

07 July | 2025

# Indo-Pacific Insights

CGS Centre for Governance Studies



## A Bi-Weekly Roundup of Key Events

### June 22

#### **Pakistan Condemns Trump's Strikes on Iran After Nominating Him for Peace Prize**

Pakistan condemned U.S. President Donald Trump's bombing of Iranian nuclear sites, calling the strikes a violation of international law just a day after nominating Trump for the Nobel Peace Prize for helping end a recent India-Pakistan conflict. Prime Minister Shehbaz Sharif conveyed Pakistan's condemnation to Iran's president, while thousands protested in Karachi against the U.S. and Israel. The contradictory positions have drawn attention as regional tensions escalate over the Iran crisis.

### June 23

#### **US Offers \$5 Million Reward for Information on Afghan-American Detained by Taliban**

The United States has announced a reward of up to \$5 million for information leading to the location and release of Mahmoud Habibi, an Afghan-American businessman detained by the Taliban's intelligence service since August 10, 2022. Habibi, a former civil aviation chief, was arrested along with his driver and 29 colleagues, all of whom were later released except Habibi and one other person. The Taliban denies holding him, and his whereabouts remain unknown.

### June 24

#### **Over 200 Foreigners Rescued from Scam Centres Stranded at Thai-Myanmar Border**

More than 200 foreign nationals rescued from scam centres in eastern Myanmar remain stranded along the Thai-Myanmar border, according to the Karen National Army, which is overseeing their care.

Victims, including citizens of Vietnam, China, the Philippines, and Indonesia, were forced to work in illegal online fraud schemes. Thailand has cut electricity, internet, and fuel supplies to border areas to disrupt these criminal operations. Many rescued individuals, some pregnant, are receiving food, shelter, and medical care while awaiting repatriation.

### **Israel and Iran Claim Victory as Cease-Fire Holds, Talks Possible**

A fragile cease-fire between Israel and Iran held as both sides claimed victory after 12 days of conflict. Iran's President Masoud Pezeshkian signalled openness to nuclear talks, calling for diplomacy while praising Iranian resilience. President Trump, who brokered the truce, claimed U.S. strikes had destroyed Iran's nuclear facilities, though a classified report cast doubt, suggesting only limited damage. Despite skirmishes, both nations appeared eager to maintain the cease-fire. Global markets responded positively, while concerns over regional stability and nuclear proliferation persist.

**June 25**

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### **Taiwan to Issue New Air-Raid Guidance Amid China Tensions**

Taiwan will issue updated air-raid guidance next week, drawing on lessons from Ukraine and Israel to better prepare citizens for potential Chinese military attacks. The new instructions will advise people on how to protect themselves if they cannot reach shelters in time, including taking cover behind walls and specific safety postures. The guidance comes ahead of Taiwan's annual Han Kuang military exercises, as the island continues to bolster civil defence in response to rising Chinese military activity and threats.

**June 26**

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### **US, Pakistan Discuss Promoting Peace Between Israel and Iran**

U.S. Secretary of State Marco Rubio and Pakistan's Prime Minister Shehbaz Sharif held talks focused on promoting "durable peace" between Israel and Iran, following a recently announced ceasefire. The State Department said both sides stressed the importance of cooperation, with Rubio reiterating that Iran must never acquire nuclear weapons.

The discussion comes amid heightened regional tensions after recent Israeli and U.S. strikes on Iran. Pakistan, which condemned the attacks, has also played a diplomatic role by representing Iranian interests in the United States.

### **Pacific Islands Delay Security Plan Amid China Concerns**

The Melanesian Spearhead Group—comprising Fiji, Papua New Guinea, Solomon Islands, and Vanuatu—has delayed adopting a joint security strategy that could potentially open the door to Chinese involvement in regional security. The decision, postponed after a leaders' meeting in Fiji, highlights divisions over issues including Taiwan and member states' differing ties with Beijing. While Solomon Islands and Vanuatu maintain close policing ties with China, Papua New Guinea and Fiji favour security partnerships with the United States and Australia. Australia pledged increased maritime surveillance funding, stressing that Pacific security should be led by Pacific nations themselves.

**June 27**

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### **Ukraine Urges EU Sanctions on Bangladesh Over Alleged Imports of Stolen Grain**



Ukraine plans to urge the European Union to impose sanctions on Bangladeshi entities allegedly importing wheat from Russian-occupied Ukrainian territories, after repeated warnings to Dhaka were ignored, officials said. Kyiv claims Russia is mixing grain from seized Ukrainian lands with Russian wheat before export. Bangladesh denies importing stolen grain, insisting it bars shipments from occupied zones. Ukraine warns such trade fuels humanitarian suffering and could result in sanctions not only on companies but also on Bangladeshi officials facilitating these imports. The EU is yet to take action on the vessels involved.

**June 28**

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## **Trump Vows to 'Solve' North Korea Conflict Amid Renewed Tensions**

U.S. President Donald Trump said he would "get the conflict solved with North Korea," citing his long-standing relationship with leader Kim Jong Un. Speaking at the Oval Office, Trump neither confirmed nor denied reports that he had sent a letter to Kim. Despite past summits and exchanges of letters during Trump's first term, diplomacy broke down in 2019. North Korea has since expanded its nuclear programme and supported Russia's war in Ukraine. The White House recently said Trump remains open to communication with Pyongyang, though no breakthrough appears imminent.

**June 29**

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## **China Rolls Over \$3.4 Billion Loans to Pakistan**

China has rolled over \$3.4 billion in loans to Pakistan, two senior government officials said, helping Islamabad meet its foreign exchange reserve target set by the International Monetary Fund. The move includes \$2.1 billion held by Pakistan's central bank and the refinancing of a \$1.3 billion commercial loan. Additional funds from Middle Eastern banks and multilateral sources have also been secured. The loans are crucial for stabilising Pakistan's economy as it implements reforms under a \$7 billion IMF bailout programme.

## **India Rejects Pakistan's Claim Over Waziristan Attack**

India's Ministry of External Affairs rejected Pakistan's accusation that India was responsible for a deadly suicide bombing in North Waziristan. The attack, which killed at least 13 Pakistani soldiers, targeted a military convoy near the Afghan border. India dismissed the claim as baseless and unfounded.

**June 30**

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## **Kim Jong Un Drapes Coffins at Russia-North Korea Treaty Anniversary**

North Korean leader Kim Jong Un was seen draping coffins with the national flag during a ceremony marking the anniversary of North Korea's military treaty with Russia, state media reported.

The coffins appeared to belong to North Korean soldiers killed fighting alongside Russian forces in Ukraine. The emotional event, attended by Russian officials, included a gala performance celebrating the growing alliance between the two countries. The ceremony highlighted their deepening military ties, sealed by a strategic partnership and mutual defence pact signed last year.

## **Indonesia to Ease Import Rules Ahead of US Tariff Talks**

Indonesia announced plans to ease import restrictions on various goods, including fertilisers, forestry products, plastics, and industrial raw materials, to boost business competitiveness ahead of a July 9 tariff negotiation deadline with the United States. The new policy, affecting 10 commodity groups, will take effect in two months. While officials did not directly link the move to US talks, they confirmed Indonesia also offered Washington a critical minerals project to strengthen cooperation, particularly in the electric vehicle supply chain. The reforms aim to cut bureaucracy and attract investment.

**July 1**

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## **Thailand's PM Paetongtarn Suspended Amid Political Turmoil**



Thailand's Constitutional Court suspended Prime Minister Paetongtarn Shinawatra from duty, pending a case seeking her dismissal over an ethics breach tied to a leaked phone call with Cambodia's former leader Hun Sen. The suspension deepened political uncertainty as her coalition government teetered on collapse. Paetongtarn, the fourth Shinawatra to hold office, apologised but defended her actions as aimed at protecting national sovereignty and saving lives. Deputy Prime Minister Suriya Juangroongruangkit was named caretaker premier.

Meanwhile, Paetongtarn's father, ex-leader Thaksin Shinawatra, faces his own legal battles over monarchy insult charges and previous corruption convictions.

## July 2

### Quad Ministers Condemn Kashmir Attack, Stop Short of Naming Pakistan

The foreign ministers of the Quad—comprising the United States, India, Japan, and Australia—condemned the April 22 militant attack in India-administered Kashmir that killed 26 people, calling for the perpetrators to be brought to justice without delay. Meeting in Washington, the ministers denounced terrorism in all forms but avoided naming Pakistan, which India blamed for the attack. The incident sparked cross-border hostilities before a ceasefire was announced on May 10. India rejected U.S. claims that the ceasefire resulted from American intervention, reiterating that issues with Pakistan should be resolved bilaterally without external involvement.

### Iran Deports Thousands of Afghans Amid Spy Hunt After Israel Strikes

Iran has deported tens of thousands of Afghans in recent weeks, accusing many of espionage following its conflict with Israel. Afghans living in Iran reported increased hostility, job losses, and forced returns as Tehran intensified its crackdown on undocumented migrants. The United Nations warned the mass deportations could worsen Afghanistan's humanitarian crisis, with over 1.2 million Afghans already pushed back from Iran and Pakistan this year. Many returnees arrive home to poverty, insecurity, and isolation under Taliban rule. UNHCR expressed concern that Afghans are being scapegoated, fuelling regional instability and deepening Afghanistan's economic collapse.

## July 3

### North Korea Condemns Quad's Denuclearisation Call

North Korea criticised the Quad alliance—comprising the US, India, Japan, and Australia—for demanding its denuclearisation, state media KCNA reported. Pyongyang also accused the US of fabricating cyber threat allegations, following recent indictments over North Korea's alleged use of IT workers to steal data and funds globally.

### Brazil's Lula Urges Mercosur to Strengthen Ties with Asia

Brazilian President Luiz Inacio Lula da Silva called on the Mercosur bloc to deepen relations with Asian nations, calling them the "dynamic centre" of the global economy. Speaking at the Mercosur summit, Lula stressed that stronger ties would boost the region's role in global value chains.

### China Denies Military Base Ambitions in Pacific Islands

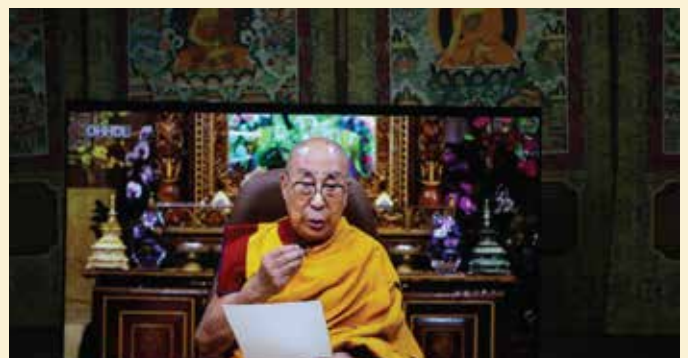
China's embassy in Fiji denied claims that Beijing seeks to establish military bases or expand its sphere of influence in the Pacific Islands. The denial followed comments by Fiji's Prime Minister Sitiveni Rabuka, who said island nations were under pressure from China's growing influence. The embassy stressed that China's activities focus on infrastructure development, not military expansion. Rabuka reiterated his country's opposition to any Chinese military base, while noting China's power projection capabilities in the region remain significant.

### Australia's US Missile Purchase Signals Defence Commitment

Australia confirmed a A\$2 billion purchase of advanced supersonic missiles from the United States, underscoring its commitment to strengthening defence capabilities. Defence Industry Minister Pat Conroy announced the acquisition while Prime Minister Anthony Albanese resisted U.S. pressure to set a higher defence spending target of 3.5%.

## July 4

### India Backs Dalai Lama's Right to Choose Successor, Defying China



An Indian government minister has publicly backed the Dalai Lama's right to decide his own successor, directly contradicting

China's long-standing position on the issue. Speaking at a conference on Tibet in New Delhi, the minister stated that the decision on the Dalai Lama's reincarnation should rest solely with Tibetan religious authorities and the Dalai Lama himself, not with the Chinese state. China, which considers the exiled spiritual leader a separatist, has repeatedly claimed authority over the succession process. The statement marks a rare and bold departure from diplomatic caution and signals India's growing support for Tibetan autonomy.

### **China Provided Pakistan with 'Live Inputs' During Clashes, Says Indian Army Deputy Chief**

China provided Pakistan with real-time intelligence and operational assistance during military confrontations with India, the Indian Army's deputy chief said on July 4, 2025. Speaking at a security conference, the senior officer revealed that China shared "live inputs" with Pakistan during border tensions, further complicating the already strained relationship between the nuclear-armed neighbours. He emphasised that this growing military cooperation poses a strategic challenge for India and underscores the need for heightened vigilance along both the western and northern borders. There was no immediate response from China or Pakistan regarding the allegation.

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