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# Indo-Pacific Insights

CGS Centre for Governance Studies



## A Bi-Weekly Roundup of Key Events



Mulino pledged to review Chinese agreements but reaffirmed Panama's sovereignty over the waterway. Trump has accused China of controlling the canal and threatened U.S. action, including military force. A Hong Kong-based company's operation of two ports near the canal has drawn U.S. concern. While Mulino signaled willingness to audit Chinese contracts, tensions between Washington, Beijing, and Panama over the canal's control continue to escalate.

### February 3

## Taiwan Pledges Support for Firms Relocating to U.S. Amid Tariff Hikes

Taiwan's economy ministry announced that it will assist companies planning to relocate to the United States in response to U.S. President Donald Trump's new tariffs. The ministry will help businesses find partners, identify investment locations, and navigate local laws. Taiwan, a key producer of semiconductors and electronics, faces challenges as its firms operate factories in both China and Mexico—both targeted by the new levies.

### January 31

## Myanmar Junta Extends Emergency Rule Amid Ongoing Conflict

Myanmar's military has extended the state of emergency for another six months, state media reported, a day before the fourth anniversary of the 2021 coup that ended a decade of tentative democracy. The junta, led by Senior General Min Aung Hlaing, insists elections will be held despite ongoing civil war and widespread opposition. Critics dismiss the planned vote as a sham to cement military rule. Fighting has displaced three million people, with a third of the population needing humanitarian aid. Opposition groups vow to resist the election and urge international actors not to legitimise the junta's rule.

### February 2

## U.S. Warns Panama Over China's Role in Canal

U.S. Secretary of State Marco Rubio warned Panama's President Jose Raul Mulino that Washington would "take measures necessary" if Panama fails to curb China's influence over the Panama Canal.

Taiwan's Industrial Technology Research Institute in North America will promote research and manufacturing collaboration with U.S. firms. The ministry pledged ongoing support to help businesses adapt to shifting global trade dynamics.

## February 4

### Fiji PM to Discuss Pacific Aid Climate at Washington Event



Fiji's Prime Minister Sitiveni Rabuka will attend a presidential prayer breakfast in Washington, marking the first opportunity for a Pacific Islands leader to address aid and climate concerns with the Trump administration. Pacific community groups are struggling as U.S. funding remains frozen. Analysts warn cuts to clean energy aid could weaken U.S. influence in the region, where China is the second-largest donor after Australia. The U.S. State Department recently cited "clean energy programs for women in Fiji" as an example of aid that does not serve American interests, raising concerns over future funding.

### Taliban Dismisses Claims of Internal Divisions Amid Policy Disputes

Afghanistan's Taliban rulers remain united despite external efforts to create divisions among their leadership and people, said spokesperson Zabihullah Mujahid. Addressing concerns from analysts and diplomats about potential instability, Mujahid dismissed suggestions of internal conflict, calling them "a mere illusion." His statement follows recent criticism from within the Taliban regarding bans on girls' education and an incident where Taliban guards shot and killed a man outside the UN compound in Kabul. Mujahid acknowledged policy disagreements but insisted they do not lead to conflict, reaffirming that Taliban leaders ultimately align under a unified decision-making process.

## February 5

### Indonesia Halts Trump-Linked Lido Project Over Environmental Concerns

Indonesia has ordered PT MNC Land to stop developing the Lido tourism project, which includes a Trump golf course, citing water management and environmental violations.

The environment ministry said poor rainwater management had caused severe sedimentation in Lido Lake, shrinking it by half. MNC Land failed to follow its approved environmental assessment, prompting officials to demand a new review. The Trump Organization, set to operate a luxury hotel and residences there, has not commented. Lido, backed by tycoon Hary Tanoesoedibjo, gained momentum after receiving special economic zone status in 2023 under former President Joko Widodo's administration.

### Australia Bans Chinese AI Startup DeepSeek Over Security Risks

Australia has banned DeepSeek from all government devices, citing security concerns over the Chinese artificial intelligence startup. The Department of Home Affairs directed all agencies to remove DeepSeek products and prevent future installations. Home Affairs Minister Tony Burke said the ban was necessary to safeguard national security. While private citizens remain unaffected, the move follows similar restrictions in Italy and Taiwan. DeepSeek's launch last month, offering cheaper AI models with lower hardware requirements, disrupted global tech markets. The Australian government previously banned TikTok over security fears, reflecting ongoing scrutiny of Chinese technology in critical sectors.

## February 6

### China, Thailand Pledge Deeper Ties Amid Global Uncertainty

Chinese President Xi Jinping urged deeper trust and expanded cooperation with Thailand to counter global uncertainties during a meeting with Thai Prime Minister Paetongtarn Shinawatra in Beijing. Marking 50 years of diplomatic ties, Xi highlighted projects like the Bangkok-Kunming high-speed railway and collaboration in digital economy and electric vehicles. The meeting followed U.S. tariffs on Chinese imports. Addressing safety concerns after a Chinese actor's abduction in Thailand, Paetongtarn pledged stronger crime-fighting cooperation. Thailand also announced electricity cuts near Myanmar's border to curb scam operations, aiming to reassure Chinese tourists, a key contributor to its economy.

## February 7

### Trump Backs AUKUS as Australia Makes First \$500 Million Payment

U.S. Defense Secretary Pete Hegseth confirmed President Donald Trump's support for the AUKUS nuclear submarine deal after Australia made its first \$500 million payment under the pact. Australia will contribute \$3 billion to boost U.S. submarine production and is set to receive Virginia-class nuclear submarines in the early 2030s. Hegseth assured efforts to deliver on schedule, highlighting Trump's commitment to strengthening defence ties. Australian Defence Minister Richard Marles expressed satisfaction with production progress.

The meeting also covered Indo-Pacific security and U.S. military expansion in Australia, reinforcing AUKUS's strategic aim of countering China's growing influence.

## Pakistan Faces High External Debt Repayments in 2025, Fitch Warns

Pakistan's external financing needs will remain significant in the coming year, despite efforts to rebuild foreign exchange reserves, Fitch Ratings said on Thursday. The country must repay over \$22 billion in external debt in fiscal 2025, including nearly \$13 billion in bilateral deposits. Fitch warned that securing financing remains challenging due to large maturities and lenders' exposure. Last month, Pakistan secured a \$1 billion loan from Middle Eastern banks at 6-7% interest. To access further funding from the IMF and other lenders, Fitch stressed the need for continued structural reforms, including fiscal consolidation and business environment improvements.

### February 8

## Modi's BJP Regains Power in Delhi After 27 Years

Indian Prime Minister Narendra Modi's Bharatiya Janata Party (BJP) secured a decisive victory in Delhi's state elections, winning 48 of 70 seats and ending the decade-long rule of the Aam Aadmi Party (AAP). The win marks a significant boost for Modi after last year's national election setback. AAP leader Arvind Kejriwal, a vocal Modi critic, lost his seat after resigning as chief minister to focus on campaigning. Kejriwal, who was previously arrested on graft charges, alleged political vendetta. BJP has promised rapid development, while AAP vowed to serve as a constructive opposition in Delhi's governance.

### February 9

## Kim Jong Un Condemns U.S.-Japan South Korea Military Ties, Vows Nuclear Expansion



North Korean leader Kim Jong Un criticised trilateral military cooperation among the U.S., Japan, and South Korea, warning it destabilises the region. He vowed countermeasures, including further nuclear development, citing U.S. deployments of strategic assets and joint military exercises. During a visit to North Korea's defence ministry, Kim reaffirmed his commitment to strengthening nuclear forces. His remarks come as U.S.

President Trump and Japan's Prime Minister Ishiba expressed concerns over North Korea's nuclear ambitions. Kim also reiterated North Korea's support for Russia in its war with Ukraine, aligning with Moscow under their strategic partnership agreement.

## Manipur Chief Minister Resigns Amid Ethnic Clashes

N Biren Singh, Chief Minister of India's northeastern state of Manipur, resigned under mounting pressure over ongoing ethnic clashes that have killed at least 250 people since 2022. Singh, a BJP leader, stepped down ahead of a legislative assembly session where the opposition was set to move a no-confidence motion. Accused of favouring the Meitei community over the Kuki minority, Singh had faced demands for his removal. His resignation follows political turmoil, including a key ally's withdrawal from the ruling coalition. The federal government and Singh have partly blamed the violence on refugees from Myanmar.

### February 10

## India Sees 74% Surge in Hate Speech Against Minorities in 2024

A Washington-based research group, India Hate Lab, reported a 74% rise in hate speech incidents against minorities in India in 2024, documenting 1,165 cases compared to 668 in 2023. The surge was linked to last year's general elections, with a third of incidents occurring between March 16 and June 1, coinciding with the peak campaign period. The report highlighted remarks by Prime Minister Modi referring to Muslims as "infiltrators." The findings come ahead of Modi's meeting with U.S. President Trump, as global rights groups continue to criticise his government for discrimination against minorities.

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