

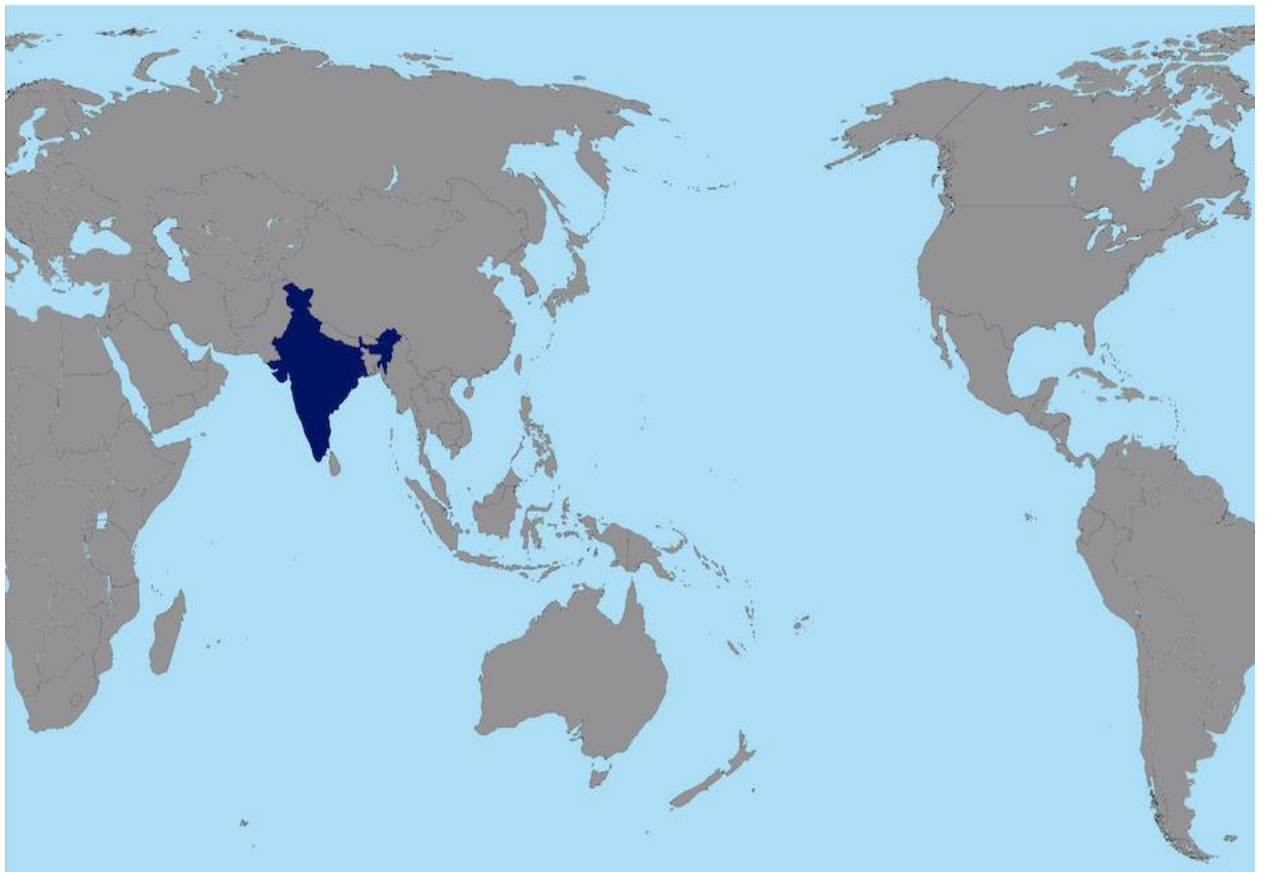


Delhi Policy Group

Advancing India's Rise as a Leading Power



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DPG INDO-PACIFIC MONITOR

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

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Abstract

The India and indeed the Indo-Pacific followed with considerable interest President Joe Biden's maiden overseas trip to Europe, signalling that for all the talk about Asia and the Indo-Pacific, the transatlantic relationship continues to be the one his administration considers the most important. Europe welcomed the return of the US to the "club" of Western democracies and joined it in calling out China for the threat it posed to the global system, apart from retaining the traditional European focus on Russia.

The first leg of Biden's visit was the US – UK Summit. The objective was reinforcing the 'special relationship' as the fulcrum of the international system, as well as the underlying shared commitment to democratic values and practices. The Joint Statement following the summit was shaped around seven pillars: democracy, human rights and multilateralism; defence and security; science and technology; trade and prosperity; climate and nature; health; and commitment to the Belfast Agreement. The two nations also signed a New Atlantic Charter, setting out their vision to work closely with partners who share their beliefs and counter those who undermine them. That the post-Brexit UK once again seeks a global role for itself was evident from the deployment of the HMS Queen Elizabeth Carrier Strike Group, with an integrated US element, to the Western Pacific. Indo-Pacific nations will take note of these stated intentions and observe whether these will be sustained in practice.

The second event of the Biden tour was the G7 Summit, held from June 11-13 over six plenary sessions, of which the first three were exclusive to the G7. India, along with Australia, South Korea and South Africa, attended the last three sessions as guests. A voluminous communiqué was released after the Summit. Noteworthy was the call to consult on collective approaches to challenge China's non-market policies and practices that undermined the fair and transparent operation of the global economy. The G7 also called on China to respect human rights and fundamental freedoms, including in Xinjiang and Hong Kong. Other documents adopted include the 2021 Open Societies Statement, the G7 2030 Nature Compact, the G7 Research Compact and the G7 Carbis Bay Health Declaration. Taken together, the G7 communiqué spells out

an ambitious agenda to strengthen democratic societies and counter authoritarianism. Delivery on the various commitments made will be watched keenly in the Indo-Pacific.

Third was the annual NATO Summit, held on June 14, 2021. The lengthy communiqué issued on its conclusion referred to China 10 times, expressing concern about the systemic challenges presented by its stated ambitions and assertive behaviour, its coercive policies which stand in contrast to the fundamental values enshrined in the Washington Treaty, its frequent lack of transparency and use of disinformation, and its opaque military modernisation and expanding nuclear arsenal. The communiqué also spoke of NATO enhancing its dialogue and practical cooperation with long-standing Asia-Pacific partners. While NATO declared an expanding remit, it was also clear that the challenge posed by Russia remained its principal concern.

The US-EU Summit followed, on June 15, 2021. This was built on four pillars: health and economic recovery, protecting the planet, strengthening transatlantic trade and investment and building a more democratic world. China again came in for mention in robust terms, including the acknowledgement by EU leaders of the challenge it poses. Commitments were plenty, what will be watched is delivery.

The final but arguably very significant event was the US-Russia Summit, held in Geneva on June 16, 2021. The Summit did break the ice, though a thaw still appears distant. The two sides signalled their intention to make progress on shared goals of ensuring strategic stability and thus reducing the threat of nuclear war; reaffirmed the principle that nuclear war cannot be won and so must never be fought; and committed to embarking on an integrated bilateral strategic security dialogue. The key determinants of future relations (and regional stability) will be whether President Biden will resist pressures to expand NATO further East. Smaller EU nations exposed to Russian threats thwarted an attempt by France and Germany to propose a collective EU-Russia summit.

India remained preoccupied with combating the pandemic and developments on its continental frontiers. INS Chakra returned to Russia about ten months before her lease ended, reportedly due to difficulties in maintaining the nuclear power plant. India's Defence Advisory Council approved the issue of a Request for Proposals to build six state-of-the-art conventional submarines indigenously. The keel of the 10th ship of the Talwar class was laid at Goa Shipyard. The maiden India-EU naval exercise took place in the Gulf of Aden. Exercises were also conducted by the IN and IAF with the Ronald Reagan CSG

transiting the Indian Ocean on its way to the Gulf, as well as with the JMSDF. The 31st CORPAT between the IN and the Royal Thai Navy took place from June 9-11. A British Liaison Officer joined IFC-IOR, becoming the fifth international liaison officer to do so.

China and Russia extended their Treaty of Good-Neighbourliness and Friendly Cooperation, first signed in 2001. China passed a new anti-foreign sanctions law, enabling blacklisting of individuals or entities making or implementing discriminatory measures against Chinese citizens or interfering in China's internal affairs. China's Foreign Minister Wang Yi and Indonesian Special Envoy Luhut Pandjaitan met and agreed to consolidated strategic solidarity to build a community with a shared future, deepen COVID and BRI cooperation, and enrich cultural exchanges. A special ASEAN-China Foreign Minister's Meeting discussed health and vaccine cooperation, post-pandemic recovery, synergising the BRI with the ASEAN Master Plan on Connectivity, and speeding up negotiations on the Code of Conduct in the South China Sea. Frequent transgressions by Chinese aircraft into Taiwanese airspace continued, with a peak of 28 aircraft intruding on June 15. China took severe umbrage at Prime Minister Yoshihide Suga's reference to Taiwan as a country during a debate in the Japanese Diet. The 37th and 38th Chinese naval task forces held a mission handover ceremony in the Gulf of Aden, continuing China's presence even though there has been no reported incident of attempted boarding by pirates since January 2021.

In the Western Pacific, Foreign and Defence Ministers from Japan and Australia conducted their ninth 2+2 consultations via video conference. Their joint statement identified a shared strategic vision for the Indo-Pacific, as also steps to enhance bilateral security and defence cooperation. The stiffening of their resolve on China following the Biden administration's hard line was noticeable. President Biden expanded prohibitions on American citizens investing in companies linked to China's military and nominated Carlos Del Toro to be his Secretary of the Navy. The Philippines once again suspended its decision to terminate the Visiting Forces Agreement with the US for another six months. The American Institute in Taiwan announced that the 11th meeting of the Trade and Investment Framework Agreement Council would be held on June 30, a move strongly opposed by China as a violation of the 'one-China principle'. US and Australian Navy ships exercised together in the South China Sea. USS Curtis Wilbur also carried out a Taiwan Straits transit on June 22. The Ronald Reagan Carrier Strike Group moved into the Indian Ocean on its way to the Gulf, exercising with the Singapore Navy, JMSDF ships and the Indian Navy and Air Force en route. The Carl Vinson CSG moved to Hawaii to complete the final phase of its workup before being forward deployed to Yokosuka.

The US UK Summit

Delivering a speech introduced by the US President¹ even though he (the speaker) held no official position at the time, Winston Churchill had in 1946 spoken of the fraternal association of English-speaking peoples, which meant “a special relationship between the British Commonwealth and Empire and the United States”. This ‘special relationship’, which replaced the Entente Cordiale as the fulcrum of the international system, was said to have been fundamental to overcoming the two great dangers of war and tyranny. Making UK the destination of President Biden’s first overseas visit was intended to reinforce the special relationship, as also shared commitment to values and common beliefs that had worked for decades².



President Biden and Prime Minister Johnson at their meeting ahead of the G7 Summit in Cornwall, June 11, 2021

Source: AP News

¹ The Sinews of Peace (Iron Curtain Speech), March 5, 1946, <https://winstonchurchill.org/resources/speeches/1946-1963-elder-statesman/the-sinews-of-peace/>

² Background Press Call by Senior Administration Officials Previewing the president’s Bilateral Meeting with the Right Honorable Boris Johnson, Prime Minister of the United Kingdom of Great Britain and Northern Ireland, <https://www.whitehouse.gov/briefing-room/press-briefings/2021/06/10/background-press-call-by-senior-administration-officials-previewing-the-presidents-bilateral-meeting-with-the-right-honorable-boris-johnson-prime-minister-of-the-united-kingdom-of-great-britain-and/>

The joint statement³ that followed the summit was built on seven pillars. The first, 'Democracy, Human Rights and Multilateralism' witnessed both sides committing to "make practical efforts to support open societies and democracies across the globe". This includes defending media freedom, advancing a free and open internet, combating corruption, tackling disinformation, protecting freedom of religion, empowerment of women and promoting human rights. The partners also committed to working with the UN to adapt and reform the international system to tackle evolving threats and build back better for the 21st century, as well as to reducing injustice, poverty and hunger worldwide.

The second pillar, 'Defence and Security', committed to enhancing "the world's strongest bilateral defence, security and intelligence partnership to overcome evolving threats of the 21st century". This includes challenges associated with cyberspace, foreign interference in domestic affairs, harmful influence campaigns, illicit finance, and violent conflict and terrorism in all their forms. It committed to reshaping the international order of the future with NATO as the bedrock of collective defence. Towards this end, both agreed to strengthen and modernise NATO to enable it to counter new threats, including malicious cyber attacks and others that test the resilience of both societies. The two also committed to further modernise and integrate their armed forces and strengthen bilateral cooperation on next-generation capabilities, including in the nuclear and space domains.

The third 'Science and Technology' pillar committed to developing a new bilateral technology partnership, covering advanced areas such as artificial intelligence, quantum technologies and battery technologies, so as to ensure diversity, resilience and security of critical supply chains. The objective was increased joint world-class research, as well as development of rules, norms and standards governing data sharing, technology and the digital economy.

The fourth 'Trade and Prosperity' pillar set out the objective of deepening and strengthening the bilateral economic and trading partnership. It reaffirmed a commitment to spur economic regeneration and build back better. It acknowledged that current economic models do not serve all equally in society

³ Joint Statement on the Visit to the United Kingdom of the Honorable Joseph R Biden Jr., President of the United States of America at the Invitation of the Rt, Hon, Boris Johnson, M.P. the Prime Minister of the United Kingdom and Northern Ireland, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/10/joint-statement-on-the-visit-to-the-united-kingdom-of-the-honorable-joseph-r-biden-jr-president-of-the-united-states-of-america-at-the-invitation-of-the-rt-hon-boris-johnson-m-p-the-prime-min/>

and sought to bring together experts, practitioners and officials to advance a new sense of how the economy works and the goals it should promote.

The fifth pillar, 'Climate and Nature', committed the two countries to working together to achieve the goals of the Paris Agreement, limit temperature rise to not more than 1.5 degrees and bend the curve of biodiversity loss by 2030. It reiterated the goal of mobilising \$ 100 billion annually through 2025 for mitigation action, and launched a strategic energy dialogue to deepen cooperation in areas such as the development and deployment of innovative, clean energy technologies, industrial decarbonisation, nuclear energy, energy security and resilience etc.

The sixth 'Health' pillar focused on cooperation to overcome the current pandemic including virus variants of concern globally, as well as to being able to deliver safe, effective and affordable vaccines, therapeutics and diagnostics within 100 days of future pandemic threats being identified. The seventh and last pillar pertained to the commitment to the three strands of the Belfast/Good Friday Agreement and, going forward, to advance and safeguard Northern Ireland's stability and prosperity into the future.

The US and UK also signed the New Atlantic Charter⁴. This set out their vision to work closely with all partners who share democratic values and counter those who undermine the alliances and institutions of the two countries. Its eight focal areas are first, the resolve to defend principles, values and institutions of democracy (including human rights) while confronting injustice and inequality; second, strengthening institutions, laws and norms that sustain international cooperation and adapting them to meet new challenges; third, remaining united behind the principles of sovereignty, territorial integrity and peaceful resolution of disputes and defending key principles such as freedom of navigation and overflight; fourth, protecting their innovative edge in science and technology by investing in research and fostering sustainable global development; fifth, reaffirming their shared responsibility for maintaining collective security and international stability and resilience against the full spectrum of modern challenges; sixth, to continue building an inclusive, fair, climate-friendly, sustainable, rules based global economy for the 21st century; seventh to prioritise the climate crisis and protect biodiversity; and last, to strengthen global health systems and advance health protection.

When Churchill made his famous speech, the US and UK were arguably the two strongest democratic powers in the world and the objective was to tilt the

⁴ The New Atlantic Charter, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/10/the-new-atlantic-charter/>

balance of power so decisively towards the Allies that communism would not be tempted towards adventure 'for a century to come'. The Alliance that emerged centred on the Atlantic; attempts to shape a similar trans-Pacific alliance foundered due to cultural dissimilarities in the societies involved, and remained limited to 'occupied' East Asia.

The guiding vision underlying the revived special relationship appears to be a similar global effort to bring "democracy" to the world. The defence and security component of the partnership was visible from US personnel, ships and aircraft being integrated into the Queen Elizabeth Carrier Strike Group (CSG) which is on its way to the Western Pacific even as the US moves the Ronald Reagan CSG to the Persian Gulf. Embarked stealth aircraft carried out the Carrier Strike Group's first combat mission against the Daesh in support of Operation Shader and US Operation Inherent Resolve on June 22⁵. The mission was also described as the first combat mission flown by US aircraft from a foreign carrier since HMS *Victorious* in the South Pacific in 1943. The resurrected Science and Technology partnership (lest it be forgotten, the US shared nuclear capability, including propulsion, with the UK) also points towards a decision for greater integration of US and UK capabilities.

The UK of today, however, is a pale shadow of what it was in the past. Whether it can summon the political will required for a sustained global commitment or not is debatable. This explains the commitment to shape NATO as the bedrock of collective defence into the future. Whether the US and UK will be able to overcome resistance to this expansion of NATO commitments and prevail will determine the course of geopolitical competition in the years ahead. The shared *bonhomie* already appears to have driven Russia and China into closer cooperation with each other, as exemplified by the decision to extend their bilateral agreement (covered later in this Monitor).

More important, the record of both the US and UK in overcoming national considerations and reshaping democratic institutions for the good of all societies has been far from inspiring. Rhetoric has often prevailed over concrete action to fund the global good: even now, for example, the commitment to mobilise \$ 100 billion annually remains only words. It will take more to convince sceptical third world nations of the honesty of their intent.

⁵ Stealth Jet Fight Daesh in First Combat Missions from HMS Queen Elizabeth, <https://www.royalnavy.mod.uk/news-and-latest-activity/news/2021/june/22/210622-hms-queen-elizabeth-op-shader>

The G7 Summit

The G7 Summit, held in Cornwall, UK from June 11 – 13, 2021, comprised six plenary sessions⁶. The first three were exclusive to the G7, comprising Economic Recovery on June 11, Global Resilience on June 12 and Foreign Policy the same day. The next three sessions included the four guests (India, Australia, South Korea and South Africa). They were on Health (June 12), Open Societies, and Climate and Nature (both on June 13).



G7 consultations underway at Carbis Bay, June 11, 2021

Source: Twitter (@WhiteHouse)

The voluminous Communiqué⁷ issued after the Summit, portrayed as the G7 shared agenda for global action to build back better, focused on seven key sectors: global health, economic recovery and jobs, freer and fairer trade, future frontiers, climate and environment, gender equality, and global responsibility and international action. It set out an ambitious programme in each sector. Health, for example, included ending the pandemic in 2022 by vaccinating at least 60% of the global population and establishment of a global pandemic

⁶ G7 Cornwall Summit – Summit Meeting Agenda, <https://www.g7uk.org/g7-cornwall-summit-summit-meeting-agenda/>

⁷ Carbis Bay G7 Summit Communiqué, <https://www.consilium.europa.eu/media/50361/carbis-bay-g7-summit-communiqué.pdf>

'radar' so that all countries were better equipped to prevent, detect, respond to and recover from health crises. The Economic Recovery and Jobs agenda included continuing fiscal support and liquidity measures, creating 'decent' jobs and quality infrastructure, a fairer global tax system and restarting international travel. The Free and Fair Trade section of the Communiqué called for reform of the multilateral trading system with a modernised rulebook and a reformed WTO at its centre, while tasking G7 Trade Ministers to eradicate all forms of forced labour in global supply chains, including state-sponsored forced labour of vulnerable groups and minorities. The Future Frontiers section sought to update regulatory frameworks and set standards in the digital space, while improving internet safety and countering hate speech and protecting fundamental freedoms. Similar initiatives were sought for outer space. The Climate and Environment section committed to a green transition that cuts emissions, increases adaptation action worldwide, halts and reverses biodiversity loss, and creates new high quality jobs and increases prosperity and well-being. The Gender Equality section prioritised educating girls, empowering women and ending violence against women and girls. The Global Responsibility and International Action section effectively defined the foreign policy agenda of the G7.

The G7 recognised the responsibility of the largest countries and economies to uphold the rules-based international system and international law. With regard to China, they said they would continue to consult on collective approaches to challenging non-market policies and practices that undermined the fair and transparent operation of the global economy. The G7 also said it would continue to call on China to respect human rights and fundamental freedoms, including in Xinjiang and Hong Kong. They expressed interest in stable and predictable relations with Russia and supported the independence, sovereignty and territorial integrity of Ukraine within its internationally recognised borders. They expressed concern about the continuing attacks by Belarus on the human rights, fundamental freedoms and international law, expressed concern about the conflict in Ethiopia's Tigray region, and about the deepening humanitarian crisis in the Sahel region. They supported the interim executive authority in Libya as it pursues the stabilisation process and elections in December 2021. They called on Afghan parties to reduce violence, sought complete denuclearisation of the Korean Peninsula, condemned the military coup in Myanmar, highlighted the importance of a free and open Indo-Pacific and peace and stability across the Taiwan Straits and strongly opposed unilateral attempts to change the status quo in the South and East China Seas. There was commitment to ensuring Iran never develops a nuclear weapon and support for and commendation for Iraq's government. The G7's future deeds will show

whether they remain content with raising their voice against these issues, or are inclined to support corrective action.

The G7 and its four guests (India, Australia, South Korea and South Africa) signed on to the 2021 Open Societies Statement⁸. This reaffirmed the shared belief of these countries in open societies, democratic values and multilateralism as foundations for dignity, opportunity and prosperity for all. It committed the signatories to strengthening open societies, exchanging information and coordinating effective responses to shared threats to human rights, democracy and the rule of law, promoting economic openness and resilience and opposing economic coercion, preventing and tackling corruption and illicit financial flows, respecting internationally accepted norms that drive inclusivity and protect digital civic space, prioritising gender equality and women's empowerment, and collaborating on science-based responses to global challenges. Again, whether these noble intentions are translated into effective responses or remain pious hopes will be noted by China and other authoritarian countries.

Among the other documents adopted at the Summit were the G7 2030 Nature Compact⁹, the G7 Research Compact¹⁰ and the G7 Carbis Bay Health Declaration¹¹. Taken together, these represent an ambitious programme of action designed to strengthen democratic societies and counter the rise of authoritarianism.

The G7 has long been a club of developed nations intended to coordinate their policies to as to maintain their global economic leadership. Inclusion of the four guests could be a precursor to future expansion, or for appearances. The seven members represent 45.19% of the world's nominal GDP as of April 2021, 52.43% of the economies of the four guests are included¹². Their approach, however, has focused more on self-interest, with peripheral attention towards raising third world living standards. Even now, by pledging only 870 million doses of vaccine, the G7 has effectively indicated that more than two billion people on earth will remain unvaccinated by end 2022. The climate finance pledge of \$ 100 billion per year to finance energy transition of the less

⁸ 2021 Open Societies Statement, <https://www.consilium.europa.eu/media/50364/g7-2021-open-societies-statement-pdf-355kb-2-pages.pdf>

⁹ G7 2030 Nature Compact, <https://www.consilium.europa.eu/media/50363/g7-2030-nature-compact-pdf-120kb-4-pages-1.pdf>

¹⁰ G7 Research Compact, <https://www.consilium.europa.eu/media/50365/g7-2021-research-compact-pdf-356kb-2-pages-1.pdf>

¹¹ G7 Carbis Bay Health Declaration, <https://www.consilium.europa.eu/media/50362/g7-carbis-bay-health-declaration-pdf-389kb-4-pages.pdf>

¹² Based on IMF World Economic Outlook April 2021 Database, <https://www.imf.org/en/Publications/WEO/weo-database/2021/April>

developed countries has not been fulfilled since it was made after the Paris Agreement, even though it has been extended to 2025. The proof for the G7's Build Back Better World will lie in delivery, not in words. Similarly for the proposed global partnership on education.

Time will show whether the now evident economic challenge from China will suffice to overcome the undoubted attractions of the opportunities it offers, or whether G7 commitments will remain political rhetoric without meaningful and successful action to fulfil them. The spokesperson in China's Embassy at London was quick to point out, "the days when global decisions were dictated by a small group of countries are long gone"¹³.

India signing on to the Open Societies Statement will be welcomed by all its friends. However, whether India remains a "natural ally" or makes the transition to a really ally will depend on how ready G7 members are to accommodate India's interests, including for example empowering supply chains to ramp up India's vaccine production capability. On climate, the G7 endorsement of the idea of 'carbon leakage' could result in an unwelcome carbon border tax. The greater G7 emphasis on fair trade than free trade, the emphasis on labour and environmental standards which could be used for protectionist measures, and G7 endorsement of plurilateral initiatives at the WTO are causes of concern. India's diplomacy will have to remain nimble and proactive to safeguard the country's interests.

The NATO Summit

The third event on President Biden's first overseas trip was the annual NATO Summit, held on June 14, 2021, at Brussels. Its relevance to the Indo-Pacific comes from references to China and the Asia-Pacific in the Joint Communiqué. In 2019, NATO's London Declaration¹⁴ comprised just nine paragraphs, including recognition that "China's growing influence and international policies present both opportunities and challenges that we need to address together as an Alliance". The 2021 Brussels Communiqué was far more verbose, comprising 79 paragraphs, with China being mentioned 10 times. The reference to China's 'opportunities' in the London Declaration was removed, leaving only the part about challenges that the Alliance needed to

¹³ Embassy Spokesperson's Remarks on the So-called "Rules-based international system" Advocated at the G7 Summit, <http://www.chinese-embassy.org.uk/eng/PressandMedia/Spokepersons/t1883513.htm>

¹⁴ London Declaration, https://www.nato.int/cps/en/natohq/official_texts_171584.htm

address together. It made no mention, however, of extension of a formal offer of partnership to India¹⁵, which had been talked of in March 2021.



The official portrait of the NATO allies at the Brussels Summit, June 14, 2021
Source: Twitter (@NATO)

The Communiqué specifically stated, “China’s stated ambitions and assertive behaviour present systemic challenges to the rules-based international order and to areas relevant to Alliance security”. It expressed concern about China’s “coercive policies which stand in contrast to the fundamental values enshrined in the Washington Treaty”. It also highlighted China’s rapidly expanding nuclear arsenal, opaque implementation of military modernisation, publicly declared military-civil fusion strategy and participation in Russian exercises in the Euro-Atlantic area. It expressed concern about China’s “frequent lack of transparency and use of disinformation”. As stated subsequently by Portugal’s Foreign Minister (Portugal holds the Presidency of the EU Council till June 2021), the EU defined three red lines in the EU relationships with China – that it would denounce human rights violations (as in Xinjiang), it would be firm

¹⁵ A Wess Mitchell, “NATO: India’s Next Geopolitical Destination”
<https://www.hindustantimes.com/opinion/nato-india-s-next-geopolitical-destination-101616423938974-amp.html>

about the shrinking of democratic space in Hong Kong, and it would not accept any change in the status quo in the South China Sea or in relation to Taiwan¹⁶.

NATO began in 1949 as a defensive alliance of 12 countries¹⁷, intended to defend Europe from territorial expansion to the west by the Soviet Union. The reality, however, is that during the years since then, NATO territory has expanded eastward. Beginning with the inclusion of East Germany consequent upon German unification in 1990, NATO now has 30 member states, with Bosnia and Herzegovina, Ukraine and Georgia aspiring to join. The continued expansion eastward sharpens Russia's core security concerns, infringes the red lines of the Soviet successor state and results in action that Russia considers defensive, but the Alliance describes as provocative.

Russia remains NATO's focal point and is named 61 times in the Brussels Communiqué. As per SIPRI estimates¹⁸, Russia spent \$ 66.838 billion (all figures in constant 2019 US dollars) on its military in 2020. Just Germany, France, UK and Italy combined spent \$ 241.569 billion, or nearly four times as much. Each of these four countries individually has a higher GDP than Russia. The combined population of these four nations is nearly double. France and the UK both have an independent nuclear deterrent. The industrial capacity of Western Europe is higher, as are technology levels. Thus, even without the US and Canadian contributions to NATO, the comprehensive power of Western Europe is by any metric substantially higher than that of Russia. The binding force, however, remains the US.

NATO is thus no longer about resisting Russian expansion west, but about expanding Western Europe's democratic ideology east and south. Its litany of complaints about Russia includes designation of the Czech Republic and the US as "unfriendly countries"; Russia's actions in Crimea, Kaliningrad and Belarus; hybrid actions against NATO allies and partners, including interference in elections (without acknowledging that the US has done the same in Russia); disinformation campaigns, malicious cyber activities and actions by Russian intelligence services on Allied territory; Russia's nuclear diversification; and support for territorial integrity and sovereignty of Ukraine,

¹⁶ ORF "In-Conversation" – External Affairs Minister and Portuguese Foreign Minister on the Future of India-EU Relations, https://mea.gov.in/interviews.htm?dtl/33942/ORF_InConversation_External_Affairs_Minister_and_Portuguese_Foreign_Minister_on_the_Future_of_IndiaEU_relations_June_23_2021

¹⁷ France, UK, Belgium, the Netherlands, Luxembourg, the US, Canada, Portugal, Iceland, Italy, Norway and Denmark

¹⁸ Military expenditure by country in constant (2019) US\$, <https://sipri.org/sites/default/files/Data%20for%20all%20countries%20from%201988%E2%80%932020%20in%20constant%202019%29%20USD%20%28pdf%29.pdf>

Georgia and Moldova. However, NORDSTREAM II, which will strengthen Russia's hold on Europe's energy needs, goes on, clear indication that the objective is no longer to contain Russia economically, but to constrict its power.

This also explains NATO's future objectives. The Communiqué's Agenda 2030 prioritises keeping the organisation alive; strengthening it for collective defence of the Euro-Atlantic; enhancing NATO resilience, reducing its vulnerabilities and ensuring its militaries can operate effectively at all times; fostering technological cooperation between the Allies; enhancing NATO ability to preserve and shape the international rules-based order in areas that are important to Allied security (including the Asia-Pacific); and making NATO the leading international organisation in understanding and adapting the impact of climate change on security. The Secretary General of NATO has been invited to develop NATO's next Strategic Concept to fulfil these objectives, with actual resource requirements to be discussed at the next summit in 2022.

Among the notable statements in the Communiqué is one about NATO "enhancing political dialogue and practical cooperation with long-standing Asia-Pacific partners – Australia, Japan, New Zealand and the Republic of Korea – to support cooperative security and support the rules-based international order". The Communiqué goes on to state, "We will discuss cooperative approaches to global security challenges where NATO's interests are affected, share perspectives through deeper political engagement, and see concrete areas of cooperation to address shared concerns". This could be explained as a concession to the shift of US focus to the Asia-Pacific. Equally, it could be an indicator of the growing interest of NATO in the Indo-Pacific (even though the Communiqué does not use this term), given the fact that France, Germany, the Netherlands, UK and the EU have already adopted an Indo-Pacific outlook.

Addressing the Sixth Raisina Dialogue in April this year, NATO Secretary General Jens Stoltenberg¹⁹ had made a strong case for greater cooperation between NATO and India. His speech included references to China matching its military power to its economic power, its persecution of ethnic and religious minorities and suppression of human rights, its coercion in Taiwan and the South China Sea, its creation of dependencies and the fact that NATO was a key platform to forge convergence on responding to the security implications of a rising China. He also saw real potential in stepping up NATO dialogue with

¹⁹ Speech by NATO Secretary General Jens Stoltenberg at the Raisina Dialogue 2021 Conference, 13 April 2021, https://www.nato.int/cps/en/natohq/opinions_183011.htm?selectedLocale=ru

India, so as to address “global challenges that are far greater than any country or continent can tackle alone”, as well as “safeguard our values of democracy, freedom and the rule of law”. Given the growing need to balance China’s growing power in Asia, it may be time to shed India’s inhibitions about NATO and engage it with a view to exchanges in a number of areas, including terrorism, emerging and disrupting technologies, countering disinformation etc. The challenge would be to do so without alienating Russia, already concerned about India and the Quad.

The US - EU Summit

The first Summit level meeting between the US and the EU since 2014 took place on June 15, 2021, with President Joe Biden meeting Charles Michel, the President of the European Council and Ursula von der Leyen, President of the European Commission. The agenda was structured around four partnership goals²⁰: ending the pandemic and driving forward a sustainable global recovery; protecting the planet and fostering green growth; strengthening transatlantic trade, investment and technological cooperation; and building a more democratic, peaceful and secure world. The leaders committed to upholding the rules-based international order with the UN at its core, reinvigorate and reform multilateral institutions where needed and cooperate with all who share these objectives²¹.



U.S. President Joe Biden with President of the European Council Charles Michel, and President of the European Commission Ursula Von der Leyen in Brussels, June 15, 2021. Source: European Council

²⁰ EU – US Summit, <https://www.consilium.europa.eu/media/50428/eu-us-background-note-final.pdf>

²¹ US – EU Summit Statement, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/15/u-s-eu-summit-statement/>

On the pandemic, the leaders committed to encouraging donors to make two billion vaccine doses available worldwide by late 2021, and enough to inoculate two-thirds of the world population by 2022. A joint EU-US COVID Manufacturing and Supply Chain Taskforce was set up to build new production facilities, maintain open and secure supply chains, avoid unnecessary export restrictions and encourage voluntary sharing of knowhow and technology. The leaders also agreed to reinforce cooperation on reforming the WHO and called for a transparent, evidence-based, expert-led and WHO-convened phase-2 study on the origins of COVID-19 that was free from interference. They agreed to jointly drive forward a sustainable and inclusive global recovery and assist countries in need, address debt vulnerability and stimulate domestic reform. They also agreed to establish a joint experts working group for the resumption of non-essential safe and sustainable travel between the EU and the US.

The leaders committed to rapidly scaling up technologies and policies that accelerate the transition away from coal and to an overwhelmingly decarbonised power system in the 2030s. They resolved to increase cooperation on transition towards a climate-neutral, resource efficient and circular economy, and to working for a Transatlantic Green Technology Alliance. They also agreed to halt and reverse biodiversity loss by 2030, conserve or protect at least 30% of global land and 30% of oceans by 2030.

US-EU goods trade comprises 42% of world trade²², making it the world's largest economic partnership. The leaders committed to growing their trade and investment relationship, and to upholding and reforming the rules-based multilateral trading system. They established a high-level EU-US Trade and Technology Council, committed to building an EU-US partnership on the rebalancing of global supply chains in semiconductors, and to establishing an EU-US Joint Technology Competition Policy Dialogue. They expressed their intent to resolve long-standing trade disputes, including a Cooperative Framework for Large Civil Aircraft and resolution of differences on steel and aluminium before the end of the year. They also agreed to work cooperatively to achieve a fair, sustainable and modern international tax system and to reform the WTO.

On the final pillar, the leaders agreed to partner in the Summit for Democracy and to closely consult and cooperate on the full range of issues regarding China, which includes elements of cooperation, competition and systemic rivalry. They intended to coordinate on their shared concerns, including

²² Infographic – EU-US Trade, <https://www.consilium.europa.eu/en/infographics/eu-us-trade/>

human rights violations in Xinjiang and Tibet, the erosion of autonomy and democratic processes in Hong Kong, as well as on disinformation, economic coercion and regional security issues. They also discussed the prevailing situation in the Indo-Pacific, Myanmar, Afghanistan and other key areas, and expressed serious concern about the situation in the East and South China Seas, while underscoring the importance of peace and stability across the Taiwan Strait, while seeking peaceful resolution of cross-Strait issues.

Coming soon after the Trump era, the EU-US Summit holds out the possibility of the world's richest²³ and most technologically advanced nations uniting and committing funds to tackle common challenges. The acknowledgement by the EU that China poses a challenge is a significant step. India has a direct stake in dealing with many of these challenges. It also has strategic partnerships with some of the countries involved, including the US, France and the UK. It is also a natural partner for the democracies of Europe, as well as the US. As such, there is merit in India being open to partnering both the US and the EU in the four pillars identified above.

The Biden Putin Summit and the Indo-Pacific

President Biden's final engagement in Europe trip was his summit with Russia's President Putin at Geneva on June 16, 2021. The US objective was threefold²⁴: identifying areas where Russia and the US could work together; specifying US red lines, where Russian activity would be met by a response; and explication of President Biden's vision of US national values and priorities.

The brief Joint Statement²⁵ following²⁶ the nearly four hours of bilateral discussion speaks of the US and Russia having demonstrated that even in periods of tension, they can "make progress on shared goals of ensuring predictability in the strategic sphere, reducing the risk of armed conflicts and the threat of nuclear war"; reaffirms the principle that nuclear war cannot be won and must not be fought; and commits both sides to embark on "an integrated bilateral strategic security dialogue in the near future that will be

²³ The US and Western Europe hold over 52% of the global wealth, as per the Credit Suisse Global Wealth Report 2020.

²⁴ Background Press Gaggle by Senior Administration Officials En Route Geneva, Switzerland, <https://www.whitehouse.gov/briefing-room/press-briefings/2021/06/15/background-press-gaggle-by-senior-administration-officials-en-route-geneva-switzerland/>

²⁵ US – Russia Presidential Joint Statement on Strategic Stability, <http://en.kremlin.ru/supplement/5658>

²⁶ US-Russia Presidential Joint Statement on Strategic Stability, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/16/u-s-russia-presidential-joint-statement-on-strategic-stability/>

deliberate and robust, and will seek to lay the groundwork for future arms control and risk reduction measures”.



Consultation between US President Biden and Russian President Putin accompanied by their Secretary of State and Foreign Minister respectively at Geneva, June 16, 2021

Source: Twitter (@WhiteHouse)

The content of their summit could be gleaned from the separate press conferences by Presidents Putin²⁷ and Biden²⁸. Salient points of agreement include the following:-

- Both sides showed a willingness to understand each other and look for ways to reconcile the differing positions. The meeting was a constructive one, with no hostility.
- Ambassadors of the two countries will return to their respective stations.
- The US State Department and the Russian Foreign Ministry will begin consultations on the entire range of strategic stability issues.

²⁷ News Conference Following Russia-US Talks, <http://en.kremlin.ru/events/president/news/65870>

²⁸ Remarks by President Biden in Press Conference, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/06/16/remarks-by-president-biden-in-press-conference-4/>

- Cyber security consultations will start. President Biden said he proposed a list of 16 specific entities, defined as critical infrastructure under US policy, which should be off limits for attack.
- Discussions will begin for repatriation of citizens serving a sentence in each other's country. A deal is possible.
- Both committed to pursuing a diplomatic solution in Ukraine based on the Minsk Agreement.
- Both were agreed that the relationship was not about trust, but, as Biden put it, "about self-interest and verification". Putin rightly said, "We don't have to peek into each other's souls, look into each other's eyes and swear eternal love and friendship. We defend the interest of our countries and our peoples, and our relations are always primarily pragmatic in nature".

Numerous differences in perception still remain. These include:-

- Cyber Attacks. President Putin highlighted that as per American sources, most cyberattacks in the world come from US cyberspace, followed by Canada, and not from Russia. Moreover, Russia has responded exhaustively to all US queries regarding cyberattacks allegedly from Russian cyberspace. In contrast, Russia had sent 45 inquiries to the relevant US agency in 2020 and 35 so far in 2021. It was yet to receive a single response. Since cyber security is equally important to both countries, the need is to set conspiracy theories aside and work out solutions together.
- Ukraine. President Putin said Russia had only one obligation: to facilitate implementation of the Minsk Agreement. If Ukraine was willing to do this, Russia would take this path, "no questions asked". However, the implementation plan presented by Ukraine in November 2020 completely contradicted the Minsk Agreement.
- Military Exercises. President Putin pointed out that Russia conducts military exercises on its own territory. It does not bring Russian personnel and equipment closer to US borders. US partners, however, are coming closer to Russian borders. This is a concern for Russia.
- Support to Democratic Organisations. President Putin observed that Navalny had broken Russian law. He deliberately decided to get arrested,

and executed his desire. He also observed that in 2017, the US Congress declared Russia an enemy and enacted legislation with provisions that the US must maintain democratic governance rules and order in Russia and support the concerned political organisations. If Russia was a declared enemy, the US would not support organisations that strengthened Russia, but those that weakened it. Russia was, therefore, wary, but acted exclusively within the framework of its law.

- Human Rights. The contradiction that Guantanamo was still open and functioning, contrary to all US or international law called into question the professed concern for human rights.
- Arctic Militarisation. Russia was restoring local infrastructure, including military and border control infrastructure that had decayed and been demolished. Use of the Northern Sea Route was regulated by UNCLOS and the Polar Code, ratified in 2017. Russia fully intended to honour both. US concerns regarding militarisation were groundless.
- Media Curbs. Russian curbs on Radio Liberty and Radio Free Europe were in response to the US stripping Sputnik and Russia Today of their accreditation. It was to be noted that President Putin granted interviews to even a hostile US media, but US Presidents granted no such interviews to Russian media.
- Predictability and Stability in Relations. Because the West portrayed Russia as unpredictable didn't mean that was true. The US withdrawal from the ABM treaty in 2002 and the pullout from INF in 2019 both constituted unpredictable behaviour. Withdrawal from Open Skies was not conducive to stability, nor was orchestration of a coup in Ukraine after President Yanukovich had agreed to accept all demands of the opposition. Russia was thus not unpredictable, it just responded adequately to arising threats.

President Biden's statement at his press conference that it is part of the US DNA to defend democratic values and stand up for universal rights and fundamental freedoms indicates that the urge to proselytise democracy, irrespective of how it is perceived by the other side, remains dominant. Needless to say, professed democratic values have been lost sight of in US support for numerous dictatorships when its national interest has so demanded. Nowhere is this more evident than in the now soured US relationship with China.

The ice between the two countries has been broken. The next few months will tell whether the leaders can build on their summit and move forward. The bottom line for Russia appears to be stopping further expansion of NATO east. Will President Biden be able to resist continuing pressures to expand the democratic footprint in Eastern Europe in order to find mutual accommodation with Russia? That will determine whether the US can focus on the greater challenge of China and the Indo-Pacific, or remains distracted by the so-called challenge of Russian expansion in Western Europe.

India Related Developments

Return of INS Chakra

INS Chakra was sighted in the Singapore Straits, heading towards Vladivostok. Reports indicate she was being returned to Russia about ten months prior to expiry of her lease, reportedly because of "an increasingly unreliable power plant and maintenance issues"²⁹. She was in any case scheduled to go back in early 2022, and a gap of over three years was expected before her replacement, a more advanced submarine of the same class, arrived from Russia in 2025. The premature return only extends the period of non-availability of even one attack boat by about one year.

The absence of nuclear attack submarines in India's Navy is a noticeable vulnerability. The implications were covered in a separate policy brief³⁰ in May 2021.

Indo-Thai Corpat

The 31st Indo-Thai Coordinated Patrol (CORPAT) was conducted in the Andaman Sea from June 09-11, 2021³¹. INS Saryu and HTMS Krabi, along with Dornier Maritime Patrol Aircraft from both countries, participated. Intended to foster bilateral cooperation to suppress unlawful activity like IUU fishing, drug trafficking, maritime terrorism, armed robbery and piracy, Indo-Thai CORPATs have now been conducted since 2005. They have certainly helped improve mutual understanding between the forces of the two countries. However, the fact that the patrols take place for just 2-3 days every six months makes them more symbolic than operationally useful. It is time for both countries involved

²⁹ Navy's Only Nuclear Attack Submarine Returns to Russia Before Lease Expires, <https://www.ndtv.com/india-news/navys-only-nuclear-attack-submarine-ins-chakra-returns-to-russia-before-lease-expires-2456368>

³⁰ Whither India's Submarines, <https://www.delhipolicygroup.org/publication/policy-briefs/whither-indias-submarines.html>

³¹ Indo-Thai Coordinated Patrol (CORPAT), <https://pib.gov.in/PressReleasePage.aspx?PRID=1725559>

to patrol with greater regularity, enabling effective cooperation for suppression of illegal activity in their shared maritime space.

DAC Approves RFP for Indigenous Construction of Six Submarines

In a significant development for India's waning submarine capability, the Defence Acquisition Council approved issue of Request for Proposal (RFP) for the construction of six state-of-the-art conventional submarines equipped with air-independent-propulsion (AIP) under Project 75I³². This was the first case processed under the Strategic Partnership Model and is expected to facilitate faster assimilation of technology and creation of an industrial ecosystem for submarine construction in India. Given the long procurement process, it could be 7 – 10 years before the first submarines under Project 75I are commissioned. The need now is for regular follow-up to ensure bureaucratic inertia doesn't further delay their induction.

Maiden India –EU Joint Naval Exercise

The maiden India-EU joint naval exercise was conducted in the Gulf of Aden from June 18-19, 2021³³. It involved INS Trikanth as well as Operation Atalanta assets including Italian frigate Carabiniere, Spanish frigate Navarra, French frigate Surcouf and French amphibious assault helicopter carrier Tonnerre. Focused on anti-piracy requirements, the exercise included cross-deck helicopter landings, live firing, a night joint patrol, tactical evolutions at sea and a naval parade off the coast of Somalia. A Joint Statement was issued on the occasion³⁴. Concurrently, a virtual information-sharing exercise was also conducted between the Indian Navy's Information Fusion Centre – Indian Ocean Region and the Maritime Security Centre – Horn of Africa³⁵.

The EU and India have expressed their intention to strengthen operation cooperation at sea, including through joint naval exercise and port calls, and to protect the sea-lanes of communication. They have also announced their intent to boost maritime domain awareness in the Indo-Pacific through mutual coordination and exchanges. This not only also indicates EU acknowledgement of the utility of India's maritime capability, but portends well

³² Defence Acquisition Council Approves RFP for Construction of Six Submarines, <https://pib.gov.in/PressReleasePage.aspx?PRID=1724399>

³³ EU-India Joint Naval Exercise, <https://pib.gov.in/PressReleasePage.aspx?PRID=1729021>

³⁴ EU-India Joint Naval Exercise, https://eeas.europa.eu/headquarters/headquarters-homepage/100358/eu-india-joint-naval-exercise_en

³⁵ Maiden Indian Navy – European Naval Force (EUNAVFOR) Exercise in Gulf of Aden, <https://pib.gov.in/PressReleasePage.aspx?PRID=1728276>

for security of transportation in the Western Indian Ocean. The growing convergence will prove useful in executing India's SAGAR vision for the IOR.



INS Tabar and Egyptian Naval Ship Toughka exercise together in the Mediterranean, June 29, 2021. Source: PIB

INS Tabar Leaves for Europe

INS Tabar commenced her prolonged deployment to Africa and Europe on June 13³⁶. The ship will visit Djibouti, Egypt, Italy, France, UK, Russia, Netherlands, Morocco, Sweden, Norway and Russia. She was reported to be at Alexandria on June 27 & 28³⁷. Apart from exercising with friendly navies, she will demonstrate the ability of the Indian Navy to sustain an operational deployment in distant waters. The deployment at a time of India's increased outreach to the EU is particularly noteworthy.

Keel-Laying for Second P1135.6 Frigate

The keel of the second Project 1135.6 frigate to be built by Goa Shipyard Limited (GSL) was laid ceremoniously on June 18, 2021³⁸. India already operates six ships of the class, designed by Russia's Severnoye Design Bureau. The first three were built by Russia's Baltiysky Zavod and commissioned in 2003-04.

³⁶ INS Tabar Deployed to Participate in Joint Exercises with Friendly Navies in Africa and Europe, <https://pib.gov.in/PressReleasePage.aspx?PRID=1730562>

³⁷ INS Tabar Visits Alexandria, Egypt, <https://pib.gov.in/PressReleasePage.aspx?PRID=1731131>

³⁸ Keel Laying for Second Frigate of P1135.6 Project at Goa Shipyard Limited, <https://pib.gov.in/PressReleasePage.aspx?PRID=1728343>

The next three were built by Russia's Yantar Shipyard and commissioned in 2012-13. Four more have been contracted for, the first two to be built by Yantar and expected to be delivered in 2022, while the last two are to be built by GSL. The keel of the first GSL-built frigate was laid on January 29, 2021. Delivery is expected in 2026.

The keel-laying marks an ambitious expansion of GSL capability. The Shipyard has so far focused on smaller vessels, leaving bigger ships to MDL and GRSE. Creation of one more production line for frigate-sized warships is a welcome boost for India's shipbuilding capability.

IN-IAF-USN Exercise

The US Navy, the Indian Navy and the Indian Air Force came together to conduct integrated sea and air engagements off the southern coast of India on June 23 – 24, 2021³⁹. The Indian Navy fielded warships Kochi and Teg, a P-8I LRMP aircraft, Mig-29K fighters, Seaking 42B and Ka-31 helicopters and Do-228 patrol aircraft. The Indian Air Force participated with Su-30 MKI fighters and Jaguar strike aircraft, the NETRA AEW&C aircraft and IL-78 tankers⁴⁰. USS Ronald Reagan with its embarked air wing, USS Shiloh and USS Halsey took part from the US side. Exercises conducted⁴¹ included an anti-submarine exercise, aerial exercises like dissimilar aircraft combat training, detect-to-engage sequence, helicopter cross-decking and formation manoeuvring. The involvement of IL-78 tankers indicates their usage, possibly for refuelling of USN aircraft.

The range of exercises and the involvement of both the IN and IAF in what was billed as a PASSEX is striking. The exercises will serve to strengthen interoperability between the forces involved.

JMSDF PASSEX with IN

JMSDF ships Kashima and Setoyuki joined INS Kulish in a PASSEX in the Indian Ocean on June 13, 2021⁴². The Japanese ships are in the Indian Ocean for the

³⁹ Indian Navy - US Navy Carrier Strike Group Passage Exercise, <https://indiannavy.nic.in/content/indian-navy-us-navy-carrier-strike-group-passage-exercise>

⁴⁰ India, US Navies Hold Complex Air and Sea Drills in the Indian Ocean, Kicking Off Several Summer Exercises, <https://news.usni.org/2021/06/24/india-u-s-navies-hold-complex-air-and-sea-drills-in-the-indian-ocean-kicking-off-several-summer-exercises#more-86912>

⁴¹ US, India Elevate Combined Joint Maritime Training with Multi-axis Integration, <https://www.pacom.mil/Media/News/News-Article-View/Article/2670526/us-india-elevate-combined-joint-maritime-training-with-multi-axis-integration/>

⁴² Japan-India Bilateral Exercise (PASSEX), <https://www.mod.go.jp/msdf/en/release/202106/20210614.pdf>

Overseas Training Cruise 2021. The exercises comprised tactical manoeuvres and communication drills. They will contribute to building familiarisation and cooperation between the JMSDF and the IN.

British Liaison Officer Inducted Into IFC-IOR

Lt Cdr Stephen Smith formally joined India's Information Fusion Centre – Indian Ocean Region (IFC-IOR) on June 22, 2021, becoming the centre's fifth international liaison. Officers from France, the US, Australia and Japan have already joined. The IFC-IOR presently has links with 21 partner countries and 22 multi-national agencies across the globe⁴³.

China Developments

Even as the US and EU edged closer together, Presidents Xi Jinping and Vladimir Putin extended the China-Russia Treaty of Good-neighbourliness and Friendly Cooperation on June 28, 2021⁴⁴. Both committed to jointly and firmly safeguarding the international system with the United Nations at the core and the international order based on international law; protecting global strategic security and stability; supporting and practicing true multilateralism; opposing interference in other countries' affairs under the guise of "democracy" and "human rights" and resisting unilateral coercive sanctions. Both agreed to jointly promote the common human values of peace, development, equity, justice, democracy and freedom; strengthen solidarity and coordination; and work together to tackle common challenges and promote the building of a community with a shared future for mankind. They also agreed to continue maintaining close high-level exchanges, strengthening vaccine cooperation, and expanding the scale of bilateral trade, expanding cooperation in low-carbon energy, digital economy, agriculture and other fields, and promote the Belt and Road Initiative with the Eurasian Economic Union.

Responding to the use of sanctions against it, China passed⁴⁵ a new Anti-Foreign Sanctions Law on June 10. The law enables creation of a blacklist of individuals or entities involved in the making or implementation of discriminatory measures against Chinese citizens or interfering with China's

⁴³ UK's Liaison Officer Joins Navy's Information Fusion Centre, <https://www.thehindu.com/news/national/britain-posts-liaison-officer-at-indian-navys-information-fusion-centre/article34905498.ece>

⁴⁴ Xi Jinping Holds a Video Meeting with Russian President Vladimir Putin, The Two Heads of State Announce Extension of China-Russia Treaty of Good-Neighbourliness and Friendly Cooperation, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1887894.shtml

⁴⁵ Law of the PRC on Countering Foreign Sanctions, <https://www.chinalawtranslate.com/en/counteringforeignsanctions/>

internal affairs. Those blacklisted could be denied entry into China, or deported, or their assets within China sealed, seized or frozen.



China's State Councilor and Foreign Minister Wang Yi meets Indonesia's Foreign Minister at Chongqing, June 7, 2021. Source: MOFA China

China's focus on South East Asia continued during the month. Reports indicate that the inaugural meeting of the China – Indonesia high level dialogue cooperation mechanism⁴⁶ took place between State Councilor and Foreign

⁴⁶ Five Important Consensuses Reached at the Inaugural Meeting of the China-Indonesia High-level Dialogue Cooperation Mechanism,

Minister Wang Yi and Indonesia's special envoy and country coordinator for cooperation Luhut Binsar Pandjaitan on June 5, 2021. China states that the two sides agreed to consolidate strategic solidarity to build a community with a share future; deepen cooperation on COVID-19 vaccines and healthcare; work together to upgrade cooperation under the Belt and Road Initiative; expand maritime cooperation and enrich cultural and people to people exchanges. Indonesia can be expected to continue trying to extract benefits from both China and the US, but without giving up its non-aligned outlook.

A special ASEAN-China Foreign Ministers' Meeting was held in Chongqing on June 7, 2021, to celebrate the 30th Anniversary of Dialogue Relations⁴⁷. Discussions focused on health and vaccine cooperation; post pandemic economic and social recovery; implementing the ASEAN – China Joint Statement on synergizing the Master Plan on ASEAN Connectivity and the BRI; promoting early entry into force of the RCEP agreement; and China's efforts to speedily conclude negotiations on the Code of Conduct in the South China Sea. Chongqing was also the site for the Lancang Mekong Cooperation Foreign Ministers' Meeting on June 08.

Frequent intrusions by PLA aircraft into Taiwan's airspace continued during the month, particularly during the period 14 – 20 June when they occurred daily. 28 Chinese aircraft were reported to have intruded on June 15, another seven on June 17. The intrusions continually create tension in Taiwan at relatively low cost for China.

On June 9, Prime Minister Yoshihide Suga referred to Taiwan as a country during a debate in the Diet. China was quick to respond, with its spokesman⁴⁸ pointing out, "Taiwan is an inalienable part of China's territory. The Taiwan question bears on the political foundation of China-Japan relations, the basic trust and good faith between the two countries and the international rule of law and justice. We seriously urge the Japanese side to earnestly honour its commitment, be prudent in words and actions, avoid undermining China's sovereignty in any form and refrain from sending any wrong signal to the "Taiwan independence" forces".

https://www.fmprc.gov.cn/mfa_eng/wjwb_663304/wjzbz_663308/activities_663312/t1881769.shtml

⁴⁷ Co-Chairs Statement on the Special ASEAN-China foreign Ministers' Meeting in Celebration of the 30th Anniversary of the Dialogue Relations,

https://www.fmprc.gov.cn/mfa_eng/wjwb_663304/wjzbz_663308/activities_663312/P020210608789163659126.pdf

⁴⁸ Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference on June 10, 2021, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1882905.shtml

The 37th and 38th Chinese naval escort taskforces held a mission-handover ceremony in the Gulf of Aden on the Morning of⁴⁹ June 7, 2021. The last attempted pirate attack in the region was on January 14 this year⁵⁰. It was unsuccessful. Far more ships have been boarded in South East Asia during the same period. Chinese presence off Somalia evidently still serves a useful purpose and can be expected to continue.

Reports indicate⁵¹ that China has made substantial progress in the construction of its third aircraft carrier (known as Type 003) at Jiangnan shipyard in Shanghai. Construction reportedly began in 2015, and the carrier, which will be substantially larger than its predecessors, is expected to enter service in 2023. It is expected to use the CATOBAR system, enabling launch and recovery of heavier aircraft and the employment of a more diverse air wing.

Media reports indicate that China conducted a night test the DF-26 and DF-16 missiles on the night of June 9, 2021⁵². The test involved a missile launch, relocation to a different position to cater for hostile attack, reloading and launch of a second missile strike. Interestingly, the US tested a Minuteman III ICBM the same day.

The Shenzhou-12 spacecraft with three Chinese astronauts onboard docked⁵³ with Tianhe, the core module of China's space station, on June 17, the first time China has conducted such a docking with a manned spacecraft. The three man crew began their three month sojourn at the space station. Separately, China and Russia⁵⁴ released the initial roadmap for the building of an International Lunar Research Station (ILRS) by them on June 16.

Japan Australia 2 + 2 Consultations

The Ninth Japan Australia 2 + 2 Consultations, involving Defence and Foreign Ministers from both countries, took place via video conference on June 9, 2021. The Joint Statement issued on the occasion focuses on two broad heads: the

⁴⁹ Chinese naval escort taskforces conduct mission-handover in Gulf of Aden, http://eng.mod.gov.cn/news/2021-06/09/content_4887113.htm

⁵⁰ IMB Piracy and Armed Robbery Map 2021, <https://www.icc-ccs.org/piracy-reporting-centre/live-piracy-map>

⁵¹ China's Third Aircraft Carrier Takes Shape, <https://www.csis.org/analysis/chinas-third-aircraft-carrier-takes-shape>

⁵² PLA Rocket Force Practices Nigh DF-26 Missile Launch, <https://www.globaltimes.cn/page/202106/1225886.shtml>

⁵³ Shenzhou-12 spaceship docks with space station core module, http://english.www.gov.cn/news/videos/202106/18/content_WS60cc0aad6d0df57f98db76e.html

⁵⁴ China, Russia release roadmap for international lunar research station, http://eng.mod.gov.cn/news/2021-06/18/content_4887636.htm

shared strategic vision for the Indo-Pacific and enhancing bilateral security and defence cooperation⁵⁵.

The two sides reaffirmed their intent to strengthen the bilateral special strategic partnership, based on shared values such as democracy, human rights, free trade and a rules-based international order; shared strategic interests in security, stability and prosperity of the region, and deep economic complementarity. They underscored the importance of a strong and enduring US presence that underpinned peace, stability and prosperity of the Indo-Pacific. They expressed their determination to work with like-minded partners, including India and the US, under frameworks such as the Trilateral Strategic Security Dialogue and the Quad to realise their vision for the region. They welcomed the increasing commitment of European countries and the EU towards the Indo-Pacific and acknowledged the importance of strengthening cooperation with European partners. They also expressed their strong opposition to coercive and destabilising behaviour and serious concern about the situation and coercive actions in the East China Sea, Taiwan Straits, South China Sea, in the economic domain, in Xinjiang and Hong Kong.

On the bilateral front, the two underscored the importance of coordinating strategic approaches, enhancing capability and deepening real-world cooperation in line with the increasingly challenging security environment. They stated their desire to increase the complexity and sophistication of bilateral exercises, expressed happiness at progress on the reciprocal access agreement and hoped to sign it at the earliest opportunity, and welcomed the creation of a framework for JSDF personnel to protect ADF assets. They also announced their intention of deepening cooperation on cyber and critical technology, and to enhance information sharing including through updating the Japan-Australia Information Security Agreement. Space security and space domain awareness was another area of proposed cooperation.

The Biden administration's hard line on China seems to have stiffened the resolve of both Australia and Japan to call out "unacceptable" behaviour by China. The hardening of China content in the joint statement is noticeable. Of note also is the stated resolve to continue working with like-minded partners including India, the references to the Trilateral Strategic Dialogue and the Quad, and the noting of increased interest of European partners and the EU in the region.

⁵⁵ Ninth Japan-Australia 2+2 Foreign and Defence Ministerial Consultations Joint Statement, <https://www.mofa.go.jp/files/100198963.pdf>

The joint statement identifies many areas where bilateral security and defence cooperation can be strengthened. Some of these are areas where India has much to offer. These could be further explored during the trilateral dialogue involving India, Australia and Japan that has been going on since 2015.

Western Pacific Developments

On June 3, 2021, President Biden signed an executive order⁵⁶ that expanded the earlier prohibition by the Trump administration on American's investing in Chinese companies with reported links to China's military. The action raised to 59 the number of Chinese companies on the 'Blacklist', from the original 48. Predictably, China's spokesperson said, "The US government uses the catch-all concept of national security and abuses state power to suppress and restrict Chinese enterprises in all possible means" and "What the US has done violates the law of the market and undermines the rules and order of the market. It has harmed not only the legitimate rights and interests of Chinese companies, but also the interests of global investors, including US investors".



Aircraft from the IN, IAF and USN fly past the USS Ronald Reagan in the Indian Ocean, June 23, 2021. Source: US Indo-Pacom.

President Biden nominated Carlos Del Toro to be Secretary of the Navy (SecNav) on June 11, 2020⁵⁷. A retired Commander with 22 years of service in the US Navy, Del Toro was born in Havana and migrated to the US in 1962. He was running a small information technology company and now takes on the

⁵⁶ Executive Order on Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China, <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/06/03/executive-order-on-addressing-the-threat-from-securities-investments-that-finance-certain-companies-of-the-peoples-republic-of-china/>

⁵⁷ President Biden Announces Seven Key Nominations, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/11/president-biden-announces-seven-key-nominations/>

responsibility of conducting all the affairs of the Department of the Navy (including the USN and the USMC) as its Chief Executive. Coming at a time of intense congressional debate over the geopolitical competition with China, his job will come under intense scrutiny. It is noteworthy that the preceding Trump administration ran through five SecNavs, including Sean Stackley, Richard Spencer, Thomas Modly, James McPherson and Kenneth Braithwaite.

On June 14, the Philippines suspended its decision to terminate the Visiting Forces Agreement with the US for the third time, once again for a period of six months. The decision was welcomed by the US⁵⁸. There would, however, be concern that the agreement was not renewed. The Filipino ambassador in Washington had earlier expressed confidence that Duterte would back a renegotiated agreement⁵⁹. It seems that Duterte prefers postponing the decision and may leave it to his successor. Elections are due in May 2022.

The American Institute in Taiwan (the de facto US Embassy in Taiwan) announced that the 11th Trade and Investment Framework Agreement (TIFA) Council Meeting would be held via digital video-conference on June 30, 2021⁶⁰. TIFA talks had been stalled during the Trump administration as his trade representative concentrated on China. Taiwan has long sought a FTA with the US. The move is sure to draw strong response from China, which believes that Taiwan does not have a right to state-to-state relations. China's spokesman had earlier urged the US side to "earnestly abide by the one-China principle and the three China-US joint communiqués, discontinue all forms of official interactions with the Taiwan region, avoid sending any wrong signals to 'Taiwan independence' forces to avoid undermining China-US relations and peace and stability across the Taiwan Strait"⁶¹.

The Ronald Reagan Strike Group entered the Indian Ocean through the Malacca Straits on June 20, 2021 and was headed for the North Arabian Sea to replace USS Dwight D Eisenhower and provide air cover during the US withdrawal from Afghanistan. Meanwhile, the Carl Vinson CSG was reported

⁵⁸ DOD Statement on Philippines' Suspension of Visiting Forces Agreement Termination, <https://www.defense.gov/Newsroom/Releases/Release/Article/2656723/dod-statement-on-philippines-suspension-of-visiting-forces-agreement-termination/>

⁵⁹ Philippine Envoy Confident Duterte will Back Revamped US Defence Pact, <https://www.reuters.com/world/asia-pacific/philippine-envoy-confident-duterte-will-back-revamped-us-defence-pact-2021-06-03/>

⁶⁰ The 11th Trade and Investment Framework Agreement Council Meeting, <https://www.ait.org.tw/the-11th-tifa-council-meeting/>

⁶¹ Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference on June 11, 2021, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1883214.shtml

exercising off Hawaii⁶², before being forward deployed to Yokosuka. The Ronald Reagan CSG had earlier conducted an exercise in the Indian Ocean with JMSDF training ships JS Kashima and JS Setoyuki. It conducted an exercise with the Indian Navy and the Indian Air Force (covered earlier). Separately, USS Charleston and a P-8A participated in CARAT Sri Lanka on June 24, 2021.

USS Curtis Wilbur and HMAS Ballarat conducted operations in the South China Sea from June 6-11, 2021⁶³. China's spokesperson reacted with "We hope relevant countries can do more to promote regional peace and stability, rather than flex muscles"⁶⁴. US Curtis Wilbur also carried out a routine transit of the Taiwan Strait on June 22, 2021.

⁶² Carrier Strike Group One arrives in Hawaiian Islands Operating Area, <https://www.pacom.mil/Media/News/News-Article-View/Article/2663299/carrier-strike-group-one-arrives-in-hawaiian-islands-operating-area/>

⁶³ USS Curtis Wilbur Conducts Bilateral Operations with HMAS Ballarat, <https://www.pacom.mil/Media/News/News-Article-View/Article/2655753/uss-curtis-wilbur-conducts-bilateral-operations-with-hmas-ballarat/>

⁶⁴ Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference on June 11, 2021, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1883214.shtml



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