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Indo-Pacific Insights

CGS Centre for Governance Studies



June 01

Russia Accepts Taliban Ambassador Amid Growing Ties

Russia has officially accepted the Taliban's nominated ambassador to Moscow, signalling deepening economic and political ties between the two sanctions-hit nations. This comes after Russia lifted its long-standing ban on the group in April. While no country has formally recognised the Taliban government, several, including China and Pakistan, have accepted its diplomats. Afghan Foreign Minister Amir Khan Muttaqi expressed hope that this move will expand bilateral cooperation across various sectors in the coming months.

China Slams U.S. Defence Chief Over Indo-Pacific Remarks

China has strongly protested against U.S. Defense Secretary Pete Hegseth's comments at the Shangri-La Dialogue, accusing him of "vilifying" China

A Bi-Weekly Roundup of Key Events

and promoting a Cold War mentality. Beijing rejected Hegseth's portrayal of China as a threat in the Indo-Pacific and condemned U.S. military deployments in the region. China's defence minis-

June 02

Australia Pushes Back on U.S. Call to Raise Defence Budget

Australian Prime Minister Anthony Albanese said his government would define its defence capability needs before increasing spending, responding to U.S. Defence Secretary Pete Hegseth's call to raise Australia's defence budget to 3.5% of GDP. Albanese reaffirmed a current plan to reach 2.3% by 2033, noting a \$10 billion acceleration in spending. The two countries discussed industrial cooperation and U.S. deployments under AUKUS. Analysts say Albanese is asserting Australia's sovereignty ahead of a potential meeting with Trump, amid growing pressure over China's regional threat and U.S. defence expectations.

Philippines, EU to Launch Security and Defence Dialogue

The Philippines and the European Union will establish a formal security and defence dialogue, Philippine Foreign Secretary Enrique Manalo announced. The move aims to enhance cooperation on regional stability, maritime security, and

defence issues amid rising tensions in the Indo-Pacific. Manalo said both sides are finalising details and hope to begin discussions soon. The initiative reflects growing EU engagement in the region and the Philippines' expanding diplomatic and security partnerships beyond traditional allies.

June 03

TSMC Sees Tariff Headwinds, But AI Demand Remains Strong

Taiwan's TSMC acknowledged that U.S. tariffs are affecting its bottom line, as duties raise costs for chip importers—a potential drain if prices curtail demand. However, CEO C.C. Wei emphasized that the surging appetite for AI chips continues to outpace supply. Discussion with U.S. trade authorities is underway, though no shift in customer behavior has been observed. TSMC remains bullish on defending gains and meeting robust AI-driven demand despite geopolitical trade pressures.

Myanmar Junta Extends Earthquake Ceasefire to June 30

Myanmar's ruling junta has extended its temporary ceasefire until June 30 to support reconstruction and humanitarian aid following the March 28 earthquake, which killed over 3,700 people, the government announced on June 3. Initially declared in early April, this truce aligns with similar extensions by anti-junta rebel groups. However, reports indicate that airstrikes and artillery attacks have continued in some areas, calling into question the ceasefire's effectiveness and sincerity amid ongoing conflict.

June 04

South Korea's New Leader Expected to Delay U.S. Trade Talks

South Korea's new President Lee Jae-myung is likely to seek more time for U.S. trade negotiations, sources say, as his administration studies deals by China and Japan for strategic leverage. With no transition period after the snap election, Lee faces pressure to secure favourable terms for Korea's export-driven economy. The leadership change and complex domestic challenges offer a buffer to delay talks, as Seoul monitors evolving U.S. positions under Trump and growing pressure for swift trade commitments from allies.

Pakistan 'Ready but Not Desperate' for India Talks, FM Says

Pakistan's Foreign Minister Ishaq Dar stated that Islamabad is "ready but not desperate" for dialogue with India, following intense military clashes in May—the deadliest in decades. After a U.S.-brokered ceasefire from May 6–10, Dar emphasised Pakistan's openness to comprehensive talks on terrorism, water rights, and regional issues, while criticising India's narrow focus on militant groups. He also highlighted India's suspension of the Indus Waters Treaty as a concern. "It takes two to tango," he noted, asserting Pakistan's seriousness, while India has yet to formally respond.

North Korea's Kim Pledges Unwavering Support for Russia



North Korean leader Kim Jong Un affirmed "unconditional support" for Russia's stance on Ukraine during a meeting with Russian Security Council Secretary Sergei Shoigu in Pyongyang. The two leaders discussed strengthening their Comprehensive Strategic Partnership Treaty, which includes a mutual defence pact. Kim vowed North Korea would observe the treaty's provisions, reinforcing the deepening alliance between the two nations amid Western concerns over military cooperation and arms transfers. Shoigu's visit marked another step in intensified security coordination.

June 05

China Offers Bounties for Alleged Taiwanese Military Hackers

China's Guangzhou Public Security Bureau has announced cash rewards for information on over 20 individuals it accuses of being part of Taiwan's military cyber unit, labeling them "hackers" responsible for attacks on Chinese military, aerospace,

energy, and government sectors. Beijing released their photos, names, and ID numbers, accusing them of working with U.S. intelligence. Taiwan's defence ministry strongly denied the allegations, calling them baseless and asserting that China's legal system has no jurisdiction on the island. Taiwan's cyber command said it would not be intimidated and remains committed to defending national cybersecurity.

Philippines, U.S. Conduct Seventh Joint Maritime Drills

The Philippines and United States military forces held their seventh joint maritime drills in the South China Sea on June 5, aiming to strengthen interoperability and reinforce maritime security cooperation, Manila's armed forces said. Exercises off Occidental Mindoro and Zambales included near-shore operations and fire support missions. The drills showcased the newly commissioned BRP Miguel Malvar frigate, built under the country's naval modernization programme. The collaboration reflects deepening defence ties under President Ferdinand Marcos Jr., as both nations respond to China's growing presence in the strategic region.

China Warns EU to Stop "Provoking Trouble" in South China Sea

China's embassy in the Philippines urged the European Union to cease "provoking trouble" in the South China Sea following comments by EU foreign policy chief Kaja Kallas during her Manila visit. Beijing said the EU has no right to intervene in regional disputes and advised the Philippines against "fantasising" about relying on external forces. The embassy repeated calls for direct dialogue between China and claimant states, rejecting the EU-Philippines joint criticism of China's "illegal, coercive" measures in the contested waters.

June 06

India Pledges Kashmir Development Despite Tourist Attack

India reaffirmed its commitment to infrastructure growth in Jammu and Kashmir, declaring that the deadly April 22 tourist attack will not derail planned projects. Prime Minister Narendra Modi inaugurated a \$5 billion rail link—including the world's highest arch bridge—alongside highway upgrades and a new medical college. Modi

accused neighboring Pakistan of aiming to destroy local livelihoods, but vowed the region's development push would continue unabated. These efforts are intended to revive tourism and strengthen economic resilience.

China Showcases Coast Guard Power to Pacific Nations

China's coast guard recently demonstrated the capabilities of its larger vessels—specifically the Haixun 06—to ministers from ten Pacific Island nations, signaling its intention to conduct high-seas patrols and fishing-boat boardings in the Pacific Ocean. Registered with the Western & Central Pacific Fisheries Commission in 2024, 26 Chinese coast guard vessels are now authorized for high-seas operations, though none have performed inspections yet. The move marks a strategic expansion of Chinese maritime enforcement and raises concerns about potential tensions with Taiwan and U.S. coast guard activities.

June 07

North Korea Faces Major Internet Outage, Likely Internal Fault

North Korea suffered a substantial internet outage on June 7, which disconnected government websites, news services, and email for several hours. External links via China and Russia were also disrupted, suggesting the cause was an internal malfunction rather than a cyberattack, according to UK-based researcher Junade Ali. The outage demonstrates the fragility of the regime's tightly controlled and limited global internet infrastructure. It remains unclear whether the disruption was accidental or intentional, but the incident highlights the risks inherent in North Korea's centralized network systems.

UK and India Deepen Counter-Terrorism Cooperation Post-Ceasefire

Britain's Foreign Secretary David Lammy visited New Delhi and pledged to expand UK-India collaboration on counter-terrorism, following the recent India-Pakistan ceasefire after the deadly April Kashmir attack. Lammy met Prime Minister Modi and Foreign Minister Jaishankar to reinforce efforts on disrupting terrorist financing, intelligence sharing, and law enforcement coordination. He underscored the importance of maintaining fragile peace. The talks also explored economic ties, with Lammy noting an imminent visit by UK PM Keir

Starmer to sign a pending free-trade agreement between the two countries.

June 08

Thailand and Cambodia Return to Agreed Border Positions After Deadly Clash

Thailand and Cambodia have agreed to withdraw troops to previously established 2024 border positions following a fatal skirmish on May 28 that killed a Cambodian soldier, both defence ministries confirmed. The move aims to ease rising tensions along the long-disputed frontier. Defence officials say both sides hope the adjustments will lower confrontation risks ahead of a Joint Boundary Committee meeting scheduled for June 14. Cambodia has additionally urged Thailand to resolve remaining disputes at the International Court of Justice, which Thailand opposes.

June 09

Japan Confirms Chinese Aircraft Carrier East of Iwo Jima

Japan's government said that China's aircraft carrier Liaoning sailed east of Iwo Jima—within Japan's exclusive economic zone—for the first time, accompanied by other vessels and aircraft operations, including landings and takeoffs. Japan pledged increased surveillance and communicated its concerns to Beijing. China defended the voyage as lawful. The movement of Liaoning, part of broader operations involving carriers Liaoning and Shandong in the Western Pacific, underscores Beijing's expanding naval reach beyond the first island chain and has prompted Japan to bolster its maritime monitoring.

Moscow-Pyongyang Passenger Train Resumes After 5-Year Halt

Russia and North Korea will restart direct passenger rail service between Moscow and Pyongyang this month, marking the first non-stop route since February 2020, Russia's state rail operator announced. The twice-monthly journey spans over 10,000 km, taking eight days—making it the world's longest direct rail link. A second service between Pyongyang and Khabarovsk begins June 19. The revival follows enhanced bilateral cooperation under their strategic partnership treaty and deepening military ties. The route will attach a North Korean carriage to Moscow-Vladi

vostok trains before continuing onward.

June 10

South Korea Nears \$6 Billion K2 Tank Deal with Poland



South Korea is on the brink of finalizing a roughly \$6 billion agreement to export 180 K2 Black Panther tanks to Poland, according to Yonhap News Agency. Under the plan, Hyundai Rotem will produce 117 tanks in South Korea, while Poland's state-owned PGZ will locally assemble 63 units. The signing ceremony is expected in late June. The deal, part of a broader \$13.7 billion arms framework from 2022, marks Seoul's largest single weapon-system export and reinforces its growing role in the European defense sector.

Pakistan Boosts Defence Budget Amid Fiscal Cuts in 2025-26

Pakistan's 2025-26 budget includes a 20% surge in defence spending to 2.55 trillion rupees (\approx \$9 billion), following deadly clashes with India, the finance minister announced. Meanwhile, total federal expenditure is projected to drop by 7% to 17.57 trillion rupees, and a deficit of 3.9% of GDP is targeted. The budget aligns with IMF pale reforms aiming for 4.2% growth. Funding cuts in subsidies and public services will offset the defence hike. Domestic critics argue the move neglects socioeconomic needs amidst high inflation and debt. Military pensions further increase total defence outlays to about \$11.7 billion.

June 12

Trump Administration Reviews AUKUS Submarine Pact

The Trump administration has initiated a formal Pentagon-led review of the Biden-era AUKUS submarine agreement with Australia and the UK,

launched in 2021 to counter China, officials confirmed. The review will assess U.S. submarine production capacity and alignment with Trump's "America First" agenda, potentially delaying Australia's acquisition of Virginia-class nuclear submarines. Australia and the UK broadly welcomed the scrutiny, emphasizing the pact's long-term strategic value. Canberra remains committed, while concerns persist about production bottlenecks and the deal's impact on U.S. naval readiness.

Trump "Receptive" to Contact with North Korea's Kim

The U.S. White House stated that former President Donald Trump remains "receptive to correspondence" with North Korean leader Kim Jong Un. Trump previously held three summits with Kim during his 2017–2021 term, exchanging "beautiful" letters and even briefly stepping into North Korea in 2019. However, past talks failed to curb Pyongyang's nuclear ambitions. While South Korea's new president seeks to reopen dialogue, analysts caution that re-engagement may prove more difficult now, given North Korea's enhanced military capacity and deepening alliance with Russia.

Global Condolences Follow Air India Crash



World leaders and organizations expressed deep sorrow following the tragic Air India Flight 171 crash near Ahmedabad, which killed over 240 passengers and several on the ground. Indian Prime Minister Modi called the event "heartbreaking beyond words," while UK Prime Minister Keir Starmer described it as "devastating" and deployed crisis teams. U.S. Secretary of State Marco Rubio offered condolences and readiness to assist. Global figures—including Canada, France, China, Australia, and the Vatican—sent messages of solidarity to families and survivors.

June 13

Taiwan Embraces Sea Drones After Ukraine's Success



Taiwan is escalating its adoption of explosive-laden sea drones inspired by Ukraine's effective deployment in the Black Sea. Overseen by the Chung-Shan Institute under the "Swift and Sudden" project, the T\$800 million (\$26.8 million) initiative will expand with funding in the next defence package. Taiwanese firms showcased models like the SeaShark 800, capable of carrying 1,200 kg explosives over 500 km. The move signals a shift towards asymmetric maritime defence, aiming to deter China through unpredictable, cost-effective naval capabilities.

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