

Welcome to This Week's Asia on the Horizon

(28 APR 2025)

This week's edition of Asia on the Horizon captures a region grappling with the sharp edges of global realignment—where trade wars, security dilemmas, and nationalist tensions converge to reshape the Indo-Pacific's strategic landscape. As the global economy teeters under the strain of President Trump's renewed tariff onslaught, and as flashpoints from Kashmir to the South China Sea escalate, Asia's key players are pursuing both confrontation and calibration, scrambling to define their place in an increasingly fragmented world order.

At the center of the week's developments is the enduring impact of trade disruptions. In New Delhi, Prime Minister Narendra Modi and U.S. Vice President J.D. Vance sought to reaffirm U.S.-India strategic ties even as new tariffs on Indian exports cast a long shadow over economic cooperation. Meanwhile, Beijing issued fresh warnings about the global consequences of U.S. protectionism, rallied allies to resist American "economic coercion," and firmly rejected any talk of resuming trade negotiations without the lifting of tariffs. Our Infographic of the Week and Statistics of the Week spotlight how U.S.-India ties are being redefined amid tariff tensions and illustrate the enduring yet strained trade interdependence between the United States and China.

Security tensions also intensified dramatically. The Balikatan 2025 exercises between the United States and the Philippines opened with a "full battle test," signaling not just alliance solidarity but a step-change in operational readiness across sensitive theaters near Taiwan and the South China Sea. Across the Pacific, Britain and New Zealand announced deeper military integration, while ASEAN and the United States convened to bolster strategic cooperation amid rising pressure from Washington and Beijing. As our Photo of the Week vividly illustrates, the Indo-Pacific's security cooperation is deepening, with exercises like Balikatan 2025 showcasing strengthened alliances amid rising regional tensions.

Diplomatically, regional actors are hedging and innovating. China and Indonesia launched a landmark "2+2" dialogue, blending foreign and defense policy consultations to solidify a strategic partnership that balances engagement and caution. Saudi Arabia and Japan expanded cooperation beyond energy into defense and technology, while Iran's foreign minister's visit to China underscores Beijing's continued courtship of the Global South amid mounting isolation from Western markets.

Yet amid these efforts at recalibration, deepening fissures emerged. Nowhere is this more dangerous than in South Asia, where the brutal terrorist attack in Kashmir reignited India-Pakistan tensions, prompting fears of a renewed military confrontation between nuclear-armed neighbors. Our Analysis explores how the weaponization of resources, collapse of diplomatic norms, and nationalist fervor have set the stage for a dangerously unstable escalation—one that threatens not just regional stability but broader Indo-Pacific security.

This week's Map of the Week offers a sobering visual of contested zones in Kashmir, while our broader coverage captures how the Indo-Pacific is transforming from a zone of opportunity into a cauldron of strategic competition, economic fragmentation, and diplomatic improvisation. As nationalist impulses strengthen and global institutions falter, Asia's future—and by extension, the world's—will increasingly hinge on how these contests are managed, or left to spiral.

As always, Asia on the Horizon brings you the clarity and depth to navigate these pivotal transformations.



1. KEY DEVELOPMENTS

Modi and Vance Seek to Fortify U.S.-India Ties Amid Tariff Strains

Indian Prime Minister Modi hosted U.S. Vice President Vance in New Delhi on Monday, amid mounting trade tensions following the Trump administration's sweeping tariffs. Despite the friction, the two leaders sought to emphasize the resilience of U.S.-India ties, discussing ways to expand cooperation in defense, technology, and critical supply chains. The meeting underscored New Delhi's balancing act: preserving its growing strategic partnership with Washington while managing the economic fallout of newly imposed U.S. tariffs, which have hit Indian exports with a 26% duty. Modi and Vance also reaffirmed a shared commitment to a free and open Indo-Pacific, signaling continued alignment on regional security priorities despite emerging trade disputes.

The timing of Vance's visit highlights both opportunity and strain in the bilateral relationship. Officials said both sides pledged to accelerate efforts toward a comprehensive trade agreement, a project given new urgency by the tariff landscape. Modi emphasized India's interest in maintaining robust U.S. market access while expanding joint investment initiatives. Vance reassured Indian leaders that Washington remains committed to deepening its strategic relationship with New Delhi, viewing India as a crucial counterweight to China. Yet behind the optimistic statements, the shadow of trade friction looms, as both governments now work to prevent economic tensions from spilling over into broader cooperation.

Indonesia Strengthens Maritime Ties with China While Deepening Strategic Partnership with Japan

China and Indonesia have agreed to expand maritime security cooperation following high-level talks between their coast guards in Jakarta, signaling closer operational ties amid rising tensions in the South China Sea. The agreement focuses on improving coordination on maritime law enforcement, search and rescue, and capacity building. Indonesian officials emphasized that the move was aimed at preserving stability and ensuring open navigation in their waters, while also maintaining a neutral stance amid U.S.-China strategic competition. Beijing hailed the agreement as a new milestone in regional maritime cooperation, though analysts caution Jakarta remains wary of China's broader ambitions.

At the same time, Indonesia is advancing its strategic relationship with Japan, seeking deeper economic and security ties. In a recent interview, Indonesia's Ambassador to Japan, Heri Akhmadi, outlined Jakarta's ambitions to elevate its partnership with Tokyo beyond economic cooperation to include stronger defense and maritime collaboration. Discussions are ongoing regarding joint infrastructure projects, energy transition initiatives, and defense exchanges. Indonesia's dual-track diplomacy—enhancing ties with both China and Japan—reflects Jakarta's broader effort to balance its relations with major powers while safeguarding its own sovereignty and strategic interests in an increasingly polarized Indo-Pacific.

U.S. and Philippines Launch Full-Scale Battle Test Amid Rising South China Sea Tensions

U.S. and Philippine forces commenced the Balikatan 2025 exercises on Monday with their first-ever "full battle test," marking a major step in the allies' evolving military partnership. This year's drills integrate advanced scenarios practiced over recent years — from targeting enemy ships with land-based missiles to defending strategically critical islands — under realistic war conditions. U.S. exercise director Lt. Gen. James Glynn emphasized that the exercises would demonstrate not only the mutual defense treaty's enduring relevance but also the two militaries' enhanced combat readiness. The exercises, involving expanded Maritime Key Terrain Security Operations (MKTSO) near Taiwan and the South China Sea, showcase Washington's sharpened Indo-Pacific focus, even under President Trump's renewed America First doctrine.

The scale and complexity of Balikatan have significantly intensified since President Ferdinand Marcos Jr. pivoted Manila's foreign policy closer to Washington, granting U.S. forces access to four additional Philippine bases. This year, nearly 18,000 troops will participate, with operations extending to sensitive areas like Batanes near Taiwan and Balabac near disputed South China Sea features. For the first time, the U.S. Marine Corps will deploy anti-ship missiles in the Luzon Strait, while Japan joins as a full participant alongside Australia. Analysts see the exercises as a clear signal of strengthened regional deterrence against Beijing's assertive claims, underscoring the Indo-Pacific's growing centrality in U.S. security strategy.

Saudi Arabia and Japan Expand Strategic Partnership During Riyadh Talks

Saudi Arabia and Japan reaffirmed their commitment to deepen strategic cooperation across energy, infrastructure, technology, and defense during the Saudi-Japan Vision 2030 Ministerial Meeting in Riyadh. The two sides discussed expanding collaboration on clean energy initiatives, including hydrogen and ammonia projects, as well as enhancing investments in critical infrastructure and industrial development. Japan's Economy, Trade and Industry Minister Ken Saito praised Saudi Arabia's economic transformation efforts, while Saudi Investment Minister Khalid Al-Falih emphasized the strong and growing economic ties between the two nations, now encompassing over 100 joint projects.

Beyond economic matters, the talks also touched on regional stability and security cooperation, with both sides underlining the need for peaceful development in the Middle East and the Indo-Pacific. Japan expressed support for Saudi Arabia's efforts to achieve carbon neutrality through initiatives such as the Saudi Green Initiative, aligning with Tokyo's interest in sustainable energy transitions. The strengthened partnership is expected to not only boost bilateral trade and investment but also contribute to broader regional stability as global economic and security landscapes undergo significant realignments.

Britain and New Zealand Deepen Military Partnership Amid Rising Global Tensions

The United Kingdom and New Zealand have agreed to significantly strengthen their military ties following a meeting between Prime Minister Keir Starmer and his New Zealand counterpart Christopher Luxon in London. The two leaders signed a new defense cooperation agreement focused on expanding joint training, operational deployments, intelligence sharing, and defense industry collaboration. Starmer emphasized that closer military integration with like-minded democracies was critical in an era of heightened geopolitical tensions, particularly in the Indo-Pacific and Europe. Luxon hailed the deal as a testament to the enduring partnership between the two nations, rooted in shared values and mutual security interests.

The agreement comes as both countries reassess their defense postures amid growing challenges from China's assertiveness in the Pacific and Russia's ongoing war against Ukraine. Under the new pact, Britain will increase its naval presence and rotational deployments in the Indo-Pacific, while New Zealand will participate in more UK-led multinational exercises. Analysts see the move as part of a broader trend of bolstering Western alliances to counterbalance rising authoritarian influence. Both leaders underscored that the new partnership would also support regional stability and contribute to the collective defense framework evolving among allies across the Pacific and Atlantic.

China Warns of Long-Term Global Economic Fallout from U.S. Tariff Escalation

China issued a stern warning on Monday that escalating U.S. tariffs could have long-lasting and destabilizing consequences for the global economy. Responding to President Donald Trump's latest tariff hikes, which raised duties on Chinese goods to 145%, China's Ministry of Commerce said the measures were "reckless" and risked plunging the world into prolonged economic uncertainty. Chinese officials emphasized that the tariff war could disrupt global supply chains, depress investment, and damage growth prospects not only for China and the U.S., but for economies worldwide. Beijing reiterated its call for Washington to engage in dialogue based on mutual respect, but pledged to defend its economic interests if necessary.

The Chinese warning reflects mounting international concern as global markets remain volatile following Trump's intensified tariff campaign. Economists are increasingly worried that the prolonged standoff could trigger a new era of protectionism, reversing decades of globalization. Chinese officials also hinted that while they would not escalate tariffs further immediately, they were prepared to deploy other retaliatory measures, including restrictions on U.S. companies operating in China. The latest tensions cast a shadow over any near-term prospects for trade stabilization, as both sides appear entrenched in their positions amid a rapidly deteriorating geopolitical climate.

Iran's Foreign Minister Heads to China Amid Deepening Diplomatic Ties

Iran's Foreign Minister Hossein Amirabdollahian will visit China on Wednesday, China's Foreign Ministry announced, underscoring the deepening diplomatic partnership between the two countries. The visit comes at a sensitive time as Beijing positions itself as a key diplomatic player in the Middle East, including its role in mediating between Iran and Saudi Arabia last year. Chinese Foreign Ministry spokesperson Wang Wenbin said the talks would cover bilateral relations as well as regional and international issues of mutual concern, signaling China's growing engagement with Iran amid heightened tensions in the region.

The trip also highlights Tehran's pivot toward stronger ties with Beijing as it faces increasing international isolation over its nuclear program and regional activities. China remains one of Iran's most critical economic partners, particularly in energy, as Western sanctions continue to weigh heavily on Iran's economy. The visit follows a series of high-level diplomatic exchanges between the two countries and reflects China's broader strategy of strengthening alliances across the Global South as U.S.-China competition intensifies.

Modi to Meet Saudi Crown Prince as India Deepens Gulf Ties

Indian Prime Minister Narendra Modi is set to meet Saudi Crown Prince Mohammed bin Salman in the coming days, aiming to bolster economic and strategic cooperation between the two countries. The meeting underscores India's ambition to strengthen ties with Gulf nations amid growing global uncertainties, especially as Riyadh diversifies its economy beyond oil and India seeks more energy security and investment. Modi's diplomatic outreach also aligns with New Delhi's broader strategy to position itself as a key economic and geopolitical partner in the Middle East.

The talks are expected to focus on expanding collaboration across energy, investment, technology, and infrastructure sectors, building on the strong momentum of recent years. Both sides are looking to fast-track joint projects under the India-Middle East-Europe Economic Corridor (IMEC) framework, while also coordinating on regional security matters. The meeting highlights how India and Saudi Arabia are increasingly converging on a shared vision for a multipolar global order, as both navigate the shifting dynamics of U.S.-China rivalry and Middle Eastern realignments.

Kashmir Attack Sparks Severe India-Pakistan Crisis

Tensions between India and Pakistan have sharply escalated after a brutal attack on tourists in Kashmir left 26 people dead and 17 injured. Indian authorities blamed Pakistan-linked militants for the assault, summoning Islamabad's top diplomat and convening an all-party meeting to craft a unified national response. In retaliation, India introduced strict measures, while Pakistan rejected the accusations and announced its own countermeasures. Cross-border gunfire has erupted for two consecutive days, further deepening fears of a broader military confrontation in the already volatile region.

Pakistan's government has called for an international investigation into the attack, denying any involvement and accusing India of political exploitation. Meanwhile, U.S. President Donald Trump urged both nuclear-armed neighbors to resolve tensions peacefully, though analysts warn that nationalist pressures and public outrage could limit diplomatic maneuvering. With rhetoric hardening on both sides, and security exchanges intensifying along the Line of Control, regional stability risks further deterioration unless urgent de-escalatory steps are taken.

China Rallies Allies to Resist U.S. Tariffs Amid Growing Trade War

Amid escalating tensions with Washington, China is intensifying diplomatic efforts to rally international support against what it calls "rampant unilateral bullying" by the United States. In separate appeals, Beijing urged the United Kingdom to uphold the international order and pressed Japan to collaborate in resisting U.S. tariff pressure. Chinese officials framed the U.S. tariffs—recently raised to historic levels by President Trump—as a violation of global trade norms, while portraying China as a defender of multilateralism. Analysts note that China's outreach aims to isolate Washington diplomatically, even as it braces for intensified economic headwinds at home.

The tariff battle is already reshaping global trade dynamics. According to Foreign Policy, the aggressive expansion of U.S. tariffs risks fracturing supply chains and accelerating a worldwide slowdown. China's strategy appears twofold: appeal to traditional U.S. allies like Japan and the UK to undermine Washington's legitimacy, and bolster regional and developing world solidarity through forums such as BRICS and ASEAN. While Beijing's calls for solidarity have found some resonance, deep-seated geopolitical frictions and economic dependencies may complicate efforts to build a cohesive anti-tariff coalition.

U.S. and ASEAN Deepen Strategic Cooperation at 37th Annual Dialogue

The United States and ASEAN reaffirmed their commitment to a free, open, and prosperous Indo-Pacific during the 37th Annual U.S.-ASEAN Dialogue, held in Washington, D.C. Senior officials from both sides discussed advancing practical cooperation across key sectors, including maritime security, digital connectivity, climate resilience, and economic integration. U.S. Assistant Secretary of State Daniel Kritenbrink underscored Washington's enduring support for ASEAN centrality, pledging deeper engagement amid rising geopolitical competition and economic uncertainty triggered by global trade tensions.

The dialogue also addressed critical regional issues such as developments in the South China Sea, the situation in Myanmar, and supply chain resilience. Both sides emphasized the importance of upholding international law and maintaining peace and stability in the region. Notably, the dialogue comes at a pivotal moment as Southeast Asian nations face mounting pressure from U.S. tariffs and growing competition for influence between Washington and Beijing. The U.S. reiterated its intent to expand economic partnerships and defense ties with ASEAN states as part of its broader Indo-Pacific strategy.

Britain and New Zealand Expand Defense Cooperation Amid Global Uncertainty

UK Prime Minister Keir Starmer and New Zealand Prime Minister Christopher Luxon agreed to bolster defense ties during Luxon's official visit to London. The two leaders signed a new defense cooperation plan, which includes joint military training, expanded cybersecurity collaboration, and enhanced support for Ukraine. A £30 million (\$37 million) weapons deal was also finalized, reflecting the countries' shared commitment to strengthening security partnerships as global tensions rise. Starmer emphasized that deeper UK-New Zealand cooperation is crucial for ensuring Indo-Pacific stability and reinforcing a rules-based international order.

The upgraded defense relationship comes at a time of widespread geopolitical upheaval, marked by escalating U.S.-China trade tensions and regional flashpoints from the South China Sea to Eastern Europe. Both Starmer and Luxon stressed the importance of allied democracies standing together against emerging security threats. Starmer's government also views stronger ties with New Zealand as part of a broader strategy to boost Britain's global security footprint post-Brexit, complementing ongoing efforts to deepen relations with Australia, Japan, and other Indo-Pacific partners.

South Korea Seeks Balanced Foreign Policy Amid U.S. Trade Talks and Great Power Pressures

As U.S. tariffs reshape global trade dynamics, South Korea is working to strike a delicate balance between its security alliance with Washington and its deep economic ties with China. Facing growing pressure to pick sides, Seoul is pursuing what it calls a "balanced foreign policy," reaffirming its commitment to a rules-based international order while seeking strategic autonomy. In this context, South Korea has launched initial trade talks with the United States aimed at securing lower tariffs, particularly for its key automotive and semiconductor sectors, vital pillars of its export-driven economy.

South Korean officials hope the negotiations will ease some of the tensions triggered by President Trump's sweeping tariff regime while maintaining room for maneuver in an increasingly polarized world. Analysts say the Yoon administration's ouster has added political urgency to the effort, with new leadership eager to avoid overdependence on either Washington or Beijing. Seoul's approach reflects the broader challenges faced by middle powers navigating a fragmented international landscape where economic security and geopolitical alignment are becoming increasingly intertwined.

China Tracks U.S. Warship Transit Through Taiwan Strait Amid Escalating Tensions

China's military announced it had closely monitored a U.S. warship sailing through the Taiwan Strait on Wednesday, accusing Washington of "deliberate provocations" at a time of rising regional tensions. The U.S. Navy confirmed that a guided-missile destroyer conducted a routine transit through the sensitive waterway, emphasizing that such operations demonstrate America's commitment to a free and open Indo-Pacific. Beijing, which views Taiwan as part of its territory, described the transit as an act of "hypocrisy and trouble-making," while pledging to maintain high alert in safeguarding national sovereignty.

The incident adds to the growing list of flashpoints between China and the United States, as trade wars intensify and military signaling increases across the region. Taiwan, a key flashpoint in U.S.-China relations, has seen frequent Chinese military maneuvers around its air and maritime space in recent months. Analysts note that while U.S. transits through the strait are not new, each instance carries heightened risk amid the current volatile backdrop, especially as Washington strengthens security partnerships with regional allies like Japan, the Philippines, and Australia.

China Demands End to Tariffs Before Trade Talks with U.S. Can Begin

China has firmly rejected U.S. President Donald Trump's claims of active trade negotiations, insisting that no discussions are underway and calling for the immediate removal of American tariffs as a precondition for any talks. In one of Beijing's strongest statements yet, Commerce Ministry spokesman He Yadong said the U.S. must first "untie the bell it tied" by lifting its sweeping unilateral tariffs if it truly seeks a resolution. The Chinese Foreign Ministry also dismissed reports of ongoing negotiations as "false," emphasizing that substantial tariffs — currently as high as 145% on Chinese imports and 125% on U.S. goods — remain a major obstacle to dialogue.

Despite these tensions, Trump hinted at a potential softening of his position, saying tariffs could "come down substantially, but not to zero" during any future deal. However, his administration has simultaneously escalated criticism of China, including accusations over the fentanyl crisis and retaliatory measures such as Beijing returning previously ordered Boeing planes. As economic strains deepen, China's outreach to foreign firms operating domestically underlines growing concerns about the broader fallout of the U.S.-China tariff war, while prospects for a breakthrough remain dim without major concessions.

Trump Claims Xi Reached Out Amid China's Denials of Trade Talks

President Donald Trump said he has spoken with Chinese President Xi Jinping about the ongoing tariff tensions, despite Beijing firmly denying that any economic or trade negotiations are underway. In an interview with Time magazine, Trump claimed Xi had called him but did not provide details about the conversation. When pressed again by reporters before departing for the Vatican, Trump reiterated that he has spoken with Xi "many times," yet declined to specify whether any new talks had occurred since China's imposition of 125% retaliatory tariffs against U.S. goods.

Meanwhile, China's Ministry of Commerce categorically rejected the notion of any negotiations taking place, stating there were "absolutely no negotiations" currently between the two countries. Trump maintained that the high tariff rates, now up to 145% on Chinese imports, are forcing a realignment of global trade in America's favor, boasting about reaching 200 unnamed trade agreements with other nations. As he warns of further tariff escalations following a 90-day pause on most new tariffs, Trump signaled he would consider it a "total victory" even if elevated tariff levels persist for another year, predicting massive revenues for the U.S. economy.

Kim Jong Un Unveils North Korea's New Multipurpose Destroyer

North Korean leader Kim Jong Un attended a ceremony marking the launch of a new multipurpose destroyer, underscoring the country's efforts to bolster its naval capabilities amid heightened tensions on the Korean Peninsula. State media outlet KCNA reported that Kim hailed the new warship as a "symbol of the era of great prosperity" and emphasized its role in enhancing North Korea's maritime defense and offensive capacities. The event, held at an undisclosed shipyard, highlighted the regime's focus on modernizing its naval fleet as part of broader efforts to strengthen military readiness.

While the specific features of the destroyer were not disclosed, Kim's appearance at the ceremony signals Pyongyang's continued prioritization of military expansion despite mounting international sanctions and diplomatic isolation. The launch comes amid rising regional security concerns, with North Korea accelerating its weapons development programs and conducting a series of tests across various military domains, including submarines, missiles, and now, surface combatants. The move further complicates the security dynamics in Northeast Asia, especially as the U.S., South Korea, and Japan deepen their defense cooperation.

2. STATISTICS OF THE WEEK

U.S.-China Trade Deficit: 30% Below Its Peak, Yet Tensions Persist

Despite a modest rebound in 2024, the U.S. trade deficit with China remains significantly lower than its historic peak. According to U.S. Census Bureau data, the trade deficit stands at \$295 billion, a 30% decline from the \$418 billion recorded in 2018, when tensions between Washington and Beijing began escalating sharply. Total U.S. imports from China reached \$439 billion last year, while exports increased slightly to \$144 billion.

The sustained gap underscores the deep entanglement of the two economies, even as firms continue to diversify supply chains in response to persistent tariff threats. Unlike other trading partners who received temporary tariff relief, China remains the primary target of President Trump's intensified trade measures. This enduring friction continues to reshape global trade patterns and influence corporate strategies amid a volatile economic landscape.



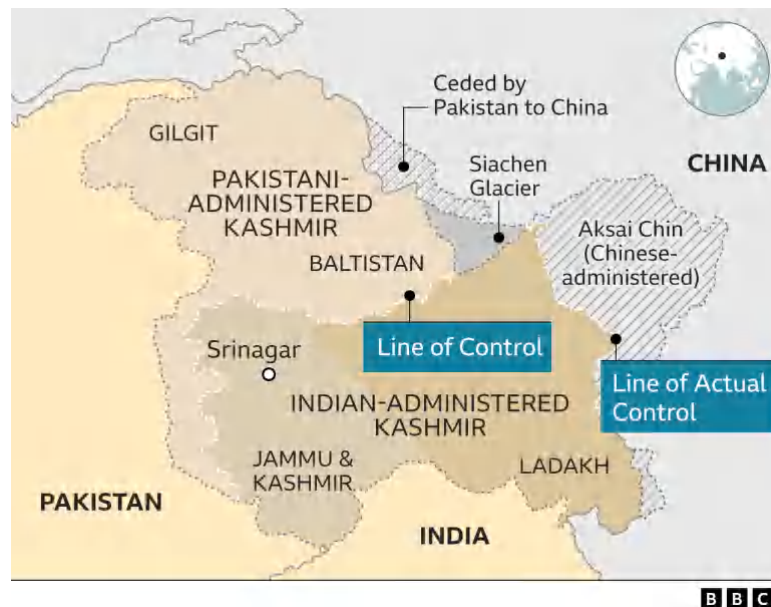
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3. MAP OF THE WEEK

Kashmir in Focus: Rising Tensions Along the Line of Control

This week's Map of the Week spotlights the Kashmir region — a flashpoint once again thrust into global headlines following a devastating militant attack in Indian-administered Kashmir that left 26 civilians dead. New Delhi swiftly blamed cross-border elements and summoned Pakistan's top diplomat, while Islamabad, in turn, announced retaliatory measures and called for an international probe.

The map clearly delineates the complex geography underpinning the crisis: the Line of Control (LoC) separating Indian- and Pakistani-administered Kashmir, and the Line of Actual Control (LAC) between India and China in the contested Aksai Chin region. The strategic importance of Kashmir remains undiminished, and the resurgence of violence risks triggering a wider escalation between two nuclear-armed neighbors — at a moment when regional stability is already strained by broader Indo-Pacific tensions.



<https://www.bbc.com/news/world-south-asia-11693674>

4. PHOTO OF THE WEEK

Shoulder-to-Shoulder: Balikatan 2025 Opens in the Philippines

The opening ceremony of Balikatan 2025 marked a significant moment for Philippine-U.S. military cooperation amid rising tensions in the Indo-Pacific. Pictured at Camp Aguinaldo on April 21, 2025, are Philippines Exercise Director MGen. Francisco F. Lorenzo Jr., Philippine Army Chief of Staff Gen. Romeo Brawner Jr., Foreign Affairs Secretary Enrique Manalo, U.S. Ambassador to the Philippines MaryKay Carlson, U.S. Exercise Director LtGen. James Glynn, and Air Force Col. Llewellyn Banaag.

The ceremony, emblematic of the deepening alliance, set the stage for the most complex Balikatan exercise yet, featuring “full battle test” scenarios near the South China Sea and Luzon Strait. Their unified stance in the photo reflects the “shoulder-to-shoulder” spirit that defines this critical bilateral exercise amid intensifying regional challenges.



<https://www.rappler.com/philippines/view-manila-united-states-battle-test-balikatan-2025-details/>

5. INFOGRAPHIC OF THE WEEK

Temple Visits, Trade Talks, and Trust: Modi-Vance Summit Highlights

This week's infographic captures the key takeaways from U.S. Vice President J.D. Vance's landmark visit to India — the first by an American vice president in over a decade. Amidst the turbulence of escalating global tariffs, the summit in New Delhi symbolized efforts to reinforce U.S.-India strategic ties across trade, technology, and diplomacy.

Prime Minister Narendra Modi emphasized India's commitment to finalizing the long-delayed Bilateral Trade Agreement and deepening technological cooperation through the launch of the new TRUST (Transforming Relationship Utilizing Strategic Technology) framework, which replaces the earlier iCET initiative.

On the U.S. side, Vance's visit aligned with the broader Trump 2.0 policy of resetting ties with India as Washington recalibrates its global economic strategy in the wake of the U.S.-China trade war. Beyond hard policy, the Vance family's public embrace of Indian culture—from temple visits to showcasing local traditions—added a powerful soft power dimension to the visit, reinforcing people-to-people ties at a critical geopolitical moment.



6. REGIONAL ALLIANCES

China and Indonesia Launch Strategic '2+2' Dialogue: A New Model for Regional Cooperation

Introduction: A Landmark in China-Indonesia Relations

In a significant move underscoring deepening ties, China and Indonesia held the First Ministerial Meeting of their newly established Joint Foreign and Defense Ministerial Dialogue ("2+2 Dialogue") in Beijing on April 21, 2025. Co-chaired by Chinese Foreign Minister Wang Yi and Defense Minister Dong Jun alongside their Indonesian counterparts Foreign Minister Sugiono and Defense Minister Sjafrie Sjamsoeddin, the meeting represents a milestone in bilateral relations. It signals a maturing strategic partnership that extends beyond economic cooperation into defense, maritime security, and regional stability at a time of mounting geopolitical frictions across the Indo-Pacific.

Deepening Strategic Mutual Trust

The launch of the China-Indonesia "2+2" dialogue reflects an unprecedented level of political and strategic trust between the two countries. Wang Yi emphasized that it was the first time China had set up such a high-level dialogue mechanism with a foreign country, reflecting not just bilateral depth but also the broader ambition to forge a "China-Indonesia community with a shared future." Defense Minister Dong Jun added that the initiative would build a new model of defense and security cooperation based on deeper strategic trust, improved institutional frameworks, and better coordination against regional challenges.

For Indonesia, the dialogue represents a reinforcement of its balanced foreign policy—preserving strategic autonomy while enhancing engagement with major powers. Foreign Minister Sugiono and Defense Minister Sjafrie underlined Jakarta's readiness to strengthen political trust, deepen mutually beneficial cooperation, and enhance coordination within multilateral platforms, including maritime security cooperation in the contentious South China Sea.

Maritime Security: Navigating Tensions with Dialogue

Given the enduring sensitivities surrounding Chinese activities near Indonesia's Natuna Islands in the South China Sea, maritime security unsurprisingly featured prominently. Despite past tensions, both sides agreed to bolster cooperation on maritime safety and law enforcement. A Memorandum of Understanding was signed to formalize joint actions against transnational crime, piracy, cyberthreats, and illegal fishing, aiming to set a regional example for peaceful maritime governance.

Notably, both sides reiterated that maintaining peace and stability in the South China Sea serves their mutual interests. While Jakarta remains cautious about Beijing's expansive claims, the dialogue shows a pragmatic Indonesian approach—prioritizing

engagement and risk management over confrontation, without compromising on sovereign rights.

Security and Law Enforcement: Expanding the Agenda

Beyond maritime cooperation, the "2+2" dialogue broadened bilateral security coordination. China and Indonesia agreed to hold joint counter-terrorism exercises later this year and to establish consultations on disarmament, non-proliferation, and arms control. They pledged to work closely against cyberthreats and telecom fraud targeting citizens across borders—issues of growing concern in the digitalized regional economy.

Importantly, by creating new institutionalized channels for strategic dialogue, both sides aim to prevent misunderstandings, manage crises, and safeguard regional stability. Analysts describe this as not just a bilateral upgrade but a potential model for broader ASEAN-China security cooperation amid mounting great power rivalries in the Indo-Pacific.

Conclusion: A New Template for Regional Dialogue

The China-Indonesia "2+2" dialogue marks a strategic leap in bilateral relations, aligning with the broader regional aspiration for strategic autonomy, stability, and peace. As global tensions escalate, particularly with the intensification of U.S.-China competition, this initiative offers an alternative pathway: pragmatic, institutionalized dialogue focused on shared interests rather than bloc confrontation.

Indonesia's balanced diplomacy and China's outreach converge in this mechanism, setting an important precedent for future regional cooperation. As China replicates this model with Vietnam, Malaysia, and Cambodia following Xi Jinping's recent Southeast Asian tour, the emerging "Asian way" of managing security through dialogue and collaboration—rather than division—may play an increasingly central role in shaping the Indo-Pacific's future.

7. ANALYSIS

A Dangerous Spiral – The New Phase of India-Pakistan Tensions

The fragile peace between India and Pakistan has once again unraveled after the brutal massacre of 26 tourists in Kashmir's Pahalgam Valley. What initially appeared to be a horrific act of terrorism has triggered a rapid diplomatic, military, and political escalation between the two nuclear-armed neighbors. In an environment already inflamed by mutual suspicion, historical grievances, and nationalist fervor, the swift collapse of communication channels, suspension of critical treaties, and sharpening rhetoric has plunged South Asia into its most dangerous crisis since 2019. This analysis examines the causes, dynamics, and future risks of the current spiral.

The Catalyst: Pahalgam Attack and Immediate Fallout

The attack by gunmen, later claimed by the Resistance Front (TRF), shattered the narrative of stability that Prime Minister Modi's government had projected following the 2019 revocation of Kashmir's special autonomy. The choice of targeting tourists—a symbol of normalcy and economic recovery—was strategic and devastating. New Delhi's reaction was swift and unprecedented: it expelled Pakistani diplomats, suspended the landmark 1960 Indus Waters Treaty, and closed critical border crossings.

Pakistan's response, expressing condolences but avoiding direct denial of involvement, did little to calm the situation. Instead, Islamabad warned that any disruption of water flows would be considered an act of war. The escalation was further fueled by a surge of hate speech and anti-Pakistan sentiment across Indian media and political circles.

Strategic Shifts: Water as a Weapon and Diplomatic Isolation

Perhaps the most consequential move was India's suspension of the Indus Waters Treaty—a treaty that had survived three wars and countless skirmishes. By targeting a vital resource for Pakistan's agriculture and drinking water, India signaled a willingness to leverage all instruments of national power, not just military force. Analysts warn that weaponizing water could set a precedent with far-reaching consequences for regional stability and environmental security.

Diplomatically, New Delhi's steps to downgrade relations and rally international sympathy have placed Pakistan in a difficult position. Islamabad now faces the risk of global isolation, even as it grapples with its internal political turmoil and economic fragility.

Kashmir: The Persistent Powder Keg

Kashmir once again emerges as the epicenter of instability. The 2019 revocation of Article 370 and the subsequent centralization of control over the region have not quelled resistance; instead, they have intensified resentment among Kashmiris. The tourist attack—though orchestrated by militants—also exposed the broader alienation and volatility simmering under the surface.

Mass protests against the attack within Kashmir demonstrated a rejection of both terrorism and external manipulation. Yet, the sharp rise in communal rhetoric inside India threatens to polarize the situation further, painting all Kashmiris with the brush of terrorism and fueling anti-Muslim sentiment.

Risks of Military Escalation

The memories of the 2019 Pulwama–Balakot episode are fresh. With diplomatic channels frozen and nationalist sentiments surging in India, military retaliation seems increasingly likely. Analysts caution that limited cross-border strikes could quickly spiral out of control, especially given Pakistan’s warnings that any Indian aggression would be met with force. The fragile ceasefire along the Line of Control (LoC) hangs by a thread.

The presence of nuclear weapons on both sides compounds the risks. Even a limited conventional conflict could escalate unpredictably, particularly with both governments under domestic political pressure to project strength.

Conclusion: A Narrow Window to Step Back

The current India–Pakistan crisis underscores how fragile peace is in South Asia—and how easily old animosities can be reignited. The weaponization of resources like water, the unraveling of diplomatic norms, and the intensification of nationalist narratives have created a volatile mix.

A narrow window remains for de-escalation, possibly through international mediation or backchannel diplomacy. Yet, as of now, both sides seem locked into hardline postures, raising the prospect that the aftermath of the Pahalgam massacre could trigger a new, even more dangerous phase of the India-Pakistan rivalry. Without deliberate efforts to reestablish communication and rebuild trust, the subcontinent risks hurtling toward another devastating confrontation—with consequences far beyond its borders.