opportunity to "ensure synergies between the two organisations".

A delegation headed by Deputy Minister of Foreign Affairs of Turkmenistan, Vepa Hajiyev, participated on June 19-20 in the events within the framework of [the High-Level Counter-Terrorism Week](#) in New York. On June 19, Minister Vepa Hajiyev spoke at the second session of the main event – the Meeting of the Heads of Counter-Terrorism Agencies of the UN Member States. Minister Vepa Hajiyev noted the need to strengthen the mechanism of the updated Action Plan for the implementation of the Global Counter-Terrorism Strategy in Central Asia and continue the efforts of the countries of the region within the framework of the Dushanbe process.

[On June 20](#), during a meeting with Germany's Federal President Frank-Walter Steinmeier, the President of Kazakhstan, Kassym Jomart Tokayev, said that "Kazakhstan accounts for more than 80% of Germany's foreign trade with Central Asian countries". As part of the meeting, nine documents were signed, including the construction of a plant to produce gypsum board sheets and dry building mixtures. They also agreed on establishing the Kazakh-German

Institute of Sustainable Engineering and developing partnership in the field of passenger transportation.

Other Developments

[Uzbekistan Reaches a Deal to Buy Gas from Russia](#)

[Turkmenistan-Iran-Azerbaijan gas swaps surge](#)

[Uzbekistan and Iran sign 15 Agreements on Strengthening Cooperation](#)

[Turkmenistan and Tajikistan exchange views on Bilateral Relations on June 15](#)

[President Tokayev Commends Inter-Parliamentary Diplomacy Between Kazakhstan, Uzbekistan](#)



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