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# Indo-Pacific Insights

CGS Centre for  
Governance Studies



## A Bi-Weekly Roundup of Key Events

### March 01

#### North Korea Condemns US-Israeli Strikes on Iran as Illegal

North Korea has condemned the recent Israeli airstrikes and US military operations against Iran, calling them an “illegal act of aggression” and a violation of international law. According to a statement from North Korea’s foreign ministry carried by state media, the attacks infringe on Iran’s sovereignty and demonstrate what it described as the United States’ and Israel’s misuse of military power to pursue hegemonic interests. Pyongyang warned that such actions threaten global peace and stability. The criticism comes amid escalating tensions following coordinated US-Israeli strikes on Iranian targets, which have triggered wider geopolitical reactions and heightened conflict in the Middle East.

#### South Korea Urges North Korea to Restart Dialogue

South Korean President Yoon Suk Yeol has called on North Korea to return to dialogue in order to improve relations and open a new chapter on the Korean Peninsula. In a speech marking a national independence anniversary, he emphasised the need for cooperation and peaceful engagement between the two countries. Yoon stated that South Korea respects North Korea’s political system and has no intention of forcing unification or absorbing the North. Instead, he proposed building a stable peace framework and reducing long-standing tensions through communication and mutual understanding. The appeal comes at a time when inter-Korean relations remain strained and diplomatic contact between the two sides has largely stalled.

### March 2

#### Australia Chooses Non-Military Approach in Iran War Tensions

Australia has announced that it will not take part in military operations against Iran despite escalating conflict in the Middle East. Foreign Minister Penny

Wong said the country would not deploy ground troops or participate in offensive actions, even though Australia is a close ally of the United States. However, the government is considering requests from countries affected by Iranian missile and drone attacks and may provide defensive support to help protect them. Canberra is also working to assist Australians stranded in the region and encouraging them to leave if possible. The decision reflects Australia's effort to avoid direct involvement while still supporting regional stability and protecting its citizens.

### **Malaysia's Bid to Cap Prime Minister's Tenure Falls Short in Parliament**

Malaysia's parliament failed to approve a constitutional amendment that would limit the prime minister's tenure to two terms, or a maximum of 10 years. Although 146 lawmakers supported the proposal, it fell two votes short of the required two-thirds majority needed for constitutional changes. Forty-four members abstained and 32 were absent during the vote. The reform was a key pledge of Prime Minister Anwar Ibrahim's government aimed at preventing excessive concentration of power. Critics, however, argued that the proposal could interfere with the monarch's constitutional role in appointing the prime minister.

### **UN Warns of Rising Child Malnutrition in Afghanistan**

The United Nations has warned that Afghanistan's hunger crisis is worsening, with about 200,000 additional children expected to suffer from acute malnutrition in 2026. The World Food Programme estimates that 3.7 million children will require treatment this year, but funding shortages mean aid agencies can only help a fraction of those in need. Reduced international assistance, harsh winter conditions, and conflict near the Pakistan border are limiting access to clinics and disrupting humanitarian services. Officials fear many children in remote areas may die unnoticed, especially during winter, as families struggle to reach medical care.

## **March 3**

### **Afghanistan-Pakistan Clashes Leave 42 Civilians Dead**

At least 42 civilians were killed and 104 injured in

Afghanistan during several days of fighting with Pakistan, according to the United Nations Assistance Mission in Afghanistan. The casualties occurred between February 26 and March 2 and were largely caused by cross-border shelling and airstrikes that hit residential areas. The clashes mark a sharp escalation in tensions between the neighbouring countries, with both sides claiming heavy losses. However, these claims have not been independently verified. The UN urged both governments to respect international humanitarian law and take steps to protect civilians from further harm.

### **Violence Erupts at US Consulate Protest in Karachi**



US Marines opened fire when protesters attempted to storm the US consulate in Karachi during demonstrations triggered by the killing of Iran's Supreme Leader in US-Israeli strikes. Protesters breached the compound's outer wall and clashed with security forces, prompting gunfire in an effort to stop the crowd. At least ten people were reported dead during the violence, though officials said it remains unclear whether shots fired by Marines caused the fatalities. The incident marks a rare use of force by US military personnel at a diplomatic mission and has heightened tensions amid widespread regional protests.

### **Foreign Investors Exit Vietnam Stocks Despite Economic Boom**

Vietnam's economy and stock market have grown rapidly, but foreign investors are increasingly pulling money out of local equities. The benchmark index surged about 41% in 2025, yet overseas investors remain cautious due to concerns over potential US tariffs, limits on foreign ownership, and the heavy influence of a single conglomerate, Vingroup, on the market. Record foreign outflows reached about \$5.1 billion in 2025, reflecting

worries about liquidity, diversification, and regulatory constraints. Analysts say Vietnam's market could attract more global investment if ownership limits ease and liquidity improves.

## March 4

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### **US Expands Airstrikes in Iran as Missile Attacks Decline**

The United States says Iran has been launching fewer missiles compared with the early days of the conflict, suggesting that Iranian military capabilities may be weakening. US military officials announced plans to extend airstrikes deeper into Iranian territory to gain greater operational flexibility and target additional military infrastructure. Defence Secretary Pete Hegseth stated that the US believes it is gaining the upper hand in the war, despite the loss of several American troops. In a separate development, a US submarine sank an Iranian warship near Sri Lanka, marking the first torpedo attack by the US Navy on an enemy vessel since World War II.

### **Philippines Detains Citizens Over Alleged Espionage Links to China**

Philippine authorities have apprehended several Filipino nationals suspected of conducting espionage for China, describing the case as a serious national security concern. According to the National Security Council, the suspects admitted their involvement and are cooperating with investigators. Officials said the individuals had been acting on behalf of Chinese intelligence, though details about the number of suspects or possible charges were not disclosed. The incident highlights rising tensions between Manila and Beijing, particularly over disputes in the South China Sea. Philippine lawmakers are now considering stronger espionage laws to address foreign interference and emerging cyber-related security threats.

### **Indonesia Pauses Gaza Peace Initiative Talks Amid Iran War**

Indonesia announced that discussions related to the proposed "Board of Peace" for Gaza have been temporarily suspended due to the ongoing war involving Iran. Foreign Minister Sugiono said attention has shifted to the escalating conflict in the Middle East, making it difficult to continue diplomatic coordination. Indonesia, which was expected to contribute troops to a potential international stabilisation force in Gaza, now plans to

consult with partners in the Gulf region as the situation unfolds. The initiative, linked to a US-backed plan to stabilise Gaza after the Israel-Hamas war, has also faced criticism from some Indonesian Muslim groups.

## March 5

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### **Chinese Military Flights Near Taiwan Drop Amid Possible Trump-Xi Diplomacy**

Chinese military air activity around Taiwan has declined sharply in recent weeks, with no aircraft entering the island's air defence identification zone for nearly a week. Taiwan's data shows Chinese incursions this year have fallen about 46.5% compared with the same period last year, and February recorded the lowest number of aircraft sightings since detailed monitoring began in 2022. Analysts suggest Beijing may be reducing visible pressure ahead of a potential meeting between Chinese President Xi Jinping and US President Donald Trump. However, experts warn that naval and coast guard operations near Taiwan continue, indicating China's broader strategic posture remains unchanged.

### **China Plans 7% Rise in Defence Spending Despite Economic Pressures**

China announced that its defence budget will increase by about 7% in 2026, slightly lower than the 7.2% rise recorded in 2025, as Beijing continues to prioritise military modernisation. The spending plan, revealed during the annual meeting of the National People's Congress, reflects China's effort to strengthen its armed forces and expand advanced military capabilities amid growing geopolitical tensions. Despite economic challenges and slower growth expectations, the government signalled that national security remains a major priority. China already holds the world's second-largest military budget, and the steady increase highlights its long-term strategy to enhance military strength and technological capacity.

### **Iran Fires Missile Barrage at Israel as US Lawmakers Back Continued Airstrikes**

Iran launched a large wave of missiles towards Israel, forcing millions of residents to seek shelter as the conflict with Israel and the United States intensified. The attack came as Israel carried out additional strikes on Iranian targets, escalating the regional confrontation. At the same time, US

Republicans in Congress blocked a resolution that sought to halt the American air campaign against Iran, signalling continued political support for the military operation. The failed measure highlighted divisions in Washington over the war but allowed ongoing US involvement in strikes against Iranian military infrastructure.

## March 6

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### Iranian Sailors Treated in Sri Lanka After US Submarine Sinks Warship



Iranian sailors rescued from a sunken warship are recovering in a hospital in Galle, Sri Lanka, after a US submarine attack in the Indian Ocean. The strike sank the Iranian frigate IRIS Dena, killing at least 87 crew members and leaving dozens missing. Sri Lankan rescue teams recovered survivors and transported them to the hospital for treatment, mostly for minor injuries and exhaustion. Authorities said the sailors were rescued after a distress call from the vessel. The incident marks a significant escalation in the wider US–Iran conflict, which has expanded beyond the Middle East into nearby maritime regions.

### Philippines Investigates Leak of South China Sea Mission Data to Chinese Intelligence

Philippine security officials say sensitive information about the country's resupply missions in the South China Sea was leaked to Chinese intelligence. Authorities detained several Filipino suspects who allegedly passed operational details such as troop movements, supply schedules, and personnel rotations. Investigators revealed the information was transmitted through a hidden messaging system disguised within a mobile phone game. Officials described the breach as serious but limited in scope and said the communication channels have since been shut down.

The incident has intensified concerns about espionage and foreign interference, prompting calls to update the Philippines' outdated espionage laws.

### Taiwan Pushes Back on Opposition Defence Plan

Taiwan's Defence Minister Wellington Koo rejected a proposal by the opposition Kuomintang (KMT) to significantly reduce the government's planned defence spending and impose a strict deadline for completing US arms purchases. The government seeks a large military budget to strengthen Taiwan's defences against rising pressure from China, but the opposition suggested funding only about 30% of the proposal and setting a 2028 deadline for weapons delivery. Koo argued that such limits would disrupt major defence projects and weaken Taiwan's military readiness. He also warned that restricting procurement channels could create gaps in the island's overall defence capabilities.

## March 7

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### Middle East War Shakes Global Bond Markets

Global government bond markets suffered sharp losses after a week of escalating war in the Middle East. Rising oil prices, driven by disruptions in energy exports and shipping routes, increased fears of renewed inflation. Investors now worry that central banks may delay interest rate cuts or even raise rates to control price pressures. As a result, yields on major government bonds in the United States, Europe, and other markets climbed significantly, marking one of the worst weeks for bonds in months. The turmoil has also spread to corporate credit markets, reflecting growing uncertainty in global financial markets.

### India Lets Iranian Warship Dock After US Sinks Another Near Sri Lanka

India allowed an Iranian naval vessel to dock at the southern port of Kochi, describing the move as a humanitarian gesture. The decision came the same day a US submarine sank the Iranian frigate IRIS Dena in the Indian Ocean near Sri Lanka, an attack that killed dozens of sailors and widened the ongoing conflict involving Iran. Indian officials said the ship, IRIS Lavan, had requested entry after regional tensions escalated. The vessel and others had earlier participated in a naval event in India

before the situation deteriorated, placing them unexpectedly in the middle of the expanding crisis.

## **Campaign Momentum Puts Nepal's Balendra Shah Near Power**

Balendra Shah's political campaign has rapidly transformed Nepal's election landscape, positioning the rapper-turned-politician close to national power. Operating from a modest campaign office in Kathmandu, Shah's team relied heavily on social media outreach, grassroots volunteers, and strong support from the Nepali diaspora. His message focused on anti-corruption reforms, youth engagement, and technological modernisation of government. The campaign attracted large numbers of young voters frustrated with traditional political elites. Riding the momentum of recent protests against the old political establishment, Shah's Rastriya Swatantra Party has taken a strong lead in vote counts, signalling a major shift in Nepal's political dynamics.

### **March 8**

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## **Iran War Raises Risk of Long Energy Market Disruption**

The war involving Iran, the United States, and Israel is threatening prolonged instability in global energy markets. Damage to infrastructure, shipping risks, and disrupted trade routes have tightened supplies and pushed oil prices higher. Analysts say consumers and businesses could face weeks or months of elevated fuel costs even if the conflict ends soon. Energy producers and traders are also dealing with damaged facilities and logistical challenges, increasing uncertainty in supply chains. The crisis has heightened fears of inflation and economic slowdown worldwide, as energy costs ripple through transportation, manufacturing, and other sectors.

## **Australia Considers Aid Requests After Iran Attacks**

Australia said it is reviewing requests from several countries that were targeted by Iranian missile and drone strikes during the escalating Middle East conflict. Foreign Minister Penny Wong stated that some nations not directly involved in the war have asked Canberra for help in strengthening their defences. The Australian government emphasised that while it is willing to consider protective or defensive support, it will not participate in

offensive military operations against Iran or deploy ground troops. Officials said any assistance will be carefully evaluated as the conflict continues to expand across the region.

## **China Urges Dialogue with US Amid Trump Pressure on Beijing's Allies**

China said maintaining dialogue with the United States is crucial to avoid misunderstandings that could harm global stability. Foreign Minister Wang Yi emphasised the importance of continued communication ahead of a potential meeting between Chinese President Xi Jinping and US President Donald Trump. His remarks came as the Trump administration increases pressure on countries seen as key partners of Beijing. Chinese officials warned that a lack of engagement between the two powers could lead to miscalculations and heightened confrontation, stressing that steady diplomacy is necessary to manage disputes and maintain international stability.

### **March 9**

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## **Vietnam Cuts Fuel Import Tariffs Amid Iran War Supply Strain**

Vietnam plans to temporarily remove import tariffs on fuels to secure domestic supply as the Iran war disrupts global energy flows. The government said the measure, expected to remain in effect until the end of April, aims to stabilise fuel availability and limit price pressures caused by supply shortages. The Ministry of Finance is preparing the necessary resolution to implement the policy. Officials say the move is part of broader efforts by governments to cushion the economic impact of the Middle East conflict, which has tightened energy supplies and increased volatility in global oil markets.

## **Governments Move to Tackle Oil Price Surge from Iran War**

Governments worldwide are taking emergency steps to reduce the economic impact of surging oil prices triggered by the escalating Iran war. Several countries are considering releasing strategic fuel reserves, capping domestic fuel prices, or reducing tariffs to ease pressure on consumers. South Korea is preparing a fuel price cap and exploring alternative energy sources, while other Asian nations are adjusting policies to stabilise supply. The conflict has disrupted shipping and production in the Middle East, pushing crude prices sharply higher

and raising fears of inflation and economic strain across global markets.

## **Iran War Complicates Central Bank Policy Plans**

The escalating conflict involving Iran is forcing central banks to reassess their monetary policy strategies. Rising oil prices and supply disruptions are increasing inflationary pressures, making previously expected interest rate cuts less certain. Policymakers now face the challenge of balancing economic growth with the need to contain inflation. Higher energy costs could also worsen trade balances and increase financial volatility in emerging markets. Economists warn that if the conflict continues, central banks may delay easing policies and adopt a more cautious stance to manage the economic risks created by the global energy shock.

### **March 10**

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## **US Weighs Labeling Afghanistan Over Detained Americans**

The United States is considering designating Afghanistan as a “state sponsor of wrongful detention” due to the Taliban’s alleged detention of American citizens. Secretary of State Marco Rubio criticised the Taliban for holding foreigners to gain political leverage and demanded the release of detainees, including Dennis Coyle and Mahmood Habibi. Washington warned that Afghanistan remains unsafe for US citizens and said travel restrictions for Americans could be imposed if the issue is not resolved. The designation would formally accuse the Taliban of using detentions as diplomatic pressure, further increasing tensions between the two sides.

## **Taiwan Says Arms Deliveries Unaffected by Iran War**

Taiwan’s defence minister said the United States has not asked Taipei to redirect any American-supplied weapons to the Middle East despite the ongoing war involving Iran. The statement came after reports that Washington was considering redeploying some military systems from other regions to support operations in the conflict. Taiwan stressed that its planned deliveries of US weapons, including advanced surveillance drones,

remain on schedule and unaffected by the war. Officials added that if any redeployment were ever requested, the United States would handle the transportation, but no such request has been made so far.

## **Turkey Strengthens Air Defence with US Patriot**

Turkey said the United States has deployed a Patriot air defence system in the country’s south-east to strengthen protection against missile threats linked to the ongoing Iran conflict. The system was installed near the NATO radar base in Malatya, which plays a key role in detecting regional missile activity. Ankara said the deployment is part of broader NATO measures to enhance air and missile defence as tensions rise in the Middle East. Turkish officials added that they will continue coordinating with NATO allies while closely monitoring developments in the region.

### **March 11**

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## **North Korea Backs Iran’s New Supreme Leader**



North Korea has expressed support for Iran’s decision to appoint Mojtaba Khamenei as the country’s new supreme leader following the death of his father, Ayatollah Ali Khamenei. Pyongyang said it respects the Iranian people’s choice and condemned what it described as aggressive actions by the United States and Israel against Iran. The statement, delivered through state media, framed the attacks as violations of Iran’s sovereignty and blamed them for increasing instability in the region. The remarks highlight North Korea’s diplomatic alignment with Iran as the wider conflict in

## China, North Korea Restore Passenger Rail Route

China and North Korea will restart passenger train services between Beijing and Pyongyang, ending a six-year suspension caused by strict border closures during the COVID-19 pandemic. The first train is scheduled to depart on March 12, with tickets already sold out. Initially, the service will mainly accommodate diplomats and travellers on official business, though seats may later be opened to the public. The resumption restores an important transport link between North Korea and its main economic partner and signals a gradual reopening of cross-border travel after years of isolation.

**March 13**

## ASEAN Calls for End to Middle East War Amid Economic Concerns



ASEAN foreign and economic ministers have called for an immediate halt to the war in the Middle East, warning that rising oil prices and disrupted trade routes are already affecting Southeast Asian economies. Meeting in Manila, officials urged all parties to exercise restraint and keep global energy supply chains open. Governments across the region are introducing measures to stabilise markets, conserve energy, and protect vulnerable sectors such as tourism and fuel-dependent industries.

**March 14**

## Pakistan Airstrikes in Kabul Leave Civilians Dead

Pakistani airstrikes struck targets in Afghanistan, including a fuel depot near Kandahar airport and residential areas in Kabul, killing at least six civilians and injuring more than a dozen, according to the Taliban and the United Nations. The UN confirmed that women and children were among those affected in the Pul-e-Charkhi area of Kabul.

Pakistan said the operation targeted militant camps and “terrorist support infrastructure” as part of Operation Ghazb lil Haq, denying that civilians were targeted. The strikes come amid rising tensions between the neighbouring countries and follow recent Chinese efforts to mediate between Islamabad and Kabul.

## Chinese Military Flights Resume Near Taiwan After Two-Week Gap

Taiwan has reported the return of large-scale Chinese military air activity around the island after an unusual absence of more than two weeks. Taiwan’s defence ministry said it detected 26 Chinese military aircraft in the Taiwan Strait within 24 hours, marking the largest presence since late February. China routinely sends fighter jets, drones, and other aircraft near Taiwan, but the recent pause had sparked speculation about Beijing’s intentions. Chinese officials criticised Taiwan President Lai Ching-te’s call for higher defence spending. Taiwanese authorities warned that despite the temporary lull, China’s military pressure on the island has not diminished.

## Trump Warns of More Strikes on Iran’s Kharg Island

US President Donald Trump warned that Washington could carry out additional strikes on Iran’s main oil export hub, Kharg Island, as the war with Iran entered its third week. Trump said earlier attacks had already caused heavy damage to the facility and suggested more strikes might follow. He also urged allies to help secure shipping lanes through the Strait of Hormuz, where oil traffic has been severely disrupted. The closure of the vital waterway has triggered major turmoil in global energy markets. Meanwhile, missile and drone exchanges between Iran, Israel, and US forces continue, raising fears of a prolonged regional conflict.

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