15 June | 2026

Indo-Pacific Insights

cgs Centre for Governance Studies





A Bi-Weekly Roundup of Key Events

May 19

Taiwan blames Chinese military drills for rising tensions

Taiwan Premier Cho Jung-tai accused China's military activities of being the primary source of regional instability after Beijing conducted fresh drills near the island. Taiwan's defence ministry reported the presence of Chinese warships and warplanes, while Beijing described the operations as routine training involving the Liaoning aircraft carrier group. Cho reaffirmed Taiwan's sovereignty and called for dialogue based on equality and dignity. The developments come as President Lai Ching-te prepares to outline his policy priorities while marking two years in office.

May 20

Putin visit underscores deepening China-Russia partnership

Russian President Vladimir Putin arrived in Beijing for a state visit shortly after U.S. President Donald Trump's trip to China, highlighting Beijing's growing diplomatic influence. Putin described China-Russia relations as being at an "unprecedented level", citing expanding trade, increased use of non-dollar transactions, and easier travel arrangements. The visit comes as Moscow faces mounting pressure from the war in Ukraine and growing economic reliance on China. The two leaders were expected to sign several agreements, including potential energy deals, while promoting a multipolar international order.

May 21

Oil price surge puts pressure on Asian currencies

Asian economies are facing increasing strain as the Middle East energy crisis drives up oil prices and weakens regional currencies. Countries heavily dependent on oil imports through the Strait of Hormuz, including India, Indonesia, and the Philippines, are particularly exposed.

Currency depreciation is raising import costs, fuelling inflation, and prompting central banks to consider or implement interest rate hikes. Governments are also taking steps to conserve foreign exchange and stabilise markets as investors remain wary of capital outflows, shrinking

US, Philippines near economic security zone agreement

The United States and the Philippines are expected to finalise a framework for an economic security zone, according to U.S. Under Secretary of State for Economic Affairs Jacob Helberg. The initiative forms part of Washington's "Pax Silica" technology supply-chain alliance, which focuses on critical minerals, advanced manufacturing, computing, and data infrastructure. The Philippines became the alliance's 13th member last month. A proposed site in New Clark City has attracted interest from several U.S. firms, although Manila has yet to approve Washington's request for diplomatic immunity within the zone.

May 22

APEC ministers meet amid mounting trade tensions

Trade ministers from across the Asia-Pacific gathered in Suzhou, China, to discuss trade imbalances, supply-chain resilience, and multilateral cooperation amid growing geopolitical and economic uncertainty. The meeting comes ahead of the APEC leaders' summit in Shenzhen and follows concerns over China's large trade surplus and increasing protectionist measures worldwide. China urged participants to seek consensus and support inclusive growth, while business leaders called for a pause in new trade restrictions. Delegates from the United States, Japan, Australia, Taiwan, ASEAN, and other economies attended the talks.

China's rare earth restrictions increase pressure on Japan

China has tightened restrictions on exports of several heavy rare earths and gallium to Japan, materials essential for electronics, clean technology, and defence industries. The move follows renewed tensions over Taiwan and recalls a similar dispute between the two countries in 2010. Despite years of diversification efforts, Japan remains heavily dependent on Chinese supplies. Manufacturers are facing uncertainty, while Tokyo is relying on stockpiles and seeking alternative suppliers to mitigate the impact of the restrictions.

May 23

Rohingya refugees arrive in Indonesia

Around 50 Rohingya refugees arrived by boat in Indonesia's North Sumatra province, according to local authorities and the UN refugee agency. The group, which included women and children, was discovered in Langkat and provided with food, water, and medical assistance. Rohingya refugees continue to flee persecution and instability in Myanmar, although recent arrivals in Indonesia have increasingly encountered resistance from local communities concerned about resources and security.

May 24

Train bombing kills dozens in Pakistan's Balochistan



At least 24 people were killed and around 70 injured when a bomb struck a train carrying Pakistani security personnel and their families in Quetta, Balochistan. The Baloch Liberation Army claimed responsibility for the attack, describing it as a suicide operation, although the claim could not be independently verified. The explosion derailed the locomotive and several coaches. Prime Minister Shehbaz Sharif condemned the attack, which adds to a recent surge in violence across the restive province.

May 25

Shangri-La Dialogue overshadowed by global security tensions



The Shangri-La Dialogue in Singapore is expected to focus heavily on the Iran war, uncertainty over U.S. commitments in Asia, and rising tensions surrounding Taiwan. U.S. Defence Secretary Pete Hegseth is likely to face questions over whether Washington's attention is being diverted by developments in the Middle East. Analysts also expect discussions on the South China Sea, the Strait of Malacca, defence spending, and how smaller states navigate growing U.S.-China rivalry.

Markets rally on hopes of Iran peace deal

Global stock markets advanced as investors responded positively to signs of progress towards a possible peace agreement involving Iran. Oil prices fell sharply and the U.S. dollar weakened, easing some of the pressure created by months of energy market uncertainty. European equities rose, while U.S. stock futures moved higher. Japanese and Taiwanese markets reached record highs, supported by technology and AI-related shares. Nevertheless, concerns over inflation, fuel costs, and future U.S. interest rates continued to temper optimism.

May 26

China says it expelled Dutch warship from disputed waters

China's military said it monitored and expelled a Dutch frigate that entered waters claimed by Beijing in the South China Sea. Chinese authorities accused the vessel of violating sovereignty and undermining regional stability. The Netherlands rejected the accusation, maintaining that its naval operations complied with international law and freedom of navigation principles.

The incident highlights ongoing tensions in the South China Sea, where China's claims overlap with those of several Southeast Asian nations and are frequently challenged by foreign naval patrols.

May 29

Oil prices rebound after fresh US strike on Iran

Oil prices recovered after the United States carried out new strikes on an Iranian military site, reviving concerns about a possible escalation in Middle East tensions. U.S. crude futures rose above $90 per barrel, recovering some of the losses recorded the previous day. Markets reacted to fears that renewed hostilities could disrupt energy supplies and threaten shipping routes across the region, despite ongoing diplomatic contacts between Washington and Tehran. Investors remained focused on developments in the Strait of Hormuz, a vital corridor for global oil shipments.

North Korea shows little interest in renewed dialogue

North Korea currently appears unwilling to resume talks with either the United States or South Korea, according to Singapore's foreign minister following recent diplomatic contacts. The assessment comes despite efforts by Seoul to improve relations and reduce tensions on the Korean Peninsula. The minister said Pyongyang seems increasingly focused on its strategic partnership with Russia and has shown little enthusiasm for restarting negotiations. The comments underscore the continuing diplomatic deadlock as regional governments seek ways to revive dialogue and address security concerns.

May 30

Markets remain cautious amid oil and inflation concerns

Global markets delivered mixed performances as investors balanced easing Middle East tensions against persistent concerns over inflation, interest rates, and energy prices. Oil markets remained a focal point following recent volatility linked to the Iran conflict and supply disruptions. Equity markets were uneven, while movements in bond yields and currencies reflected investor caution ahead of key economic data releases. Analysts

said markets would remain sensitive to central bank signals, trade developments, and any renewed instability affecting global energy supplies.

New Zealand plans gradual rise in defence spending

New Zealand will steadily increase defence spending over the coming years to strengthen military capabilities and respond to a more challenging security environment, Defence Minister Judith Collins said. The government plans to modernise equipment, improve military readiness, and deepen cooperation with regional and international partners. Officials said the spending increases would be phased in gradually to balance security requirements with broader fiscal priorities. The move reflects growing concern over geopolitical competition and strategic uncertainty across the Indo-Pacific region.

May 31

South Korea and Japan discuss military logistics pact

South Korea and Japan have begun discussions on a military logistics support agreement that would allow their armed forces to exchange supplies and services during joint operations and exercises. The talks, held between defence officials from both countries, reflect improving security ties amid shared concerns over regional threats. If finalised, the arrangement would enhance defence cooperation, strengthen operational coordination, and support broader trilateral security collaboration with the United States in the Indo-Pacific.

China increases patrols around Scarborough Shoal

China's coast guard and military conducted patrols near the disputed Scarborough Shoal after the Philippines warned of growing security concerns in the area. Beijing said the operations were intended to safeguard its territorial claims and maintain order in nearby waters. The Philippines has recently stepped up criticism of Chinese activities in the South China Sea, where the two countries have repeatedly clashed over competing maritime claims. The latest patrols underline continuing tensions in one of Asia's most contested waterways.

June 01

Thousands of seafarers remain stranded in the Gulf

The International Maritime Organization (IMO) says conditions remain too unsafe to evacuate thousands of seafarers stranded in the Gulf despite a ceasefire between the United States and Iran. IMO Secretary-General Arsenio Dominguez said stronger security guarantees or a final agreement are needed before evacuation efforts can begin. Around 20,000 sailors are reportedly unable to leave vessels as movement through the Strait of Hormuz remains restricted. The IMO is exploring a safe maritime corridor, while shipping companies continue to seek an exit plan for crews.

Iran warns over Hormuz as tensions persist

Iran's Tasnim news agency reported that Tehran has suspended indirect message exchanges with the United States through mediators following Israeli attacks in Lebanon. The report said Iranian officials and allied groups are considering measures that could include disrupting traffic through the Strait of Hormuz and increasing pressure through other regional routes such as Bab el-Mandeb. Iranian officials warned that any breach of a ceasefire in one theatre would be treated as a violation across all fronts.

Indo-Pacific nations deepen defence cooperation

Countries across the Indo-Pacific are strengthening defence partnerships as China's military capabilities expand and questions persist about the long-term focus of U.S. strategy in the region. Speaking at the Shangri-La Dialogue in Singapore, officials highlighted growing cooperation in maritime security, defence, and cybersecurity. Japan, the Philippines, Canada, New Zealand, and Australia are among the countries pursuing closer military ties. While U.S. support remains central, many governments are also building broader regional networks to enhance deterrence and reduce strategic uncertainty.

June 04

IAEA reports little change in Iran's nuclear programme

The International Atomic Energy Agency's first assessment of Iran's nuclear programme since February found no major changes despite

months of U.S. and Israeli attacks. The agency repeated concerns about Iran's lack of transparency regarding enriched uranium stockpiles and access to damaged nuclear facilities. It said the loss of monitoring capabilities has weakened its ability to verify Iranian activities. The report is expected to influence discussions at the upcoming IAEA Board of Governors meeting as pressure grows on Tehran to provide greater clarity.

June 05

Putin sees no immediate need for talks with Zelenskiy

Russian President Vladimir Putin said he sees no immediate reason to meet Ukrainian President Volodymyr Zelenskiy, arguing that expert-level negotiations should first produce substantive agreements. Putin also criticised Zelenskiy's recent proposal for direct talks, saying parts of it were disrespectful and did not create the conditions necessary for meaningful dialogue. Zelenskiy responded by accusing Moscow of continuing to prioritise war over peace, highlighting the persistent deadlock in efforts to end the conflict.

US boards sanctioned tanker in Indian Ocean

U.S. forces boarded the sanctioned and stateless oil tanker Davina in the Indian Ocean as part of efforts to enforce sanctions linked to Iran's oil trade. According to U.S. Indo-Pacific Command, the vessel, capable of carrying up to two million barrels of crude oil, had been sanctioned in 2024. American officials described the operation as part of broader maritime enforcement efforts targeting networks that support Iran. Ship-tracking data indicated the tanker was carrying a near-full cargo and was last observed near Sri Lanka.

WHO launches six-month Ebola response plan

The World Health Organization has unveiled a six-month strategy to contain a growing Ebola outbreak in Africa. The plan focuses on supporting response efforts in the Democratic Republic of Congo and Uganda while helping neighbouring countries strengthen preparedness and border controls. WHO Director-General Tedros Adhanom Ghebreyesus said stronger funding, political commitment, and community engagement could still bring the outbreak under control. Challenges include limited testing capacity, delayed detection, insecurity, and public mistrust in affected regions.

June 06

US strikes Iranian coastal radar sites

U.S. forces struck Iranian coastal radar facilities after intercepting drones that Washington said were launched towards the Strait of Hormuz. U.S. Central Command reported that four one-way attack drones were shot down before strikes targeted surveillance radar installations near Goruk and Qeshm Island. The incident marked another escalation in tensions between Washington and Tehran and renewed concerns about security along one of the world's most important shipping routes.

Lebanese army chief visits Pakistan

Lebanese army commander General Rudolf Haykal travelled to Pakistan at the invitation of his Pakistani counterpart, according to Lebanon's military. Officials did not disclose details of the visit or its duration. The trip comes as Pakistan seeks to support diplomatic efforts aimed at reducing tensions stemming from the U.S.-Israeli confrontation with Iran, which has also affected Lebanon. Observers view the visit within the broader context of regional diplomacy and efforts to prevent further escalation.

June 08

Iran Rejects Proposal to Use Frozen Assets for Gulf Compensation

Iran has dismissed suggestions that its frozen overseas assets could be used to compensate U.S. allies for losses incurred during the recent regional conflict. Deputy Foreign Minister Kazem Gharibabadi said Iranian funds could not be treated as "war spoils" or as a reserve for Washington's partners. He warned that any seizure, transfer, or use of Iranian assets without Tehran's approval would violate international law and provoke a response. Iran also argued that countries which supported hostile actions against it should bear responsibility for any resulting losses.

Israel Intercepts Projectiles Fired from Lebanon

The Israeli military said it intercepted two projectiles launched from Lebanon after air raid sirens sounded in the northern communities of Yiftah and Ramot Naftali. No casualties or significant damage were reported. The incident comes amid persistent tensions along the Israel-Lebanon

border and has renewed concerns about the fragile security situation. The exchange is likely to complicate efforts to maintain calm and could add further strain to regional ceasefire initiatives.

Trump Refuses to Unfreeze Iranian Assets Before Agreement

U.S. President Donald Trump said Washington would not release Iran's frozen assets or ease sanctions before a peace agreement is finalised. In an interview with NBC News, Trump said such measures could only be considered after a deal is reached and if Iran demonstrates responsible behaviour. He also indicated that Lebanon's inclusion in any short-term arrangement with Tehran was not a precondition. The comments came as the United States continues diplomatic efforts to secure a broader agreement with Iran amid ongoing regional tensions.

June 12

Philippine defence chief defiant after Chinese sanctions

Philippine Defence Secretary Gilberto Teodoro vowed to continue challenging what he described as China's "wickedness" after Beijing imposed sanctions on him and his close relatives over remarks concerning China. The sanctions come amid escalating tensions between the two countries over disputed areas of the South China Sea. Teodoro said he would continue to uphold the Philippines' interests despite Chinese pressure. Manila has criticised the sanctions as an unfriendly act and plans to seek discussions with Beijing. The Philippine military also rejected the measures as politically motivated and reaffirmed its commitment to patrol operations in contested waters.

June 13

China protests US blacklist of major technology firms

China has strongly criticised the United States after the Pentagon added several leading Chinese companies to its list of firms allegedly supporting China's military. The updated list includes technology and industrial giants such as Alibaba, Baidu, BYD, NIO, Trina Solar and JA Solar. Beijing said the move undermines recent understandings reached between Presidents Xi Jinping and Donald Trump and warned of firm retaliation if Chinese companies are not treated fairly. Under US law, the Pentagon will be barred from directly contracting with listed firms and will face restrictions on purchasing their products or services through third parties from 2027.

June 15

China's growing military reach raises concerns in Australia

China's ability to strike Australia is expected to expand significantly over the next decade, according to a report by the Lowy Institute. The think tank warned that a new long-range stealth bomber and potential Chinese military bases in Pacific Island nations could bring more of Australia within range of Chinese forces. In the near term, however, cyberattacks and disruptions to undersea communication cables pose greater risks. China rejected the findings, saying its military development is defensive in nature. The report comes as Australia remains concerned about Beijing's growing influence in the Pacific despite improving bilateral ties.

June 16

Xi backs Myanmar's Min Aung Hlaing during Beijing visit

Chinese President Xi Jinping reaffirmed Beijing's support for Myanmar President Min Aung Hlaing during talks in Beijing on Tuesday, signalling continued backing for Myanmar's current leadership. The five-day visit marks Min Aung Hlaing's first trip to China since consolidating power following controversial elections earlier this year. Xi called for deeper strategic cooperation, political reconciliation, and stability in northern Myanmar, while urging progress on key infrastructure projects under the China-Myanmar Economic Corridor. The two sides signed 18 cooperation agreements covering trade, transport, disaster management, health, and media, underscoring China's long-term economic and strategic interests in Myanmar.

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