



Delhi Policy Group

Advancing India's Rise as a Leading Power



INDO-PACIFIC MONITOR

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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 addressed to the author at lalit@dpg.org.in. To subscribe, please [click here](#).

Cover Image:

India's Prime Minister Shri Narendra Modi and French President Emmanuel Macron at the Élysée Palace on July 13, 2023.

Source: MEA Photo Gallery

NATO Heads of State and Government hosted by President of Lithuania at Vilnius, July 11, 2023. Source: NATO

JS Samidare, INS Delhi and INS Kamorta in the Bay of Bengal off Visakhapatnam during Exercise JIMEX 23, July 10, 2023.

Source: Indian Navy

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INDO-PACIFIC MONITOR

July 2023

Abstract

Prime Minister Modi followed up his US visit in June with a visit to France from July 13-14. The trip commemorated 25 years of partnership with India's first strategic partner and set out an ambitious vision for the next 25 years. An expanded Indo-Pacific Cooperation roadmap was among the outcomes. The two visits are at the forefront of India's thrust to upgrade its technological and military industrial capability while building partnerships in an era of deepening geopolitical contestation.

A brief visit to the UAE on July 15 followed on the way back, signalling increased levels of mutual comfort and a thrust to connect Arab finance and energy to India's growth. The energy rich Gulf has become an area of increasing geopolitical contestation. The visit outcomes indicated the continued progress in engaging the region and expanding India's influence.

The NATO Vilnius Summit on July 11-12, though focused on the war in Ukraine, marked growing European concern about China's stated ambitions and coercive policies. It noted that developments in the Indo-Pacific directly affect Euro-Atlantic security and resolved to strengthen cooperation with Asia-Pacific partners (AP4) to address shared security challenges. The proposal to open a NATO liaison office in Tokyo was shelved for the time-being. NATO may not be expanding into Indo-Pacific as yet, but its bigger European members are increasingly demonstrating their ability to carry out reach, strike and presence missions in the region.

Germany unveiled its China strategy on July 13. The strategy elaborated upon Germany's 2020 Policy Guidelines for the Indo-Pacific. It was explicit about growing concerns with China's actions and their impact on European and global security, and signalled German views on Taiwan unambiguously. Germany seeks a combined European approach towards China. It will not decouple, but will strive to ameliorate critical dependencies.

Exactly one year after taking over as Sri Lanka's Head of State and Government, Ranil Wickremesinghe made his first visit to India as the President on July 21. Agreements to strengthen connectivities in the maritime, air, energy and power, people-to-people, trade, economic and financial domains were signed. Notably, INS Khanjar, mission deployed in the Southern IOR, called at



Trincomalee for operational turnaround on July 29, significantly cutting down the time it had to remain away from station.

The Australia-Indonesia Annual Summit took place on July 4. The two countries are immediate neighbours and have been comprehensive strategic partners since 2005. Progress on enhancing the partnership has been limited, though the leaders did task their Foreign Ministers to renew the Roadmap which is presently till 2024. Significantly, Indonesia participated for the first time in the Australia-US exercise Talisman Sabre during the month.

Progress on delivery of the AUKUS agreement continued, despite hiccups including a block by Republican members of the US Senate on fast-tracking the proposal to sell Australia three Virginia-class SSNs. The 33rd AUSMIN meeting took place on July 29, with the 'principals' expressing satisfaction at the progress in upgrading of US force posture in Australia, capability development cooperation and regional security integration. This progress was demonstrated in Exercise Talisman Sabre, in which India was stated to have been an observer for the first time.

INS Kirpan, the third of India's Khukri-class corvettes, was decommissioned at Cam Ranh and handed over to the Vietnamese People's Navy (VPN) on July 22. Indian Naval ships participated in the IN-USN exercise SALVEX at Kochi, JIMEX-2023, Operation Southern Readiness with the Coalition Maritime Force in the Seychelles during the month. IN personnel also participated in a multinational Mine Countermeasures and Explosive Ordnance Disposal exercise in Mutsu Bay, Japan.

President Biden hosted Italian Prime Minister Giorgia Meloni for a summit at the White House on July 27. Their Joint Statement committed the two nations to a free, open, prosperous, inclusive and secure Indo-Pacific and reiterated the vital importance of maintaining peace and stability across the Taiwan Strait. A USN P-8A Poseidon carried out a routine transit of the Taiwan Strait on July 13.

The USN advised Congress that it needs 381 ships to fulfil the Biden Administration's National Defense Strategy, as against the present holding of 299 ships. This requirement did not include unmanned vessels.

Portions of the USS Baatan Amphibious Ready Group/Marine Expeditionary Unit were ordered to deploy to the CENTCOM AOR to counter Iranian attempts to disrupt the flow of international merchant vessel traffic. The group was expected to reach by end-July.

US President Joe Biden announced his intention to nominate Admiral Lisa Franchetti, currently the Vice Chief of Naval Operations, to be the next Chief of Naval Operations when Admiral Michael Gilday retires in August. Other



nominations include V Adm James Kilby to be the next VCNO, Admiral Samuel Paparo to be the next Commander-in-Chief Indo-Pacific Command, and V Adm Stephen Koehler to be the next Commander of the US Pacific Fleet.

The India France Partnership

Twenty-five years ago, France became India's first strategic partner. Within a decade, the remaining P-5 countries were strategic partners: Russia in 2000, the UK and the US in 2004, and China in 2005, marking the shift of focus for India's foreign policy from internal consolidation and immediate border challenges to a broader global plane. Prime Minister Narendra Modi's two-day visit to Paris on July 13-14, 2023, that too shortly after his visit to the US in June 2023, reflected India's "more energetic diplomacy in the world of convergences and issue-based arrangements"¹ as it pursues the goal of emerging as a leading power. As with all such visits, it was marked by symbolism, dialogue and statements.

A French Head of State/Head of Government has been the Chief Guest at India's Republic Day Parade in 1976, 1980, 1998, 2008 and 2016, while the Indian Prime Minister was the Guest of Honour at the Bastille Day Parade in 2009². Symbolism matters. In an unusual step, the Prime Minister was received at the airport by the French Prime Minister, Ms Elisabeth Borne³. He was conferred the Grand Cross of the Legion of Honour, France's highest award⁴, and hosted to a private dinner by President Emmanuel Macron⁵ on July 13, followed by a State Banquet on July 14. He was the Guest of Honour at the Bastille Day Parade on July 14⁶. A 269-member tri-service Indian contingent led the parade⁷, commemorating the 1.3 million Indian soldiers who fought during World War

¹ Excerpted from External Affairs Minister's Speech at the 4th Ramnath Goenka Lecture, November 14, 2019, https://mea.gov.in/Speeches-Statements.htm?dtl/32038/External_Affairs_Ministers_speech_at_the_4th_Ramnath_Goenka_Lecture_2019

² Prime Minister's Visit to France: PM's Statement to the media after the Parade (July 14, 2009), https://www.mea.gov.in/Speeches-Statements.htm?dtl/1113/Prime_Ministers_Visit_to_France_PMs_Statement_to_the_media_after_the_Parade_July_14_2009

³ Prime Minister Arrives in Paris, Republic of France, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939224>

⁴ Prime Minister Conferred with the Grand Cross of the Legion of Honour, https://mea.gov.in/press-releases.htm?dtl/36793/Prime_Minister_conferred_with_the_Grand_Cross_of_the_Legion_of_Honour

⁵ French President Macron Hosts Private Dinner in Honour of PM Modi, <https://www.aninews.in/news/world/europe/french-president-macron-hosts-private-dinner-in-honour-of-pm-modi20230714022548/>

⁶ Prime Minister attends the Bastille Day Parade as Guest of Honour, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939551>

⁷ Indian Tri-services Contingent Leaves for French Bastille Day Parade, <https://pib.gov.in/PressReleasePage.aspx?PRID=1937723>



I and the over 2.5 million who fought in World War II, including on French soil. INS Chennai was deployed to Brest, in France, from July 12-16 and participated in the parade there⁸. Four IAF Rafale fighters also participated in the flypast⁹.

Dialogue encompassing the executive, political and business leaders and the Indian Diaspora formed an important part of the visit programme. Prime Minister Modi met a cross-section of political leaders including the French President¹⁰, Prime Minister¹¹, the President of the French Senate¹² and the President of the National Assembly¹³. He interacted with the Indian community¹⁴ and with business leaders¹⁵. To the former, he spoke of India's progress and transformation, the role of India's Diasporas in strengthening the bilateral partnership, the diversity that is India's greatest strength¹⁶. To the latter, the thrust was apprising them of India's growth story and asking them to invest in India¹⁷.

The scope of India's partnership with France has expanded manifold, particularly in the last decade. The summit identified contours of India-France cooperation in the years ahead. The vision and immediate agreements are laid out in five documents: the Joint Communiqué¹⁸, the Roadmap for India-France Cooperation till 1947 (Horizon 2047)¹⁹, the Roadmap for India-France Cooperation in the Indo-Pacific²⁰, the Joint Commitment on Eliminating

⁸ Bastille Day Parade at Paris, France, <https://pib.gov.in/PressReleasePage.aspx?PRID=1937964>

⁹ Cooperation with France IAF Flying Contingent Departs for Participation in the Bastille Day Flypast, <https://pib.gov.in/PressReleasePage.aspx?PRID=1937956>

¹⁰ Prime Minister's Meeting with the President of the Republic of France, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939652>

¹¹ Prime Minister's Meeting with the Prime Minister of the Republic of France, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939341>

¹² Prime Minister's Meeting with the President of the Senate of France, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939337>

¹³ Prime Minister's Meeting with the President of the National Assembly of France, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939632>

¹⁴ Prime Minister's Interaction with the Indian Community in Paris, https://www.mea.gov.in/press-releases.htm?dtl/36792/Prime_Ministers_interaction_with_the_Indian_Community_in_Paris

¹⁵ Prime Minister's Address at the CEO Forum in Paris, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939653>

¹⁶ English rendering of PM's address at Indian Community programme in Paris, July 14, 2023, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939818>

¹⁷ Prime Minister's address at the CEO Forum in Paris, July 14, 2023, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939653>

¹⁸ Joint Communiqué on the Visit of Prime Minister Shri Narendra Modi to France, https://www.mea.gov.in/bilateral-documents.htm?dtl/36803/Joint_Communicu_on_the_visit_of_Prime_Minister_Shri_Narendra_Modi_to_France

¹⁹ Horizon 2047: 25th Anniversary of the India-France Strategic Partnership, Towards a Century of India-France Relations, <https://www.elysee.fr/admin/upload/default/0001/15/13ca1dc3c8938ae4ce52f5c53e149ddd251099cb.pdf>

²⁰ India-France Indo-Pacific Roadmap, https://www.mea.gov.in/bilateral-documents.htm?dtl/36799/IndiaFrance_IndoPacific_Roadmap



Single-use Plastic Pollution²¹, and the List of Outcomes following the PM's visit to France²².

The Joint Communiqué emphasises the strategic convergences that set India and France apart: the pursuit of sovereignty and strategic autonomy, an abiding faith in multilateralism and the shared quest for a stable multipolar world, as against the strategic dependence and unipolar world preferred by other developed nations. Although a founding member of NATO, France withdrew from the Alliance's integrated command structure in 1966, returning only in 2009. It contributed towards NATO operations in Bosnia, Kosovo and Afghanistan, but also carried out independent interventions in Africa. It continues to retain its independent nuclear deterrent. India, on the other hand has transitioned from non-alignment to multi-alignment while retaining its strategic autonomy and developing its independent capability, even though it has remained remarkably restrained despite provocation in its use of military capability abroad. Convergences will continue keeping the two partners engaged, despite occasional differences.

The Horizon Vision provides the roadmap for India-France cooperation till 2047, when the two countries will celebrate the centenary of India France relations and 50 years of strategic partnership. It is structured around three partnerships: for security and sovereignty, for the planet, and for the people. Under the first, the two countries have committed to building sovereign defence capabilities together, both to develop India's defence industrial and technological base and for export to third countries. This includes combat aircraft and helicopters, submarines, and surface ships by Garden Reach Shipbuilders and Engineers (GRSE) in collaboration with France's Naval Group. The DRDO is to set up a Technical Office in Paris to strengthen technology exchanges. Other areas of cooperation under this pillar include expansion of the 2018 vision for cooperation in the Indian Ocean to the Indo-Pacific, including through trilateral cooperation with Australia and the UAE; space cooperation; counter-terror cooperation; promoting multilateralism including through UN Security Council reform; and scientific and technological cooperation. Under the partnership for the planet, the two will strengthen energy security so as to meet climate objectives, jointly address the crises of climate change, biodiversity loss and pollution, support urban and ecological transitions in India as well as social inclusion, and strengthen trade and investment relations. Under the partnership for the people, the two will promote mobility and bilateral exchanges, particularly among the youth, as

²¹ Joint Commitment to Eliminate Single Use Plastic Products Pollution, https://www.mea.gov.in/bilateral-documents.htm?dtl/36801/Joint_Commitment_to_Eliminate_Single_Use_Plastic_Products_Pollution

²² List of Outcomes: Prime Minister's Visit to France, https://www.mea.gov.in/bilateral-documents.htm?dtl/36804/List_of_Outcomes_Prime_Ministers_visit_to_France



well as dialogue between the two cultures. A host of programmes under each head have been identified.

The Indo-Pacific Cooperation Roadmap expands the 2018 vision for Indian Ocean Cooperation to the Indo-Pacific. This cooperation will extend from the seabed to outer space. It involves deepening exchanges, cooperation on situational and domain awareness, increased naval visits, development of India's defence industrial capabilities and joint support to fulfil the needs of other countries. The two will develop comprehensive cooperation with French overseas territories including La Reunion, New Caledonia and French Polynesia; extend development cooperation to Africa, the Indian Ocean Region, South Asia, Southeast Asia and the Pacific, and strengthen of relations in the trilateral format with Australia in the East and the UAE in the West. They will also strengthen cooperation with regional fora such as IORA, ION, IOC, Djibouti Code of Conduct, ARF and ADMM+, while strengthening coordination through IFC-IOR in India, EMASoH in the UAE and Atalanta, RCOS in the Seychelles, RMIFC in Madagascar and ReCAAP in Singapore. France recorded its support for India's willingness to join the Combined Maritime Forces in the Western Indian Ocean. It committed to working with India towards advancing the IPOI. India and France will together finalise the India-France Indo-Pacific Triangular Development Fund.

In other takeaways, the Indian Navy is likely to go in for 26 Rafale-M fighters and three additional Scorpene submarines, though a formal announcement will probably be made only after elections 2024 in India. In space, France's CNES and ISRO are working together on reusable launchers, a joint Earth Observation Satellite TRISHNA, the first phase of a constellation of maritime surveillance satellites for the Indian Ocean and the protection of each other's satellites in orbit against collision risks. On the nuclear front, there is progress on the Jaitapur Nuclear Project and the two countries will launch cooperation on small modular reactors and advanced modular reactors. An agreement for France to supply India supercomputers worth € 100 million was announced. France has set a target of welcoming 30,000 Indian students by 2030 and announced a 5-year short stay Schengen visa for students with a Master's degree who have studied at a university in France. France will open a consulate in Hyderabad, while India will open one in Marseilles.

There has been vast change in the global environment from when India and France became strategic partners. The unipolar era that succeeded the Cold War is at its end. The US objective to pivot towards the emerging global financial hub, the Indo-Pacific, is coming up against demands from its traditional partners in Europe and the Middle East, the industrial and energy hubs of the present era. Assumptions about deterrence that had maintained the peace in Europe for much of the previous seven decades are giving way, with great powers jockeying for primacy in Europe and concerns about this



expanding into the Asia-Pacific. The rise of China and its assertive approach towards its interests, as also concerns about the US turning towards isolationism mean that the Indo-Pacific has become much more unstable. A rising India can ignore these developments only at its peril; it must factor them in and prepare for great power conflict impacting its region.

The geographical separation of over 6000 Km between the closest points of French mainland territory and India as well as the fact that both are middle powers means that prospects of Indian personnel defending French territory, as they did in the two world wars, or French personnel defending Indian territory, are dim. But France does have clear Indo-Pacific interests, including its offshore territories. The decision to enhance cooperation in this regard is notable.

Where the two can derive maximum mutual benefit is in their shared search for mutipolarity and multilateralism. This goes beyond the defence relationship, it includes regional and global influence, as well as the ability to shape new domains. Both can expand their space and regional influence through bilateral cooperation. This manifests itself in the multiple initiatives the two have taken to shape the global commons: maritime, air, cyber and space, as well as shared challenges, including countering terrorism, security of the sea lanes that connect the world, climate change and the energy transition, and a common approach towards global and regional governance.

The decision to strengthen cooperation in the trilateral format is also notable. The need to revive the India-France-Australia trilateral has already been covered by this author²³. Trilateral cooperation with the UAE offers another opportunity: the three countries carried out their maiden trilateral maritime exercise in June 2023²⁴. Notably, Prime Minister Modi visited the UAE on his way back from Paris.

India and France have thus embarked on expanding their potential to influence events in the Indo-Pacific, even if the two cannot shape them by themselves. How effective they are, and how much they achieve together, will depend on large part in how effectively the two leaders can communicate with and understand each other, and how much they put into delivering on their promise. The India-France partnership may not be as consequential as the

²³ Lalit Kapur, "Reviving India-France-Australia Trilateral Cooperation in the Indian Ocean", DPG Policy Brief Volume VII Issue 31, July 18, 2022, https://www.delhipolicygroup.org/uploads_dpg/publication_file/reviving-india-france-australia-trilateral-cooperation-in-the-indian-ocean-4095.pdf

²⁴ Maiden Indian-France-UAE Trilateral Maritime Partnership Exercise, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1930811>



India-US one, especially in the military dimension, but it will play a significant role in strengthening India's capacity nevertheless.

The UAE Visit

On his way back from Paris after the fruitful interaction with President Macron, Prime Minister Narendra Modi stopped in Abu Dhabi on July 15. He was received at the airport by the Crown Prince Sheikh Khaled bin Mohammed, indicating the high importance the UAE attaches to relations with India. He was also accorded a ceremonial welcome and Guard of Honour.

The visit content centred around two meetings, the first with Sheikh Mohammed bin Zayed, the President of UAE and the Ruler of Abu Dhabi, and the second with Sultan Al Jaber, the group CEO of Abu Dhabi National Oil Company (ADNOC) and the President-Designate of CoP 28. Unusually, there was no interaction with the Indian diaspora, even though the over 3.42 million overseas Indians in the UAE constitute the second largest Indian community abroad²⁵, after the US.

Prime Minister Modi and Sheikh Mohammed had met virtually in February 2022, outlining a far-reaching roadmap for a future-looking partnership²⁶. The vision encompassed cooperation in the economic, cultural, energy, climate, emerging technologies, skills, food security, health, educational, international and defence and security domains. Sheikh Mohammed was then the Crown Prince; he succeeded his father on the latter's demise in May 2022. The visit, therefore, offered opportunities for the two leaders to meet face to face for the first time after succession and take stock of progress in developing the comprehensive strategic partnership.

The Joint Statement following their meeting showed progress²⁷. Bilateral trade has risen to nearly \$ 84.8 billion in FY 2022-23, up from \$ 72.8 billion the previous year. Both sides expressed satisfaction at their international roles, with India's presidency of the G20 and UAE's presidency of CoP28. They both looked forward to further cooperation in plurilateral fora such as the I2U2 and the UAE-France-India trilateral cooperation initiative. They witnessed the signing of two MoUs by the Governors of their respective Central Banks; one for the establishment of a framework to promote the use of local currencies for

²⁵ Based on Population of Overseas Indians, <https://mea.gov.in/population-of-overseas-indians.htm>

²⁶ Joint India-UAE Vision Statement – Advancing the India-UAE Comprehensive Strategic Partnership: New Frontiers, New Milestones, http://mea.gov.in/bilateral-documents.htm?dtl/34877/Joint_IndiaUAE_Vision_Statement_Advancing_the_IndiaUAE_Comprehensive_Strategic_Partnership_New_Frontiers_New_milestones

²⁷ India-UAE Joint Statement during the visit of Prime Minister, Shri Narendra Modi to UAE, July 15, 2023, <https://pib.gov.in/PressReleasePage.aspx?PRID=1939795>



cross-border transactions, the other on interlinking of payment and messaging systems. They also witnessed the signing of an MoU to establish IIT Delhi in Abu Dhabi: the IIT will become operational by January 2024, offering a Master's programme in Energy Transition and Sustainability. Other programs will be offered from September 2024. They noted that UAE had become the fourth largest investor in India in 2022-23, up from the seventh largest investor the previous year, and appreciated the plan of the Abu Dhabi Investment Authority to set up a presence in India's GIFT City in the next few months. They resolved to take forward bilateral cooperation in Green Hydrogen, solar energy and grid connectivity, increase investment across the energy spectrum including in India's Strategic Petroleum Reserve Programme, and resolved to expand food and agriculture trade. The health sector was another area of cooperation, with the leaders exploring the potential of both countries to become reliable providers in global supply chains for vaccines and medicines, as well as opportunities for collaboration in health infrastructure. Finally, they decided to strengthen maritime security and connectivity, agreed to enhance defence exchanges and reaffirmed their joint commitment to fight against extremism and terrorism, including cross-border terrorism in all forms.

A joint statement on climate change was also issued²⁸. India and the UAE expressed their determination to ensure the successful outcome of CoP28. They called on developed countries to fulfil the USD 100bn delivery plan so that the goal can be met in 2023 and called upon international financial institutions and multilateral development banks to make tangible progress in reforming financial mechanisms, unlocking concessional finance, manage risk, and attract additional private capital to support the climate change plans of developing countries.

Five major geopolitical trends are reshaping the Indian Ocean littoral. The first is expansion of Chinese influence in the Arabian Peninsula, exemplified by the Xi Jinping visit to Riyadh in December 2022²⁹ and the March 2023 deal to bring about rapprochement between Iran and Saudi Arabia³⁰. This comes at a time when the desire to pivot to the Indo-Pacific has resulted in reduction of US influence in the region, as was evident from the Biden visit to Saudi Arabia in July 2022³¹. The US has, in fact, been forced to enhance US force levels in the Gulf during the current month, with the USS Bataan Amphibious Ready Group

²⁸ India-UAE: Joint Statement on Climate Change, July 15, 2023,

<https://pib.gov.in/PressReleasePage.aspx?PRID=1939798>

²⁹ Statement of the Riyadh Summit for Cooperation and Development Between the GCC and the People's Republic of China, <https://www.spa.gov.sa/2408192>

³⁰ Joint Trilateral Statement by the People's Republic of China, the Kingdom of Saudi Arabia and the Islamic Republic of Iran, March 10, 2023, http://se.china-embassy.gov.cn/eng/zqgw_0/202303/t20230311_11039241.htm

³¹ For an overview, see Lalit Kapur, "Biden's Middle East Visit", Indo-Pacific Monitor, Vol III Issue 7, July 2022, https://www.delhipolicygroup.org/uploads_dpg/publication_file/indo-pacific-monitor-4099.pdf



and accompanying ships being directed to move into the CENTCOM AOR³². Its ability to sustain this force will, however, be constrained by reducing force levels and increasing demand for maintenance of presence. Third is the sharply increased activity by India in the region, as it seeks to 'Link West'; UAE is at the forefront of India's regional initiatives, including through the strategic partnership agreement. Fourth is increasing cooperation between France and India in the region, as became evident from the maiden India-France-UAE trilateral maritime exercise³³. Fifth is the Abrahams Accords and India-Israel-UAE-US partnership³⁴.

The developing geopolitical situation has sharply enhanced the prospects for India to play a broader role in regional affairs. In the Gulf, however, the ability to enhance influence will depend in large part on an enhanced security and stability role; just an economic role will not be enough. Indicators of India playing a larger security role are already evident, including from increased maritime presence and port visits, training exchanges and other defence exchanges. These will have to be carefully nurtured and grown to fulfil the tenets of the SAGAR vision.

The NATO Vilnius Summit

The NATO Vilnius Summit on July 11-12, chaired by Secretary General Jens Stoltenberg, marked a significant moment in the Alliance's evolution. On the one hand, it showed that the 'brain death' of NATO³⁵ had been reversed, the Alliance had been rejuvenated and is looking forward with definite purpose. On the other, the summit signalled the trend of NATO's position on broader challenges, including terrorism and potentially China, both of which will continue to shape global geopolitics even after the war in Ukraine is over. The Alliance's rejuvenation, more than anything else, proves that Russia's action in Ukraine has achieved a strategic purpose very different from what was intended.

³² Department of Defense to Deploy Forces to CENTCOM to Bolster Maritime Security, July 20, 2023, <https://www.defense.gov/News/Releases/Release/Article/3466120/departments-of-defense-to-deploy-forces-to-centcom-to-bolster-maritime-security/>

³³ Maiden India-France-UAE Maritime Partnership Exercise, June 8, 2023, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1930811>

³⁴ Joint Statement of the Leaders of India, Israel, United Arab Emirates, and the United States (I2U2), July 14, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/07/14/joint-statement-of-the-leaders-of-india-israel-united-arab-emirates-and-the-united-states-i2u2>

³⁵ President Macron had in November 2019 described NATO as 'brain dead'. See "Emmanuel Macron Warns Europe: NATO is becoming brain-dead", *The Economist*, November 7, 2019, <https://www.economist.com/europe/2019/11/07/emmanuel-macron-warns-europe-nato-is-becoming-brain-dead>



Just a week before, the Allies had extended the term of Jens Stoltenberg as NATO's Secretary General by a year, till October 2024³⁶. The summit's agenda comprised addressing the challenge to Europe from Russia's war in Ukraine; Ukraine's admission into NATO; breaking the cycle of Russian aggression; addressing the larger authoritarian challenge, including from China; and strengthening NATO deterrence and defensive capability³⁷. Much the same agenda had been forecast by the US³⁸.

The Summit Communiqué reaffirmed the Alliance's unity, cohesion, solidarity and defensive nature³⁹. It reiterated the three NATO core tasks: deterrence and defence, crisis prevention and management, and cooperative security. It welcomed Finland as NATO's newest member and looked forward to Sweden's membership following the agreement between the NATO Secretary General, the President of Türkiye and the Prime Minister of Sweden⁴⁰. It then identified two global and interconnected threats to the European security order: Russia as the most significant and direct threat to Allies' security and to peace and stability in the Euro-Atlantic area, and terrorism in all its forms and manifestations as the most direct asymmetric threat to the security of NATO citizens, international peace and prosperity. It recorded the NATO world view of strategic competition, pervasive instability and recurrent shocks defining the global security environment. Noting that conflict, fragility and instability in Africa and the Middle East directly affected NATO interests and those of partners, it observed that "the PRC's stated ambitions and coercive policies challenged our interests, security and values". Cyber space, hybrid and other asymmetric threats and the malicious use of emerging and disruptive technologies were again identified as the other challenges. The world view remained much the same as had been put forward in NATO's 2022 Strategic Concept⁴¹.

NATO describes itself as a defensive alliance, Ukraine is not a member. The Allies, however, have provided extensive political, ISR, materiel, training and financial support to Ukraine in its war against Russia and continue doing so.

³⁶ North Atlantic Council extends mandate of NATO Secretary General, July 4, 2023, https://www.nato.int/cps/en/natohq/news_216761.htm?selectedLocale=en

³⁷ Jens Stoltenberg, "A Stronger NATO for a More Dangerous World", July 10, 2023, <https://www.foreignaffairs.com/europe/stronger-nato-more-dangerous-world-vilnius-jens-stoltenberg>

³⁸ CRS Report IN 12192 Previewing NATO's 2023 Vilnius Summit, <https://crsreports.congress.gov/product/pdf/IN/IN12192>

³⁹ Vilnius Summit Communiqué Issued by NATO Heads of State and Government Participating in the Meeting of the North Atlantic Council in Vilnius 11 July 2023, https://www.nato.int/cps/en/natohq/official_texts_217320.htm

⁴⁰ Press Statement following the meeting between Türkiye, Sweden and the NATO Secretary General, July 10, 2023, https://www.nato.int/cps/en/natohq/news_217147.htm

⁴¹ NATO 2022 Strategic Concept, https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf



Direct NATO intervention, however, remains a red line they are unwilling to cross. They vowed never to recognise Russia's annexations, including of Crimea, and to hold accountable all those responsible for war crimes and other atrocities, such as attacks on civilians and the destruction of civilian infrastructure. They called on Belarus and Iran to end their complicity with Russia and return to compliance with international law.

The Allies were not agreed on Ukraine's membership yet, with the US holding back. They recognised that Ukraine's path to membership had moved beyond the need for the Membership Action Plan and unequivocally stated that Ukraine's future is in NATO, reaffirming the commitment of the 2008 Bucharest Summit. They did, however, establish a NATO-Ukraine Council as a crisis consultation mechanism, where the Allies and Ukraine will sit as equal members, ostensibly to advance political dialogue, engagement, cooperation and Ukraine's aspirations for full membership in NATO. Ukraine will be able to summon a Council meeting at will to obtain continued support. For the time being, Ukraine appeared satisfied with this formulation.

The Allies recorded "Countering terrorism in all its forms and manifestations is essential to our collective defence". This is significant as the world's main sources of terrorism lie in the Middle East and North Africa, outside the geographical ambit of NATO, and the philosophy so far has been defending forward. They tasked the Council to update NATO's Policy Guidelines and Action Plan on Counter-terrorism and reassess, in consultation with regional partners, the areas where NATO can provide civil-military assistance (and no doubt, over-the-horizon or clandestine intervention). They also tasked the Council to launch a comprehensive and deep reflection on existing and emerging threats and challenges, and opportunities for engagement with partner nations, to be presented at the 2024 Summit in Washington.

The China section of the Communiqué was unequivocal, calling out China's stated ambitions and coercive policies; its employment of political, economic and military tools to increase its global footprint and project power; malicious hybrid and cyber operations; confrontational rhetoric and disinformation; attempt to control key technological and industrial sectors, critical infrastructure, and strategic materials and supply chains; use of economic leverage to create strategic dependencies; and subversion of the rules-based international order, including in the space, cyber and maritime domains. Leaders agreed that NATO would remain open to constructive engagement with the PRC, while working together to address systemic challenges and ensure NATO's ability to guarantee the defence and security of Allies. Towards this end, NATO would boost shared awareness, enhance resilience and preparedness and protect against the PRC's coercive tactics and efforts to divide the Alliance. The hope of changing China's geopolitical outlook, based on commercial interests of both sides, remained strong. However, the Allies



noted the PRC's rapid expansion and diversification of its nuclear arsenal and called on it to engage in strategic risk reduction discussions and promote stability through greater transparency with regard to its nuclear weapon policies plans and capabilities. They resolved to continue to address the systemic challenges posed by the PRC to Euro-Atlantic security. Noting that developments in the Indo-Pacific can directly affect Euro-Atlantic security, the leaders welcomed the contributions of the four Asia-Pacific partners (AP4, Japan, South Korea, Australia and New Zealand) and resolved to strengthen dialogue and cooperation to tackle shared security challenges, including on cyber defence, technology and hybrid challenges.

On the deterrence and defence front, the Allies recommitted to investing at least 2% of their GDP annually on defence. At least 20% of this was to be on major equipment, including R&D. They committed to contributing the necessary forces, capabilities and resources to the full range of NATO operations, missions and activities. They also committed to ensuring that forces were ready and had the necessary personnel, equipment, training, spares, logistics, infrastructure and stockpiles. Numerous other actions spoke of decisive action to enhance deterrence across the board. There was, however, no decision on the proposal to open a NATO Liaison Office in Tokyo. The leaders noted that they would meet in Washington DC in 2024, followed by a meeting in the Netherlands in 2025.

The 'brain-dead' alliance has come alive and will continue expanding its ambit, unless Donald Trump or another similar US leader comes along and calls its purpose into question again. Within Europe, the war in Ukraine will continue until a mutually acceptable compromise can be found with Russia, or Russia is defeated. The far greater economic, technological and military interests the US has in the Asia-Pacific have been put on the back burner for the time being, while the objective of strengthening European security has been brought to the forefront. The objective is to maintain and strengthen the 'Caucasian Club' that has dominated the global order for over three centuries. There will, however, be a quid pro quo that the US seeks in return for its support in Europe, and the most likely 'quid' is expansion of NATO into a global alliance.

Incorporation of the AP4 into NATO is the clearest indicator of US desire to expand NATO. European nations that can contribute significantly towards an expanded NATO are Western European, mainly UK, France, Germany, perhaps the Netherlands and Italy. All have already enunciated their Indo-Pacific interests and 'strategies'. France, Germany and the UK have demonstrated their air and maritime reach and power projection ability into the Indo-Pacific through military exercises last year. Some may continue holding out against the expansion of NATO's geographic remit: President Macron has gone on record to say that NATO should remain firmly focused on the North Atlantic. He has, however, accepted the idea that NATO should have partners in other



regions with which the alliance manages major security concerns in the Indo-Pacific, Africa and the Middle East. The pressure for NATO to grow will gather momentum, particularly if China's assertion continues without moderation, or its support for Russia continues.

Europe's connect with the Indo-Pacific, however, will necessarily be through the Indian Ocean. Thus, the alliance's expansion will inevitably impact India. Prime Minister Modi's assertion of the Indian Ocean determining the future of the 21st century and being the centre of global assertion is being proved true⁴². However, the ability of the AP4, European countries and even the US to contribute towards securing the connecting sea lanes passing through the Indian Ocean will remain limited. The pressure on India to contribute towards this security will, therefore, grow. India will have to make a call on whether it will provide the requisite level of security, and if so, the price it demands for it.

Germany's China Strategy

Just under three years after enunciating Policy Guidelines for the Indo-Pacific⁴³, The Federal Republic of Germany unveiled its new strategy on China on July 13, 2023⁴⁴. The 2020 policy guidelines were criticised as lacking clarity on China. This criticism has been addressed somewhat, accentuating Germany's gradual turn away from China, albeit without closing the doors to the resumption of a relationship that had proved hugely beneficial to both countries.

The Indo-Pacific construct came into being primarily to manage China's rise. All countries that have adopted the concept have a strong economic relationship with China and see considerable benefit from continuing this relationship. But they also need to safeguard themselves against China's coercive actions, interference in their domestic affairs, gradual subversion of international law, including UNCLOS and the evident desire to establish dependencies.

Germany's 2020 policy guidelines were carefully constructed to highlight German concerns but without antagonising China. The new strategy is explicit about these concerns. It takes note of "setbacks concerning civil and political rights" in China, describes China's economic strategy as designed to

⁴² Based on PM Modi's SAGAR speech, see "Text of the PM's Remarks on the Commissioning of Cost Ship Barracuda, 12 March 2015, <http://www.pib.gov.in/newsite/erelcontent.aspx?relid=116881>

⁴³ "Germany – Europe – Asia: Shaping the 21st Century Together": The German Government adopts policy guidelines on the Indo-Pacific Region, September 01, 2020, <https://www.auswaertiges-amt.de/en/aussenpolitik/regionaleschwerpunkte/asien/german-government-policy-guidelines-indo-pacific/2380510>

⁴⁴ Strategy on China of the Federal Republic of Germany, <https://www.auswaertiges-amt.de/blob/2608580/317313df4795e104f1ea3263d41860d8/china-strategie-en-data.pdf>



make it less dependent on others while making international production chains more dependent on China, and deplores the tightening of conditions for access to the Chinese market. It says, "China is pursuing its own interests far more assertively and is attempting in various ways to reshape the existing, rules-based international order", thus impacting European and global security. However, China is an essential partner as regards global challenges. The strategy thus describes China as simultaneously a partner, competitor and systemic rival. It seeks a combined European approach towards China; towards this end Germany will consult European partners before undertaking bilateral discussions with China, inform EU partners about outcomes, and where possible, include individual EU partners or institutions in bilateral talks on a case-by-case basis. The strategy declares that ratification by the Council of the EU of the Comprehensive Agreement on Investment between China and the EU negotiated in 2020 is not possible at the present time.

Germany will continue to engage with China in recognition of the fact that none of the major global problems can be solved without China's participation. However, Germany will discuss differences openly, seek common ground and work towards overcoming imbalances in the relations. It describes the 2016 award of the Permanent Court of Arbitration on the South China Sea case as binding, says it will advocate for the rights and freedoms of all states under UNCLOS (essentially freedom of navigation and overflight) on a regular basis and will reinforce them through maritime patrol missions. It will continue to call for human rights to be upheld, particularly to serious violations against the Uighurs in Xinjiang and the situation in Tibet and Hong Kong. It supports the imposition of sanctions in cases of serious human rights violations, including in China.

On the economic front, the Federal Government will not seek to decouple from China, but will strive to ameliorate critical dependencies, including in the medical field, rare earths and products needed for the energy transition. Germany seeks access for European countries to public procurement in China, seeks equitable opportunities in the transport sector, and calls on China to fulfil its special responsibility for debt restructuring of highly indebted countries. Noting that Germany and the EU have a strong interest in close economic, foreign policy and security policy partnership with Indo-Pacific countries, the strategy asserts that Germany will act to preserve the international rules-based order through temporary military presence in the Indo-Pacific, including German naval patrols and participation in multinational joint military exercises. Describing the situation in the Taiwan Strait as being of critical importance, the strategy declares, "The status quo in the Taiwan Strait may only be changed by peaceful means and mutual consent. Military escalation would also affect German and European interests".



Enunciation of the strategy is a first step; Germany will now have to effectively implement it. This will necessitate resisting strong pressure from business lobbies and the enhanced deployment of military capabilities in the Indo-Pacific. Germany had deployed the frigate Bayern into the Pacific in 2022. It had demonstrated the reach of its fighter aircraft by rapidly deploying in the region and becoming effective in a matter of days. Germany had also participated in Exercise Pitch Black in Australia in 2022 and is participating in the ongoing Exercise Talisman Sabre. Capacity constraints will, however, ensure that German participation remains little more than a token affair. Where it will count, however, is in persuading other European countries to follow suit.

In 2021, the EU had followed Germany and France in coming out with an Indo-Pacific Strategy⁴⁵. European attention is currently on Ukraine, but concern about China and its intentions will not be far behind. The need to moderate China's behaviour including through deterrence can no longer be suppressed.

The Sri Lanka President's Visit to India

Sri Lanka President Ranil Wickremesinghe visited India on July 21 for discussions with Prime Minister Narendra Modi and a courtesy call on the President Smt Droupadi Murmu⁴⁶. It made India the seventh country he has visited as President after the UK (three times), Japan (twice), the Philippines, Egypt, Singapore and France. He had earlier visited India as Prime Minister in September 2015 and also in November 2017 and October 2018.

The two leaders witnessed the exchange of five Memorandums of Understanding⁴⁷. They also signed an Economic Partnership vision document⁴⁸, which spells out India's long term-commitment to Sri Lanka. The document calls for promoting and strengthening of five connectivities:

⁴⁵ For an overview, see Lalit Kapur, "The EU Indo-Pacific Strategy", in the Indo-Pacific Monitor, Vol II, Issue 4, April 2021, https://www.delhipolicygroup.org/uploads_dpg/publication_file/indo-pacific-monitor-2329.pdf

⁴⁶ Official visit of President of Sri Lanka to India (July 21, 2023), https://www.mea.gov.in/press-releases.htm?dtl/36816/Official_Visit_of_President_of_Sri_Lanka_to_India_July_21_2023

⁴⁷ List of Outcomes: Official Visit of the President of Sri Lanka to India, https://www.mea.gov.in/bilateral-documents.htm?dtl/36867/List_of_Outcomes_Official_Visit_of_the_President_of_Sri_Lanka_to_India

⁴⁸ Promoting Connectivity, Catalysing Prosperity: India-Sri Lanka Economic Partnership, July 21, 2023, https://www.mea.gov.in/bilateral-documents.htm?dtl/36864/Promoting_Connectivity_Catalysing_Prosperty_IndiaSri_Lanka_Economic_Partnership_Vision



maritime; air; energy and power; trade, economic and financial; and people-to-people.

In maritime connectivity, the two will develop ports and logistics infrastructure in Colombo, Trincomalee and Kankesanthurai. They will resume ferry services between Nagapattinam and Kankesanthurai, and work towards resumption of ferry services between Rameswaram, Talaimannar and other mutually agreed places.

To enhance air connectivity, the existing Chennai-Jaffna flight will be extended to Colombo. They will, in addition, explore air connectivity between Chennai and Trincomalee, Batticaloa and other destinations in Sri Lanka. They will also explore augmenting the airport infrastructure at Palaly.

In energy and power connectivity, the MoU on cooperation in renewable energy will develop Sri Lanka's offshore wind and solar potential. A high capacity power grid interconnection will enable bidirectional electricity trade between Sri Lanka and other regional countries. The two will also explore cooperation in green hydrogen and green ammonia, develop Trincomalee as a national and regional hub of industry, energy and economic activity, construct a multi-product petroleum pipeline from India to Sri Lanka, and undertake joint exploration and production of hydrocarbons in Sri Lanka's offshore basins.

In trade, economic and financial connectivity, the two have agreed to facilitate investments from India in the divestment of Sri Lankan State-owned enterprises and in manufacturing and economic zones in Sri Lanka. They have designated the Indian Rupee as a currency for trade settlements between the two countries and agreed to operationalise UPI based digital payments to further enhance business.

Towards people-to-people connectivity, the two have agreed to popularise India's Buddhist circuit and the Ramayana trail. They will explore establishment of higher education and skilling campuses in Sri Lanka, expand cooperation between research and academic institutions in multiple areas, and establish land connectivity between India and Sri Lanka to enable land access to Trincomalee and Colombo. A feasibility study for such connectivity is to be conducted at an early date.

An immediate neighbour separated from India only by the narrow Palk Strait, Sri Lanka is vital for implementation of the SAGAR vision, including the defence of India's Indian Ocean interests. China's growing influence in the country, reflected in its investment in Colombo and Hambantota and provision of port facilities to visiting Chinese nuclear submarines and warships had generated concern. However, the debt trap Sri Lanka found itself in and default



on its loan repayment obligations last year led to political unrest, resulting in the fall of the Rajapaksa government and re-establishment of a balance in Sri Lanka's external relations.

It is necessary for India to at least maintain this balance, if not swing it further in India's favour. The ambitious vision document and agreements during the current visit offer the potential to do so, effectively integrating Sri Lanka into India's growth story. The five connectivities will strengthen Sri Lanka's stake in India and vice versa, supplementing already strong bilateral defence relations. However, given that China is Sri Lanka's largest creditor, is deeply invested in Sri Lanka and has deeper pockets, the true impact will come only from execution of agreements. Working together with other nations like Japan and Australia to counter China's influence is desirable. As noted by Prime Minister Shri Narendra Modi, "A stable, secure and prosperous Sri Lanka is not only in India's interest, but in the interest of the entire Indian Ocean Region"⁴⁹.

The Australia Indonesia Annual Summit

As an immediate maritime neighbour, a fellow trillion dollar economy, the world's third largest democracy, its largest Muslim nation and the region through which more than 60% of Australia's trade passes⁵⁰, Indonesia is one of Australia's most important bilateral relationships. The two countries span the crossroads between the Indian and Pacific Oceans. They upgraded their bilateral relationship to a Comprehensive Strategic Partnership (CSP) on August 31, 2018⁵¹. So when leaders of the two nations came together for their annual summit at Sydney on July 4, 2023, the Indo-Pacific watched.

The CSP agreement⁵² and its action plan⁵³ were based on five pillars: economy and development, connecting people, securing shared interests, maritime cooperation and contributing to Indo-Pacific stability. All five were addressed

⁴⁹ English translation of Press Statement by Prime Minister Shri Narendra Modi during the visit of President of Sri Lanka to India, July 21, 2023, https://www.mea.gov.in/Speeches-Statements.htm?dtl/36862/English_translation_of_Press_Statement_by_Prime_Minister_Shri_Narendra_Modi_during_the_visit_of_the_President_of_Sri_Lanka_to_India

⁵⁰ Australia's Trade in Goods and Services by Top 15 Partners, <https://www.dfat.gov.au/sites/default/files/australias-goods-services-by-top-15-partners-2021-22.pdf>

⁵¹ Joint Declaration on a Comprehensive Strategic Partnership between Australia and the Republic of Indonesia, <https://www.dfat.gov.au/geo/indonesia/joint-declaration-comprehensive-strategic-partnership-between-the-commonwealth-of-australia-and-republic-of-indonesia>

⁵² Ibid.

⁵³ Plan of Action for the Indonesia-Australia Comprehensive Strategic Partnership 2020-2024, <https://www.dfat.gov.au/geo/indonesia/plan-of-action-for-the-indonesia-australia-comprehensive-strategic-partnership-2020-2024>



in the summit Joint Communiqué⁵⁴. Additional deliverables, however, were few. On the economic front, an A\$50 million fund to unlock investment into climate and clean energy-focussed Indonesian small and medium enterprises was announced. Leaders directed officials to advance cooperation on Indonesia's efforts to develop an electric vehicle production ecosystem, but without any concrete agreement in this area. They welcomed the intention of Export Finance Australia and PT Perusahaan Listrik Negara to establish a US\$200 million capital financing facility to support Indonesia's energy transition. They welcomed extension of the Australia-Indonesia Partnership for Economic Development to 2026.

On the connecting people front, Australia announced new visa offerings for Indonesia, including immediate extended visa facility for business travellers, access for Indonesian e-passport holders to Australian SmartGates, and access to a Frequent Traveller Stream visa with a ten-year validity. The leaders welcomed the signing of the Agreement for Mutual Recognition of Engineers between the two countries, directed officials to discuss updates to the bilateral air services agreement, and noted the intent of three Australian universities to establish campuses in Surabaya, Bandung and Balikpapan.

On securing shared interests, the leaders reiterated the values of an open, stable and prosperous region where collaboration is strong, competition is managed responsibly, sovereignty and territorial integrity are respected, and countries can exercise their agency free from coercion. They welcomed progress towards developing a Defence Cooperation Agreement (an Australian media release⁵⁵ portrayed this as a treaty-level Defence Cooperation Agreement). The inclusion of a paragraph expressing deep concern about the war in Ukraine and deploring Russian aggression was notable. The sections on maritime cooperation and contribution to Indo-Pacific stability and prosperity were essentially reiteration of past commitments. The leaders also looked forward to release of Australia's Southeast Asia Economic Strategy to 2040 and asked Foreign Ministers to renew the Plan of Action for the CSP.

Indonesian President Joko Widodo identified future priorities on which Indonesia and Australia needed to work together during the press interaction following the visit⁵⁶. First was that the two countries must build more substantive cooperation through the joint production of EV batteries. Second, optimisation of trade through mutual recognition agreements on fisheries

⁵⁴ Australia Indonesian Annual Leaders' Meeting Joint Communiqué, <https://www.pm.gov.au/media/joint-communication-australia-indonesia-annual-leaders-meeting>

⁵⁵ Media Release, <https://www.pm.gov.au/media/closer-cooperation-indonesia-stable-and-prosperous-future>

⁵⁶ Australia-Indonesia Annual Leaders Meeting Transcript, <https://www.pm.gov.au/media/australia-indonesia-annual-leaders-meeting>



products, quarantine and especially for fruits and increasing the capacity of SMEs. Third was carbon emission reduction, where Indonesia would invite cooperation for the development of carbon capture and storage as well as green energy oriented smelters in Indonesia. Fourth was on the construction of the Nusantara Capital City.

With over an 88% Caucasian population in an Asian neighbourhood⁵⁷, Australia has long feared abandonment by its Western compatriots. This fear has shaped the three pillars on which Australian foreign policy rests⁵⁸: doing all that is necessary to ensure the support of strong allies, a rules-based order, and engagement with Asia, particularly to safeguard itself against 'the yellow peril'⁵⁹. Increased security concerns following China's assertive approach under Xi Jinping have manifested themselves in the AUKUS alliance, the Quad partnership, the steps to building of a Special Strategic Partnership with Japan and the enhanced Australian interest in India. The period of unrestrained expansion of economic and people-to-people relations with China has ended.

Indonesia, Australia's Northern neighbour has long been cultivated as a moderate bulwark against China's expansion towards Australia. Hence the Comprehensive Partnership Agreement of April 2005⁶⁰ and its upgrading to a Comprehensive Strategic Partnership in 2018⁶¹. However, high trust levels are necessary to build practical cooperation that binds the nations together. As per a June 2023 poll⁶², 49% of the Australians don't trust Indonesia to act responsibly in the world. Only 34% have confidence in Indonesian President Joko Widodo. Only 12% think of Indonesia as Australia's best friend in Asia. Indonesia ranks 14th among Australia's trade partners, with a total trade of just A\$18.4 billion in FY 2021-22⁶³. On the other side, only 1.7% of the Indonesians polled perceive Australia as having political and strategic influence in Southeast Asia, only 2.5% see Australia as a champion of the free trade agenda, 0.8% have confidence that Australia will provide the leadership necessary to maintain the rules-based order and uphold international law, and only 7.4% see

⁵⁷ Australia, <https://www.cia.gov/the-world-factbook/countries/australia/>

⁵⁸ Allan Gyngell, "Fear of Abandonment: Australia in the World Since 1942", updated edition published August 16, 2021, La Trobe University Press.

⁵⁹ HJ Mackinder, "The Geographical Pivot of History", in The Geographical Journal Volume 170, No. 4, pp 298-321

⁶⁰ Joint Declaration on Comprehensive Partnership Between Australia and the Republic of Indonesia, <https://www.dfat.gov.au/geo/indonesia/joint-declaration-on-comprehensive-partnership-between-australia-and-the-republic-of-indonesia>

⁶¹ Joint Declaration on a Comprehensive Strategic Partnership between Australia and the Republic of Indonesia, <https://www.dfat.gov.au/geo/indonesia/joint-declaration-comprehensive-strategic-partnership-between-the-commonwealth-of-australia-and-republic-of-indonesia>

⁶² Lowy Institute Poll 2023, <https://poll.lowyinstitute.org/files/lowyinsitutepoll-2023.pdf>

⁶³ Australia's Trade in Goods and Services 2021-22, <https://www.dfat.gov.au/trade/trade-and-investment-data-information-and-publications/trade-statistics/trade-in-goods-and-services/australias-trade-goods-and-services-2021-22>



Australia as a third party to hedge against the uncertainties of the US-China strategic rivalry. Australia does, however, enjoy the preference of 14.9% Indonesians as a source of education and 5% as a holiday destination⁶⁴.

These factors are responsible for the relative paucity of deliverables in the summit's joint communique. There is incremental progress, but no transformational developments. There was positive reference to the Quad and its support for ASEAN centrality, but no mention of AUKUS. Australia appears optimistic about a treaty level defence cooperation agreement first hinted at in the 2+2 dialogue between the countries in February 2023⁶⁵, but whether such an agreement will actually see light of day is questionable.

AUKUS Developments

Australia announced the launch of the Australian Submarine Agency (ASA) on July 1⁶⁶. The stated mission of ASA is "to safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's conventionally-armed nuclear-powered submarine capability for Australia, via the AUKUS partnership"⁶⁷. V Adm Jonathan Mead, who had earlier headed the Nuclear Submarine Task Force, was named the Agency's inaugural Director General. Headquartered in Canberra, the Agency has over 350 staff at its inception, the number is expected to rise to over 680 in the next one year.

The first three Australian Navy officers graduated from the US Navy's Nuclear Power School, marking a significant step in AUKUS implementation⁶⁸. The three will now embark USN SSNs, before forming the core of the Royal Australian Navy's programme to train future nuclear submarine operators.

Republican members of the US Senate blocked a proposal to fast-track authorisation by the Congress to sell Australia three Virginia-class submarines by adding submarine transfers to the National Defense Authorisation Act⁶⁹, arguing that for US submarine manufacturers to be able to fulfil both USN and

⁶⁴ The State of Southeast Asia 2023 Survey Report, <https://www.iseas.edu.sg/wp-content/uploads/2025/07/The-State-of-SEA-2023-Final-Digital-V4-09-Feb-2023.pdf>

⁶⁵ Joint Statement on the Eighth Australia and Indonesia Foreign and Defence Ministers' Meeting, February 10, 2023, <https://www.foreignminister.gov.au/minister/penny-wong/media-release/joint-statement-eighth-australia-indonesia-foreign-and-defence-ministers-22-meeting#:~:text=Australian%20and%20Indonesian%20Foreign%20and,2>.

⁶⁶ Launch of the Australian Submarine Agency, <https://www.minister.defence.gov.au/media-releases/2023-07-01/launch-australian-submarine-agency>

⁶⁷ Australian Submarine Agency, <https://www.asa.gov.au/>

⁶⁸ Transcript, Press Gaggle with Sabrina Singh, Deputy Pentagon Press Secretary, July 10, 2023, <https://www.defense.gov/News/Transcripts/Transcript/Article/3453577/press-gaggle-with-sabrina-singh-deputy-pentagon-press-secretary/>

⁶⁹ Top Republican blocks Biden's nuclear submarine pact in bid for more defense dollars, July 21, 2023, <https://www.politico.com/news/2023/07/21/top-republican-blocks-bidens-aukus-pact-00107480>



Australian requirements necessitated more investment from the federal government⁷⁰. The number of Republican senators blocking the deal had increased to 23 as the month approached an end⁷¹.

The USN has a current inventory of 49 SSNs, of which 18 are idle, either undergoing depot maintenance or awaiting it⁷². The force level required by the USN is 66 SSNs⁷³. There is thus a shortfall of 17 SSNs. The Biden administration's current plan calls for the transfer of three submarines from the existing fleet without provision for strengthening the already dwindling force levels. A range of Australian leaders and Biden administration members, including Deputy Prime Minister and Defence Minister Richard Marles, were optimistic that the deal would go through⁷⁴.

The 33rd Ausmin Meeting

Following suspension by the US of its treaty commitments under ANZUS to New Zealand in 1985⁷⁵, the annual meeting of the ANZUS Council was transformed into a meeting of the Foreign and Defence Ministers of the US and Australia and renamed AUSMIN. AUSMIN is Australia's principal forum for formal consultations with the US⁷⁶. Apart from the US Secretaries of State and Defense and the Australian Defence and Foreign Ministers (the four 'principals'), other regular Australian attendees include the Chief of Defence Force, Director General of the Office of National Assessments, the Secretaries of DFAT and Defence, and the Ambassador to the United States. US participants are the Commander of the US Indo-Pacific Command, the Director of National Intelligence, the US Assistant Secretaries of East Asia and the Pacific at the Departments of Defense and State, and the US Ambassador to Australia⁷⁷. The 33rd AUSMIN meeting took place in Brisbane on July 29, 2023.

⁷⁰ The US Navy Needs More Attack Submarines, July 16, 2023,

<https://www.wicker.senate.gov/2023/7/the-u-s-navy-needs-more-attack-submarines>

⁷¹ 'A risk we should not take': Republican resistance mounts to nuclear submarine plan, The Sydney Morning Herald, July 28, 2023, <https://www.smh.com.au/politics/federal/a-risk-we-should-not-take-republican-resistance-mounts-to-nuclear-submarine-plan-20230728-p5ds0c.html>

⁷² CRS Report RL32418: Navy Virginia (SSN-774) Class Attack Submarine Procurement: Background and Issues for Congress, July 6, 2023.

⁷³ CRS report RL32665, Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress, April 13, 2023.

⁷⁴ Television interview, Weekend Today, July 22, 2023, <https://www.minister.defence.gov.au/transcripts/2023-07-22/television-interview-weekend-today>

⁷⁵ The Australia, New Zealand and United States Security Treaty (ANZUS Treaty), 1951, <https://history.state.gov/milestones/1945-1952/anzus>

⁷⁶ Explainer: A Brief History of AUSMIN, <https://www.ussc.edu.au/analysis/a-brief-history-of-ausmin>

⁷⁷ Ibid.



The Joint Statement⁷⁸ released after the meeting is structured in six sections: shaping an open, stable and prosperous Indo-Pacific together; driving climate action and the transition to clean energy; defense and security cooperation; shared commitment to global security; securing the technological edge; and developing trusted regional trade infrastructure and resilient supply chains to build economic resilience. Its operative sections can, however, be clustered under three heads: force posture cooperation, capability development cooperation, including for the defense industrial base; and regional security integration⁷⁹.

In force posture cooperation, the US will continue to upgrade RAAF bases Darwin and Tindal (both in the Northern Territory), while determining upgrades required for RAAF bases Scherger (in Queensland, South of Papua New Guinea) and Curtin (in Western Australia, South of Timor Leste). The USN will conduct more regular and longer visits of nuclear attack submarines to Australia from this year, with a focus on HMAS Stirling (at the Garden Island Base, near Perth in the Indian Ocean). US Army watercraft will rotate regularly to Australia, starting with participation in this year's Exercise Talisman Sabre. Enhanced cooperation will encompass logistics for the land, maritime and air domains, including the Combined Logistics, Sustainment and Maintenance Enterprise, for which an interim location will be established at Albury-Wodonga, in Queensland. USN LRMP aircraft will increasingly rotate through Australia to enhance maritime domain awareness, with likeminded partners being invited to participate. The allies have also declared enhanced space cooperation as a new force posture initiative, enabling increased space integration and cooperation in existing operations and exercises.

On the capability and industrial base development front, the commitment to collaborate on critical technologies and innovation has been reiterated. So has the commitment to advance cooperation on guided weapons, with initial focus on co-production of a Guided Multiple Launch Rocket System by 2025. The US will reform its regulations to enable accelerated delivery of technical data for the M995 155mm artillery shell in Australia. The principals reaffirmed the commitment to setting up of MRO facilities in Australia, with initial focus on Mk-48 heavyweight torpedoes and SM-2 missiles. They also welcomed progress on the AUKUS partnership towards Australia's acquisition of SSN capability. In fact, in response to a question at the post-AUSMIN press conference, Deputy Prime Minister Richard Marles spoke of the current pushback in the US Congress as part of the process of passage of legislation

⁷⁸ Joint Statement on Australia-United States Ministerial consultations (AUSMIN) 2023, <https://www.minister.defence.gov.au/statements/2023-07-29/joint-statement-australia-united-states-ministerial-consultations-ausmin-2023>

⁷⁹ Fact Sheet: Australia – US Ministerial Consultations, <https://www.defense.gov/News/Releases/Release/Article/3476036/fact-sheet-secretary-austins-eighth-trip-to-the-indo-pacific-region/>



through parliament, he was confident that requisite legislation would go through⁸⁰.

On the regional security integration front, they announced their intent to increasingly invite Japanese participation in exercises in Australia, including F-35 cooperation. They agreed to enhance trilateral integrated air and missile defense cooperation with Japan. They also agreed to explore opportunities to deepen cooperation with partners, including Japan, India, Indonesia, the Philippines and South Korea. They committed to leveraging the planned deployment of a USCG cutter to the Pacific in 2024 to further MDA and training, and address maritime security priorities including IUU fishing. They welcomed the participation of Fiji, Indonesia, Papua New Guinea and Tonga in Exercise Talisman Sabre for the first time, and welcomed India, Singapore, Thailand and the Philippines as inaugural observers. They announced their agreement to establish Combined Intelligence Centre – Australia within Australia's Defence Intelligence Organisation by 2024.

India was mentioned four times in the AUSMIN Joint Statement: as an observer at exercise Talisman Sabre, in the context of deepening Quad cooperation in the Indo-Pacific, in the context of support for India hosting the 2024 Quad Summit, and finally in the context of the Principals commitment to explore cooperation with regional partners. Two paragraphs of the Joint Statement were devoted to the Quad, the first in the context of deepening cooperation including for the Indo-Pacific Partnership for Maritime Domain Awareness, and in the context of the clean energy transition⁸¹.

The focus of AUSMIN is the Western Pacific. Australia has long been the key US ally for the entire theatre, from the time it fought along with the US in World War II and then obtained the ANZUS alliance primarily to counter the threat from Japan as well as from communism. The renaming of the US Pacific Command as the Indo-Pacific Command has not expanded AUSMIN focus to the larger Indo-Pacific. The priority remains economic, security and climate change cooperation, both bilaterally and with ASEAN and the Pacific Islands Forum. AUSMIN cooperation does not extend to the Indian Ocean.

Responsibility for management of the Southern Pacific Island countries had been outsourced by the US to Australia for much of the post-World War II

⁸⁰ Secretary Antony J Blinken, Secretary of Defense Lloyd J Austin III, Australian Deputy Prime Minister and Minister for Defense Richard Marles, and Australian Foreign Minister Penny Wong at a Joint Press Availability, July 29, 2023, <https://www.state.gov/secretary-antony-j-blinken-secretary-of-defense-loyd-j-austin-iii-australian-deputy-prime-minister-and-minister-for-defense-richard-marles-and-australian-foreign-minister-penny-wong-at-a-joint-pr/>

⁸¹ Joint Statement on Australia-United States Ministerial consultations (AUSMIN) 2023, <https://www.minister.defence.gov.au/statements/2023-07-29/joint-statement-australia-united-states-ministerial-consultations-ausmin-2023>



period. Australia's limitations in this regard became evident when the Solomon Islands signed a security pact with China in 2022, and upgraded the bilateral relationship to a Comprehensive Strategic Partnership in July 2023⁸². Among the agreement signed was a policing pact⁸³, a provision that has till now been provided by Australia. The US has stepped up to support Australian efforts, as is evident from its enhanced engagement with the Pacific Islands and the defence cooperation agreement it signed with Papua New Guinea in May 2023.

Despite its limitations, Australia remains the US' most important ally in the Pacific. Japan and South Korea may be priority East Asian partners, but they are being pushed to increasingly integrate their operational capabilities with Australia. It is Australia that has been chosen as the AUKUS partner. The Biden Administration is investing in Australia as the security hub for the entire Pacific theatre. The advantage is that facilities being created are outside China's strike range. They will necessitate China going through the Indonesian archipelago, which acts as a natural choke point and defensive line.

The Indian Ocean, however is not included in this scheme. Capacity limitations will preclude Australia doing anything substantial in the Indian Ocean. Similar capacity limitations will prevent more than token US effort in the IOR, notwithstanding the stated intent to cooperate more with India and with the Indian Ocean Rim Association.

It is in this context that India's participation as an observer in Exercise Talisman Sabre, as recorded in the AUSMIN Joint Statement, is noteworthy. Talisman Sabre is primarily an amphibious exercise. The increased international participation does indicate interest in an expanded coalition of partners to counter China's power projection capability. There was no announcement of participation in the exercise by India, but equally, there was no denial of the AUSMIN statement. India's presence, as well as Indonesia's participation in the Exercise for the first time, speaks of both traditionally non-aligned nations hedging their bets in the face of an assertive China.

⁸² Joint Statement on Establishing a Comprehensive Strategic Partnership Featuring Mutual Respect and Common Development For a New Era Between the People's Republic of China and Solomon Islands, July 11, 2023,

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202307/t20230711_1111191.html

⁸³ China, Solomon Islands sign policing pact in upgrade of ties, July 11, 2023,

<https://www.reuters.com/world/asia-pacific/china-solomon-islands-agree-strategic-partnership-2023-07-10/>



India's Indo-Pacific Outreach

EAM Visit to the United Republic of Tanzania. External Affairs Minister Dr. S. Jaishankar visited Zanzibar on July 5-6 and Dar-Es-Salam in Tanzania on July 7-8⁸⁴. In Zanzibar, he called on the President, witnessed signing of a MoU to set up a campus of IIT Madras in Zanzibar, visited the India-funded Kidutani water supply project and attended a reception on board INS Trishul, which also witnessed the presence of Zanzibar's President. In Dar-es-Salam, he called on the President, co-chaired the 10th meeting of the India-Tanzania Joint Commission, visited the Kibamba water supply project and chaired the regional conference of Indian Heads of Mission. INS Trishul also visited Dar-es-Salam, Tanzania on July 7-8⁸⁵, providing a welcome example of synergy between the MEA and IN in furthering India's interests abroad.

RM Visit to Malaysia. Raksha Mantri Shri Rajnath Singh visited Malaysia on July 10-11⁸⁶, the first bilateral visit since India and Malaysia established the Enhanced Strategic Partnership in 2015. He met his counterpart, called on the Malaysia Prime Minister, approved amendments to the 1993 bilateral Memorandum on Defence Cooperation and inaugurated HAL's regional office in Malaysia⁸⁷. The office will serve as a hub for HAL engagement with Southeast Asia as well as a window for other Indian defence PSUs.

India-Japan Foreign Ministers' Strategic Dialogue. The 15th India-Japan Foreign Ministers' Strategic dialogue took place in New Delhi on July 27⁸⁸. The two Foreign Ministers thereafter addressed the India-Japan Forum on July 28⁸⁹.

Deputy NSA Level Meeting of Colombo Security Conclave. The 7th Deputy Level NSA Meeting of the Colombo Security Conclave took place in the Maldives on July 12, 2023. Deputy NSAs from India, Mauritius, Sri Lanka and

⁸⁴ Visit of External Affairs Minister Dr. S. Jaishankar to United Republic of Tanzania (July 5-8, 2023), https://mea.gov.in/press-releases.htm?dtl/36842/Visit_of_External_Affairs_Minister_Dr_S_Jaishankar_to_United_Republic_of_Tanzania_July_0508_2023

⁸⁵ Trishul at Dar-Es-Salam, <https://indiannavy.nic.in/content/trishul-dar-es-salam>

⁸⁶ Raksha Mantri Shri Rajnath Singh to visit Malaysia to further cement defence ties & Enhanced Strategic Partnership, <https://pib.gov.in/PressReleasePage.aspx?PRID=1938100>

⁸⁷ Raksha Mantri Shri Rajnath Singh inaugurates HAL's Regional Office in Kuala Lumpur, July 11, 2023, <https://pib.gov.in/PressReleasePage.aspx?PRID=1938757>

⁸⁸ 15th India-Japan Foreign Ministers' Strategic Dialogue, July 27, 2023, https://www.mea.gov.in/press-releases.htm?dtl/36913/15th_IndiaJapan_Foreign_Ministers_Strategic_Dialogue

⁸⁹ EAM: Remarks at the India-Japan Forum, July 28, 2023, <https://www.youtube.com/watch?v=s7QO6uUoE-U>



the Maldives reviewed progress of activities under the five pillars of the Conclave, as well as new proposals for cooperation⁹⁰.

Indian and French Navies Exercise off Visakhapatnam. IN Ships Rana and Sumedha exercised with French Naval Ship Surcouf in the Bay of Bengal on June 30, 2023⁹¹. The exercise followed the French ship's visit to Visakhapatnam from June 26-29. The French ship thereafter arrived Chittagong in Bangladesh on July 2⁹². Separately, the French frigate Lorraine, returning from the Pacific, departed Port Blair on July 8 and was in Colombo on June 11⁹³.

IN – USN Exercise SALVEX. The IN-USN Salvage and Explosive Ordnance Disposal Exercise SALVEX was conducted at Kochi from June 26 to July 6, 2023⁹⁴.

Exercise JIMEX 23. The seventh edition of the Japan India Maritime Exercise 2023 (JIMEX 23) was hosted by the Indian Navy in the Bay of Bengal from July 05-10, 2023⁹⁵. The exercise saw JS Samidare, the sixth of Japan's Murasame-class destroyers, visiting Visakhapatnam from July 05-07 for the harbour phase of JIMEX 23 which encompassed professional, sporting and social interaction⁹⁶. A sea phase in the Bay of Bengal encompassing all domains of maritime warfare: surface, underwater and air, followed from July 8-10⁹⁷. Indian participants included INS Ships Delhi, Kamorta and Shakti, a submarine, P-8I and Dornier-228 aircraft followed. The exercise enables the two Navies to familiarise themselves with each other and imbibe best practices.

INS Sunayna Participates in Operation Southern Readiness. INS Sunayna participated in the Coalition Maritime Force's Operation Southern Readiness in the Seychelles from July 10-12⁹⁸. The operation, conducted by a new

⁹⁰ 7th Deputy NSA Level Meeting of the Colombo Security Conclave, July 12, 2023, https://www.mea.gov.in/press-releases.htm?dtl/36783/7th_Deputy_NSA_Meeting_of_the_Colombo_Security_Conclave

⁹¹ IN-FN Maritime Partnership Exercise off Visakhapatnam, July 1, 2023, <https://pib.gov.in/PressReleasePage.aspx?PRID=1936650>

⁹² Update on Operations from Thursday June 29 to Wednesday July 5, 2023, <https://www.defense.gouv.fr/operations/point-situation-operations/point-situation-operations-du-jeudi-29-juin-au-mercredi-5-juillet-2023>

⁹³ <https://www.defense.gouv.fr/operations/point-situation-operations/point-situation-operations-du-jeudi-6-au-mercredi-12-juillet-2023>

⁹⁴ IN-USN Explosive Ordnance Disposal Exercise SALVEX, <https://pib.gov.in/PressReleasePage.aspx?PRID=1937685>

⁹⁵ Japan India Maritime Exercise 2023 (JIMEX 23), <https://indiannavy.nic.in/content/japan-india-maritime-exercise-2023-jimex-23>

⁹⁶ Japan-India Maritime Bilateral Exercise (JIMEX23) <https://www.mod.go.jp/msdf/en/release/202307/20230705en.pdf>

⁹⁷ Japan India Maritime Exercise 2023 (JIMEX 23) Concludes, <https://indiannavy.nic.in/content/japan-india-maritime-exercise-2023-jimex-23-concludes>

⁹⁸ INS Sunayna Participates in CMF Ex 'Op Southern Readiness – 2023', <https://pib.gov.in/PressReleasePage.aspx?PRID=1939210>



Combined Task Force 154, is intended to organise multinational training across the Middle East and East Africa⁹⁹. The event marks India's increasing integration with Coalition Maritime Forces operating in the Western Indian Ocean.

Multinational Exercise. Japan, India, the US and Italy came together at Mutsu Bay, in Japan, for a Mine Countermeasures (MCM) and Explosive Ordnance Disposal (EOD) Exercise from July 16-28¹⁰⁰. India and Italy fielded EOD units.

IN Ships Visit Jakarta. IN Ships Sahyadri and Kolkata, mission deployed in the South-eastern Indian Ocean, visited Jakarta on July 17 for operational turnaround¹⁰¹. The ships exercised with the Indonesian Navy on completion. The visit enables India to sustain its presence in the region between Australia and Indonesia, while enhancing familiarisation between the Indian and Indonesian Navies.

USS Stethem in Goa. USS Stethem, an Arleigh Burke-class USN destroyer, visited Goa on July 19 and then exercised with INS Tarkash on leaving harbour¹⁰².

Transfer of INS Kirpan to Vietnam. INS Kirpan, the third of India's Khukri-class corvettes, was decommissioned at Cam Ranh and handed over to the Vietnamese People's Navy (VPN) on July 22, 2023¹⁰³. Built by Garden Reach Shipbuilders and Engineers, Kolkata, the ship was commissioned in January 1991 and served with India's Eastern Fleet thereafter. She will now serve in the South China Sea under Vietnam's colours. The Chief of the Naval Staff, Adm. R Harikumar presided over the decommissioning and handing over ceremonies, along with R Adm Pham Manh Hung, the Deputy Commander-in-Chief and Chief of Staff of the VPN. The CNS had hosted a reception attended by VPN personnel and Vietnamese civilian dignitaries on board INS Airavat on the eve of handing over¹⁰⁴.

INS Khanjar in Trincomalee. INS Khanjar, mission deployed in the Southern Indian Ocean, arrived Trincomalee for a three-day operational turnaround on

⁹⁹ New Multinational Task Force Conducts Maritime Training in Seychelles, <https://www.cusnc.navy.mil/About-Us/New-Arrivals/>

¹⁰⁰ Japan-US-India-Italy Multilateral MCM/EOD Exercise, https://www.mod.go.jp/msdf/en/release/202307/20230711_02en.pdf

¹⁰¹ INS Sahyadri and INS Kolkata to Jakarta, Indonesia, <https://pib.gov.in/PressReleasePage.aspx?PRID=1940405>

¹⁰² USS Stethem Conducts Cooperative Deployment with Indian Navy Following Goa Port Visit, <https://www.cpf.navy.mil/Newsroom/News/Article/3464217/uss-stethem-conducts-cooperative-deployment-with-indian-navy-following-go-a-port/>

¹⁰³ Handing Over of INS Kirpan to VPN – 22 Jul 2023, <https://pib.gov.in/PressReleasePage.aspx?PRID=1941807>

¹⁰⁴ CNS Hosted Dinner, <https://indiannavy.nic.in/content/cns-hosted-dinner>



July 29¹⁰⁵. The turnaround at Trincomalee before returning to her mission area cuts the distance she has to traverse to replenish from an Indian port (Chennai is the nearest) before returning to her mission area by around 950 Km and thus reduces her absence from the mission area, apart from familiarisation of the ship's personnel with Trincomalee, showing the flag there, and building a relationship with the Sri Lankan Navy.

Other Indo-Pacific Developments

IAEA on Japan's Plan to Release Treated Water at Fukushima. The International Atomic Energy Agency concluded that Japan's "approach to the discharge of Advanced Liquid Processing System (ALPS) treated water into the sea and the associated activities by TEPCO, NRA and the Government of Japan are consistent with relevant international safety standards"¹⁰⁶. The IAEA also noted that the controlled, gradual discharges of the treated water into the sea, as currently planned and executed by TEPCO, would have a negligible radiological impact on people and the environment. China's spokesperson, however, observed that the report cannot justify or give legitimacy Japan's plan of discharging nuclear-contaminated water into the ocean, nor can it ensure the safety of the plan or the effectiveness of the monitoring arrangement¹⁰⁷.

Cambodia Elections. The Cambodia People's Party (CPP) claimed victory in the parliamentary elections held on July 23, 2023. Reports indicated that it had secured 120 of the 125 seats in the National Assembly, with the Royalist FUNCINPEC obtaining five seats¹⁰⁸. The results mean that Prime Minister Hun Sen will continue in power; his son Hun Manet has been approved as the party's future Prime Ministerial candidate after Hun Sen. The US State Department expressed concern about the elections being neither free nor fair and said it had taken steps to impose visa restrictions on individuals who had undermined democracy¹⁰⁹.

¹⁰⁵ INS Khanjar Arrives at Trincomalee, July 29, 2023,

<https://pib.gov.in/PressReleasePage.aspx?PRID=1944000>

¹⁰⁶ IAEA Comprehensive Report on the Safety Review of the ALPS-Treated Water at the Fukushima Daiichi Nuclear Power Station,

https://www.iaea.org/sites/default/files/23/07/alps_executive_report.pdf

¹⁰⁷ Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference on July 5, 2023,

https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/202307/t20230705_11108824.html

¹⁰⁸ Headed for a Big Win: Early results indicate CPP will secure 120 seats with the Funcinpec getting five, Khmer Times, July 24, 2023,

<https://www.khmertimeskh.com/501329470/headed-for-a-big-win-early-results-indicate-cpp-will-secure-120-seats-with-funcinpec-getting-five/>

¹⁰⁹ National Elections in Cambodia, July 23, 2023, <https://www.state.gov/national-elections-in-cambodia/>



The US - Italy Summit. President Biden hosted Italian Prime Minister Giorgia Meloni for a summit at the White House on July 27¹¹⁰. The joint statement following the event focused primarily in developments in Europe. The two sides did, however, commit themselves to “a free, open, prosperous, inclusive and secure Indo-Pacific”¹¹¹. They reiterated the vital importance of maintaining peace and stability across the Taiwan Strait and to strengthening “bilateral and multilateral consultations on the opportunities and challenges posed by the People’s Republic of China”.

US Direct Investment Abroad. US direct investment abroad increased from \$ 6.37 trillion in end-2021 to \$ 6.58 trillion in end 2022¹¹². Of this, \$ 4026.8 billion was invested in Europe, \$ 951.2 billion in Asia and Pacific, \$ 438.5 billion in Canada, \$ 1038 billion in Latin America, \$ 80.1 billion in the Middle East and \$ 46.2 billion in Africa. 85.5% of the US investment in the Asia-Pacific was concentrated in Australia, China, Hong Kong Japan, Singapore and South Korea. Investment in India grew from \$ 44.793 billion in 2021 to \$ 51.533 billion in 2022. FDI in the US was \$ 5.25 trillion in end 2022.

The Indonesia-US Ministerial Strategic Dialogue. The second Indonesia-US Ministerial Strategic Dialogue between US Secretary of State Antony J Blinken and Indonesian Foreign Minister Retno Marsudi took place in Jakarta on July 14, 2023¹¹³. The Ministers agreed to explore the possibility of further expanding the partnership and appreciated the Agreement on Consular Privileges and Immunities and the Framework Agreement between the US DoD and the Indonesian Ministry of Defence on Research, Recovery, Identification and Repatriation of DoD personnel from WW II in the Regency of Morotai Islands.

General Austin’s Visit to Papua New Guinea. General Lloyd Austin visited Papua New Guinea for interaction with the Prime Minister and senior military leaders on July 27. He discussed increasing defense cooperation under the bilateral Defense Cooperation Agreement signed in May 2023¹¹⁴, as well as the

¹¹⁰ Joint Statement from President Biden and Prime Minister Meloni, July 27, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/27/joint-statement-from-president-biden-and-prime-minister-meloni/>

¹¹¹ Ibid.

¹¹² Direct Investment by Country and Industry, 2022, <https://www.bea.gov/news/2023/direct-investment-country-and-industry-2022>

¹¹³ Joint Statement by Secretary of State Antony J Blinken and Minister for Foreign Affairs Retno LP Marsudi on the Second Ministerial Strategic Dialogue, July 14, 2023, <https://www.state.gov/joint-statement-by-secretary-of-state-antony-j-blinken-and-minister-for-foreign-affairs-retno-l-p-marsudi-on-the-second-ministerial-strategic-dialogue/>

¹¹⁴ The United States and Papua New Guinea Sign New Defense Cooperation Agreement and an Agreement Concerning Counter Illicit Transnational Maritime Activity Operations, May 22, 2023, <https://www.state.gov/the-united-states-and-papua-new-guinea-sign-new-defense-cooperation-agreement-and-an-agreement-concerning-counter-illicit-transnational-maritime-activity-operations/>



forthcoming deployment of a USCG cutter to Papua New Guinea to address IUU fishing.

South China Sea Arbitral Award. The seventh anniversary of the South China Sea arbitral award was marked by the US reiterating that the Tribunal's award was final and legally binding on China and the Philippines¹¹⁵. The US urged Beijing to comport its maritime claims with international law as reflected in UNCLOS, cease its routing harassment of claimant state vessels operating within their own EEZs, halt disruption of states' rights to explore, exploit and conserve the natural resources in their EEZs and end interference with freedom of navigation and overflight of states lawfully operating in the region. Japan's Foreign Minister also made a statement calling on China to comply with the award and objecting to claims that were not consistent with UNCLOS¹¹⁶.

Australian High Commissioner to the Maldives. 49 years after it established diplomatic relations with the Maldives, Australia announced the appointment of Mr David Jessup as its first resident High Commissioner to the island nation¹¹⁷. The country has till now been looked after by its High Commissioner in Sri Lanka. The appointment signals Australia's increased engagement in the Indian Ocean.

North Korean Missile Tests and Allied Response. North Korea conducted yet another ballistic missile test on July 12. The missile, claimed to be a Hwasong-18 ICBM¹¹⁸, flew for 74 minutes on a lofted trajectory, rising to an altitude of over 6000 Km and covering a distance of about 1000 Km. The range on a normal trajectory would be sufficient to reach the continental United States. North Korea also fired several cruise missiles into the Yellow Sea on July 22¹¹⁹. Swift and repeated condemnation came from the Foreign Ministers¹²⁰ of US, Japan and South Korea, vowing to enforce UN sanctions on North Korea and

¹¹⁵ Seventh Anniversary of the Philippines-China South China Sea Arbitral Tribunal Ruling, July 11, 2023, <https://www.state.gov/seventh-anniversary-of-the-philippines-china-south-china-sea-arbitral-tribunal-ruling/>

¹¹⁶ Statement by Foreign Minister HAYASHI Yoshimasa, July 12, 2023, https://www.mofa.go.jp/press/release/press1e_000448.html

¹¹⁷ High Commissioner to the Republic of Maldives, July 11, 2023, <https://www.foreignminister.gov.au/minister/penny-wong/media-release/high-commissioner-republic-maldives>

¹¹⁸ North Korea says it tested an advanced solid-fueled ballistic missile. Here's why adversaries are alarmed, July 13, 2024, <https://edition.cnn.com/2023/07/12/asia/north-korea-icbm-explainer-intl-hnk/index.html>

¹¹⁹ North Korea Fires Cruise Missiles into the Yellow Sea, but remains silent on US Soldier's Fate, <https://www.japantimes.co.jp/news/2023/07/22/asia-pacific/north-korea-cruise-missiles-july-22>

¹²⁰ Joint Statement by US Secretary of State Antony J Blinken, Japanese Minister for Foreign Affairs Hayashi Yoshimasa, and Republic of Korea (ROK) Minister of Foreign Affairs Park Jin, July 14, 2023, <https://www.state.gov/joint-statement-by-u-s-secretary-of-state-antony-j-blinken-japanese-minister-for-foreign-affairs-hayashi-yoshimasa-and-republic-of-korea-rok-minister-of-foreign-affairs-park-jin/>



reiterating US commitment to defend its allies. Condemnation also came from G7 Foreign Ministers¹²¹. Ships from the USN, JMSDF and ROK Navy carried out a trilateral Missile Defence Exercise on July 16¹²². The US and South Korea convened the inaugural meeting of the bilateral Nuclear Consultative Group in Seoul on July 18 and discussed joint planning and execution of South Korean conventional support to US nuclear operations, as well as how to enhance the visibility of US strategic asset deployments around the Korean Peninsula. The NCG will meet quarterly at appropriate levels¹²³. USS Kentucky, an Ohio-class SSBN, visited Busan on July 18¹²⁴ and hosted ROK President Yoon Suk Yeol on board on July 19¹²⁵. USS Annapolis followed up by visiting another South Korean port on July 24. North Korea fired two more SRBMs into its Eastern Sea the same day, indicating that the measures taken by the US and allies are not succeeding in deterring it or impacting its actions in any way.

Taiwan Strait Transit. A USN P-8A Poseidon transited the Taiwan Strait while remaining in international airspace on July 13, once again defying China's territorial claims to the Strait¹²⁶.

USN Battle Force Ship Assessment and Requirement. The USN is reported to have advised Congress that it needs 381 ships to fulfil the Biden Administration's National Security Strategy¹²⁷. The advice was contained in its annual Battle Force Ship Assessment and Requirement. The strength of the USN as of mid-July 2023 is 299 ships. The requirement had been assessed at 373 ships in 2022. The envisaged force comprises 12 aircraft carriers, 12 SSBNs, 66 SSNs, 96 large surface combatants, 56 small surface combatants, 31 large amphibious ships, 18 light amphibious warships and 80 auxiliaries.

¹²¹ G7 Foreign Ministers' Statement on the Launch of an Intercontinental Ballistic Missile by North Korea, July 13, 2023, <https://www.state.gov/g7-foreign-ministers-statement-on-the-launch-of-an-intercontinental-ballistic-missile-by-north-korea-2/>

¹²² US, Japan, Republic of Korea Conduct Trilateral Ballistic Missile Defense Exercise, July 16, 2023, <https://www.pacom.mil/Media/News/News-Article-View/Article/3459274/us-japan-republic-of-korea-conduct-trilateral-ballistic-missile-defense-exercise/>

¹²³ Joint Readout of the Inaugural US-ROK Nuclear Consultative Group Meeting, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/18/joint-readout-of-the-inaugural-u-s-rok-nuclear-consultative-group-meeting/>

¹²⁴ USS Kentucky Arrives in the Republic of Korea, <https://www.navy.mil/Press-Office/Press-Releases/display-pressreleases/Article/3461723/uss-kentucky-arrives-in-the-republic-of-korea/>

¹²⁵ USS Kentucky Hosts ROK President Yoon <https://www.navy.mil/Press-Office/Press-Releases/display-pressreleases/Article/3463498/uss-kentucky-hosts-rok-president-yoon/>

¹²⁶ 7th Fleet Aircraft Transits Taiwan Strait, July 13, 2023, <https://www.c7f.navy.mil/Media/News/Display/Article/3456808/7th-fleet-aircraft-transits-taiwan-strait/>

¹²⁷ Navy Raises Battle Force Goal to 381 Ships in Classified Report to Congress, July 18, 2023, <https://news.usni.org/2023/07/18/navy-raises-battle-force-goal-to-381-ships-in-classified-report-to-congress>



US Military Nominations. US President Joe Biden announced his intent to nominate Adm. Lisa Franchetti¹²⁸, currently the Vice Chief of Naval Operations (VCNO), to be the next CNO when Adm. Mike Gilday retires in August 2023. Commissioned in 1985, Adm. Franchetti will become the first woman to serve as the Chief of Naval Operations and indeed as a member of the Joint Chiefs of Staff if she is confirmed. He also announced his intent to appoint V Adm. James Kilby to be the next VCNO, Adm. Samuel Paparo to be the next Commander of the Indo-Pacific Command and V Adm. Stephen 'Web' Koehler to be the next Commander of the US Pacific Fleet¹²⁹. General David Allvin was his nominee to be the next USAF Chief of Staff¹³⁰.

USS Bataan ARG Deployed to Gulf. Responding to Iran's attempts to threaten the free flow of commerce in the Straits of Hormuz and into the CENTCOM Area of Responsibility¹³¹. Iran has reportedly seized or attempted to seize nearly 20 internationally flagged merchant vessels in this area over the last two years. A recent attempt was on July 5, when an Iranian corvette was reported to have fired on commercial tanker Richard Voyager in the Gulf of Oman¹³². The deployment highlights the difficulty for the US to rebalance its forces to the Indo-Pacific.

French Air Force Deployment to the Indo-Pacific. Following similar deployments in 2021 and 2022, the French Air and Space Force deployed again to the Indo-Pacific in June/July 2023. Ten Rafale, five A330 MRTT Phenix tankers and four A400M transport aircraft were deployed for Mission Pegase 23¹³³, a three-week mission to train with the USAF and other partners in the region. During the mission, the French aircraft operated from Guam and Palau. They provide escort for the visit of the President Macron to New Caledonia, exercised with the South Korean Air Force and the Japanese Air Self Defense

¹²⁸ President Biden Announces Intent to Nominate Key Roles Within the US Military, July 21, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/21/president-biden-announces-intent-to-nominate-key-roles-within-the-u-s-military/>

¹²⁹ Ibid.

¹³⁰ President Biden Announces Nomination of Gen. David Allvin to Serve as US Air Force Chief of Staff, July 26, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/26/president-biden-announces-nomination-of-gen-david-allvin-to-serve-as-u-s-air-force-chief-of-staff/>

¹³¹ Department of Defense to Deploy Forces to CENTCOM to Bolster Maritime Security, July 20, 2023.

¹³² USS Bataan, USS Carter Hall in Mediterranean on Way to Middle East, July 27, 2023, <https://news.usni.org/2023/07/27/uss-bataan-uss-carter-hall-in-mediterranean-on-way-to-middle-east#more-104647>

¹³³ <https://www.defense.gouv.fr/operations/point-situation-operations/point-situation-operations-du-jeudi-29-juin-au-mercredi-5-juillet-2023>



Force, and exercised with the Indonesian Air Force, demonstrating their reach and ability to sustain more than 17,000 Km from their home base¹³⁴.

Japan-France Air Force Exercise. A French Air and Space Force contingent comprising two Rafale fighters, a tanker and a transport aircraft arrived in the Nyutabaru Air Base in Japan's Miyazaki prefecture for the first bilateral air exercise. Japan participated with three F-15 and two F-2 fighters, a tanker and a transport aircraft. The exercise was from July 26-29, 2023¹³⁵.

Exercise Talisman Sabre. The 10th iteration of biennial Australia-US Exercise Talisman Sabre began in Northern Australia and Queensland on July 21. Described as the largest combined training activity between the Australian Defence Force and the US Military¹³⁶, the exercise is intended to test their ability to plan and conduct combined (multi-national) and joint (multi-service) military operations. Participating countries in this year's edition include Canada, Fiji, France, Germany, Indonesia, Japan, New Zealand, Papua New Guinea, Republic of Korea, Tonga and the UK. India, the Philippines, Singapore and Thailand sent observers, according to the Australian Defence Minister¹³⁷ and the AUSMIN Joint Statement: there was no independent confirmation from India, though there was no denial either. The exercise was interrupted by the crash of an Australian MRH-90 Helicopter on July 29, with focus of all available units being directed towards search for the aircrew¹³⁸. Two Chinese spy ships, one off Shoalwater Bay where amphibious landings were being exercised and the other off Northern Australia, monitored the proceedings¹³⁹.

USS Canberra Commissioning. USS Canberra, an Independence-variant of the USN's Littoral Combat Ship, was commissioned into the US Navy at the Royal Australian Navy's Fleet Base East in Sydney on July 22¹⁴⁰. The commissioning of a warship in a foreign port is extremely unusual and reflects the close

¹³⁴ <https://www.defense.gouv.fr/operations/point-situation-operations/point-situation-operations-du-jeudi-20-au-mercredi-26-juillet-2023>

¹³⁵ France and Japan expand defense ties with first joint fighter drills, <https://www.japantimes.co.jp/news/2023/07/26/national/japan-france-first-fighter-jet-exercises>

¹³⁶ Exercise Talisman Sabre, <https://www.defence.gov.au/exercises/talisman-sabre>

¹³⁷ Official Opening of Exercise Talisman Sabre, July 21, 2023, <https://www.minister.defence.gov.au/media-releases/2023-07-21/official-opening-exercise-talisman-sabre>

¹³⁸ Statement on Exercise Talisman Sabre, July 29, 2023, <https://www.pm.gov.au/media/statement-exercise-talisman-sabre>

¹³⁹ Chinese Spy Ships Monitor Australia War Games, July 25, 2023, <https://www.voanews.com/a/chinese-spy-ships-monitor-australia-war-games-7195041.html#:~:text=Chinese%20surveillance%20ships%20are%20moving,waters%20during%20%22Talisman%20Sabre.%22>

¹⁴⁰ USS Canberra (LCS30) Commissions in Sydney, July 30, 2023, <https://www.cpf.navy.mil/Newsroom/News/Article/3468643/uss-canberra-lcs-30-commissions-in-sydney/>



relationship between the allies. In this case, the ship was designed in Fremantle, Western Australia¹⁴¹.

US Large Scale Exercise 2023. The USN and USMC jointly announced that Large Scale Exercise (LSE) 2023 would be conducted from August 9-18, 2023¹⁴². The exercise will bring together the combined firepower of the USN and USMC across six maritime component commands, seven numbered fleets and 22 time zones, enabling the Chief of Naval Operations to advance naval doctrine and tactics by globally integrating fleet operations with emerging technologies to refine and validate Distributed Maritime Operations capabilities. This will be the second iteration of the exercise and will build on lessons learned during LSE 2021.

Australia to Buy 20 C-130J Hercules. Australian Minister for Defence Industry Pat Conroy announced that Australia would buy 20 C-130J Hercules, investing A\$9.8 billion to substantially enhance the RAAF mobility and transport capability¹⁴³. The expenditure includes replacement of the 12 C-130 aircraft the RAAF has operated since 1999 and induction of eight more, bringing the fleet size to 20 aircraft. The additional aircraft will provide capacity to deploy them on multiple operations at the same time.

¹⁴¹ USS Canberra Commissioning Strengthens Alliance, July 22, 2023, <https://www.minister.defence.gov.au/media-releases/2023-07-22/uss-canberra-commissioning-strengthens-alliance>

¹⁴² Navy and Marine Corps Announce Large Scale Exercise 2023, July 24, 2023, <https://www.navy.mil/Press-Office/News-Stories/Article/3470145/navy-and-marine-corps-announce-large-scale-exercise-2023/#:~:text=LSE%202023%20brings%20together%20the,run%20from%20Aug%209%2D18.>

¹⁴³ Doorstop Interview, Parliament House, Canberra, July 24, 2023, <https://www.minister.defence.gov.au/transcripts/2023-07-24/doorstop-interview-parliament-house-canberra>



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