



Delhi Policy Group

Advancing India's Rise as a Leading Power



India's Proximity Archives

July 5, 2023



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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:

South Asia: *Pakistan Foreign Minister Bilawal Bhutto Zardari held a bilateral meeting with Japan's Foreign Minister Yoshimasa Hayashi in Tokyo, Japan on July 3, 2023. Source: [Twitter/@ForeignOfficePk](https://twitter.com/ForeignOfficePk)*

Southeast Asia: *India's External Affairs Minister, Dr. S. Jaishankar and the Philippines Secretary of Foreign Affairs, Enrique Manalo, at the 5th India-Philippine Joint Commission on Bilateral Cooperation in New Delhi on June 29, 2023. Source: [Dr. Jaishankar/Official Twitter](https://twitter.com/DrJaishankar)*

China: *Chinese Ambassador to the United States, Xie Feng met US Treasury Secretary Janet Yellen on July 3, 2023 in Washington D.C. Source: [Embassy of PRC in the United States of America](https://www.embassyofprc.org)*

Central Asia: *Indian Prime Minister Narendra Modi virtually chaired the 23rd Shanghai Cooperation Organisation (SCO) Heads of State Council Meeting on July 4. Source: [PIB](https://pib.gov.in)*

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South Asia

by

Shreyas Deshmukh

On June 29, the IMF reached a staff-level agreement with Pakistan on a USD 3 billion Stand-By Arrangement for a [short-term bailout package](#), after Pakistan failed to comply with the Extended Fund Facility programme. On its part, Pakistan has committed to hiking electricity and gas tariffs, as well as securing external financing. Pakistani Prime Minister Shehbaz Sharif in a [press conference](#) said, "This is not a moment of pride, but a moment to think over the reality. Do nations survive on loans?". The [United States](#) may have played a key role in helping Pakistan secure this bailout package. Meanwhile, Moody's Investors Service and Fitch Ratings [warned](#) that Pakistan will require significant additional financing besides the IMF disbursements to repay USD 25 billion due in FY 2024.

To revive relations with Japan, Pakistan Foreign Minister Bilawal Bhutto Zardari [visited Tokyo](#) on July 1-4. During a meeting with his Japanese counterpart Yoshimasa Hayashi, both sides agreed to "work together on targeted (development) programmes".

The [US State Department report](#) titled "After Action Review on Afghanistan; January 2020 – August 2021" released on June 30 criticized the handling of the 2021 evacuation from Afghanistan. The report says decisions by President Biden and Donald Trump to withdraw troops had "serious consequences for the viability" and security of the former U.S.-backed government. President Biden in a press conference defended his decision of withdrawal of troops, stating that the presence of [AQ in Afghanistan](#) is diminishing and the Taliban is helping the US agencies in these operations.

UN unveiled its "Strategic Framework for Afghanistan for the period of 2023-2025" on July 3. The [framework outlines](#) the UN's approach to addressing basic human needs in Afghanistan, prioritizing the needs and rights of those most vulnerable, including women and girls, children and youth, internally displaced persons, returnees, refugees, and ethnic and religious minorities.

Other Developments

[Afghanistan's Taliban authorities have ordered beauty parlours across the country to shut down within a month](#)

[Tajikistan Defence Minister Sherali Mirzo, held a bilateral meeting with Pakistan Defence Minister Khawaja Muhammad Asif to discuss defence cooperation, on July 4, 2023](#)

[Bangladesh Law Minister Anisul Huq told parliament on July 4, that the government has a plan to purchase more advanced technology fighter jets in light of Forces Goal-2030 to modernise the Air Force](#)

[Sri Lanka gets first tranche of budget support loan from World Bank amounting to USD 250 million](#)

[Sri Lanka approves debt restructuring plan in Parliament on July 1](#)

Southeast Asia

by

Anshita Shukla

The [fifth India-Philippines Joint Commission on Bilateral Cooperation](#), co-chaired by India's External Affairs Minister Dr. S. Jaishankar and the Philippines Secretary of Foreign Affairs Enrique Manalo, was convened on June 29 in New Delhi. According to the [Joint Statement](#), the two sides agreed to continue to work together on "defence cooperation, including through the regular or upgraded official-level interaction among defence agencies, the opening of a resident Defence Attaché office in Manila, consideration of India's offer for concessional Line of Credit to meet Philippines' defence requirements, acquisition of naval assets, and expansion of training and joint exercises on maritime security and disaster response, among others."

The [Indonesian President Joko Widodo](#) arrived for a three-day state visit to Sydney on July 4. A critical interest behind the Indonesian President's visit to Australia was to enhance collaboration on nickel and lithium mining, a key component in electric vehicle production. Australian Prime Minister Albanese announced a USD 33.4 million fund to unlock investments into Indonesian small and medium-sized enterprises that were focused on climate and clean energy. In addition, Australia [relaxed visa rules](#) for Indonesians by extending the duration of business visas for Indonesians from three years to five and making Indonesians eligible for frequent travellers' visas.

The European Union has decided to launch [a joint task force](#) with Malaysia and Indonesia to address issues regarding the implementation of the EU Deforestation Regulation (EUDR), which took effect on Thursday. The EUDR has been a point of contention between the EU and the two Southeast Asian countries, as the latter argues the regulation is discriminatory towards their palm oil industries. Florika Fink-Hooijer, the European Commission's Director General for Environment stated that "we have an agreement that we want to set up a task force, and also then operationalize it quickly, in a dynamic fashion, depending on what are the concerns, what are the issues to be addressed also from a practical point of view".

Other Developments

[Aid restrictions by Myanmar junta may be war crimes: UN](#)

[Thailand's Pita still 'confident' as House splits on deputy speaker](#)

[Philippines could become 'graveyard' if US-China rivalry gets out of hand: Duterte](#)

[Cambodia PM sends troops to Vietnam border to shoot down drones](#)

West Asia

by

Sanket Joshi

On July 4, the Prime Minister of India, Narendra Modi, congratulated [Iran on becoming a full member](#) of the 'Shanghai Cooperation Organisation' (SCO). PM Modi urged SCO member states to make maximum use of Iran's [Chabahar Port](#), which can serve as a secure and efficient route for landlocked Central Asian countries to access the Indian Ocean.

Gulf countries and the US condemned the [burning of a copy of the Quran](#) in Stockholm, Sweden, by an Iraqi national. According to Saudi Arabia, this incident promotes [hatred, exclusion, and racism](#) in opposition to international efforts to enhance tolerance and moderation. US officials asserted that the burning of the Quran created an ["environment of fear"](#) curtailing the ability of Muslims to practice their religion freely.

The Israel Defence Forces (IDF) conducted a major counter-terrorism operation in the [Jenin refugee camp](#) in the West Bank city of Jenin on July 3. Israeli Defence Minister, Yoav Gallant, informed that Tel Aviv has ended [Jenin's status as a "terror factory"](#) as a result of the IDF operation. The United States reiterated its [support for Israel's security](#) and its right to defend its citizens against Hamas, Palestinian Islamic Jihad, and other terrorist organisations. Meanwhile, Israel will acquire its third squadron of [F-35 stealth aircraft from the US](#), bringing the number of F-35 aircraft in its fleet to 75.

Israel's Prime Minister, Benjamin Netanyahu, praised the US as its ["irreplaceable and indispensable ally"](#) even as he plans a trip to China. According to reports, PM Netanyahu believes that [Chinese involvement in the Middle East](#) will encourage the US to remain in the region, which is not necessarily a bad thing.

Other Developments

[Turkey and Egypt appoint ambassadors to restore diplomatic ties after a decade](#)

[Why are OPEC+ supply cuts failing to boost oil prices?](#)

[Secretary Blinken says US told Israel that violence against Palestinians could jeopardize possible normalisation with Saudi Arabia](#)

China

by

Angana Guha Roy

On June 28, China's National People's Congress (NPC) passed a new law governing the country's [foreign relations](#). According to Wang Yi, Director of the Office of the Foreign Affairs Commission of the CPC Central Committee, this law will serve as a ["deterrent" to sanctions](#) while safeguarding national sovereignty and security.

[Beijing will impose export controls on two rare elements](#) essential for manufacturing semiconductors, in retaliation after the United States and Europe restricted chip exports to China. Gallium and germanium will be subject to export controls starting August 1 "to protect national security and interests," China's Ministry of Commerce said in a statement.

The [Biden administration is reportedly preparing to restrict Chinese companies'](#) access to US cloud-computing services. The new rule, if adopted, would likely require US cloud-service providers such as Amazon and Microsoft to seek US government's permission before they provide cloud-computing services to Chinese customers.

US Treasury Secretary [Janet Yellen is slated to visit Beijing](#) as part of ongoing efforts by the Biden administration to thaw US-China relations. Secretary Yellen, who has called the notion of an economic decoupling from China "disastrous," says the two nations "can and need to find a way to live together" in spite of their strained relations over geopolitics and economic development. On July 3, Secretary Yellen met China's new Ambassador to US, Xie Feng. These talks were in line with efforts to maintain [open lines of communication](#) to responsibly manage the US-China relationship.

As part of the 'New Delhi Declaration' issued following the Shanghai Cooperation Organisation (SCO) leaders' summit, India [refused to sign the paragraph supporting the Belt and Roads Initiative](#) (BRI), which is a pet project of Chinese President Xi Jinping. Meanwhile, China is reported to be rushing to complete a [bridge across the Pangong Tso](#), connecting the north and south banks, while India is constructing a black-topped road on its side of the river on the north bank.

Other Developments

[Nepal denies China's claims on projects under Belt & Road Initiative](#)

[Chinese military convoy attacked by rebels in Myanmar, claims junta](#)

[China to stay out of official creditors' platform, but Sri Lanka 'very confident' of bilateral support](#)

Central Asia

by

Jayantika Rao T.V.

On July 4, the Shanghai Cooperation Organisation (SCO) member states adopted the ['New Delhi Declaration'](#) at the Heads of State Council Meeting. The member states have signed and approved [14 joint documents](#), including the Declaration to counter radicalisation that leads to terrorism, separatism, and extremism. They have also made a statement on cooperation in the field of digital transformation and made several decisions on the activities of the Organisation.

While Indian Prime Minister Narendra Modi highlighted the new initiatives taken to enhance contact and engagement among people of the SCO countries, it was his address on terrorism and security that made headlines. He [urged](#) all member states to unite and fight against terrorism regardless of its form or manifestation. He echoed the statements made by other Indian ministers (during the SCO meetings) by saying, "some countries use cross-border terrorism as an instrument of their policies, provide shelter to terrorists".

[President Vladimir Putin's address](#) at the SCO Summit was his first international meeting since the Wagner mutiny. President Putin used the platform to espouse "a multipolar world order, an order based on international law and common principles of mutually respectful cooperation between sovereign states with the central, coordinating role of the United Nations". He also sent a message of defiance to the West, saying "Russia counters all those external sanctions, pressures and provocations and continues to develop as never before".

According to an [investigative report](#) published by the New York Times on July 4, Russian technology companies are producing many tools to help the Kremlin harness the internet and tighten control over internal dissent. The report states that some of the encrypted app tools and surveillance technologies are being spread beyond the Russian borders, especially within Central Asia. The [investigation is based](#) on a document leak revealing details about technology companies, including "MFI Soft, Vas Experts, Protel and Citadel Group".

Other Developments

[Turkmenistan unveils \\$5 billion city in honour of national leader](#)

[Uzbekistan and South Korea discuss possible joint projects in urban development and green energy](#)

[Uzbekistan becomes one of the major drone importers from Russia](#)

[Desperate Russia Looks At 'Kazakh Warriors' To Fight In Ukraine; Money, Citizenship Attracts People From CIS](#)

[ADB Expert Calls for Strengthening Disaster Risk Protection in Region](#)



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