

## Welcome to This Week's Asia on the Horizon

(08 SEP 2025)

This week, the Indo-Pacific stands at the epicenter of global transformation. The language of “defense” has given way to the rhetoric of “war,” and the region’s capitals are adjusting with urgency. From Tianjin to Tokyo, from New Delhi to Washington, leaders are staking claims in a world where alliances harden, rivalries deepen, and every move echoes far beyond regional borders.

We open with the **Shanghai Cooperation Organization Summit in Tianjin**, where Xi, Putin, and Modi stood shoulder-to-shoulder in a display of multipolar defiance. Our coverage traces how Beijing’s **Victory Day military parade** cemented the imagery of an emerging China–Russia–North Korea bloc, with Kim Jong Un openly pledging support for Russia’s war in Ukraine. Europe’s sharp warning of an “**autocratic alliance**” frames the global stakes, while our **Regional Alliances analysis** unpacks what this alignment means for the Indo-Pacific order.

Turning to Asia’s democratic coalitions, we report on **new trilateral U.S.–Japan–South Korea defense drills**, Japan and Australia’s deepening naval partnership, and India’s expanding role—securing Singapore’s support for Malacca Strait patrols, fast-tracking EU trade talks with Germany’s backing, and at the same time clashing with Washington over Russian oil imports and tariffs. Each of these developments underscores the shifting geometry of alliances in Asia.

Beyond geopolitics, this edition covers **major regional shocks**: Afghanistan’s devastating earthquake and the Taliban’s call for aid; Iran’s diplomatic downgrade with Australia; and a U.S. immigration raid at Hyundai’s Georgia battery plant that rattled South Korean investments. We also examine China’s “**Arctic Express**” **shipping route**, a bold step into polar trade that connects directly to our **Map of the Week**.

As always, our visual features bring the week into sharper focus:

- **Statistics of the Week** – China’s global dominance in solar power.
- **Map of the Week** – Shipping flows through the Northern Sea Route.
- **Photo of the Week** – Leaders marching in Beijing’s military spectacle.
- **Infographic of the Week** – Highlights from the SCO Summit in Tianjin.

This week’s *Asia on the Horizon* gives you the clearest lens yet on the tensions, alignments, crises, and ambitions that are setting the direction of Asia—and, increasingly, the world.



## 1. KEY DEVELOPMENTS

### A New Multipolar Vision: SCO Summit Advances Global South Leadership

At the Shanghai Cooperation Organisation (SCO) summit held from August 31 to September 1, 2025, in Tianjin, Chinese President Xi Jinping delivered a forceful call for a new global security and economic order centered on the interests of the Global South. Reaffirming opposition to "hegemonism and power politics," Xi championed true multilateralism as a strategic counterweight to U.S. dominance, aligning with Russia's framing of the SCO as the basis for a new "system of stability and security in Eurasia". The summit, attended by more than 20 non-Western leaders—including Russian President Vladimir Putin and Indian Prime Minister Narendra Modi—was emblematic of the bloc's growing diplomatic gravitas.

Xi further outlined concrete institutional and financial initiatives to underpin this emerging order: a proposed new SCO development bank, ¥2 billion (\$280 million) in aid, ¥10 billion in loans to the SCO Interbank Consortium, and the establishment of an AI cooperation center, with invitations extended to member states to participate in China's lunar research station. The summit also adopted foundational documents like the Tianjin Declaration and the SCO Development Strategy through 2035, in addition to approving four new centers focused on security, anti-crime, information security, and anti-drug efforts. Together, these steps underscore the SCO's transformation from a regional security grouping into a more comprehensive institutional platform with economic, technological, and strategic dimensions.

### From Rivals to Partners: Modi and Xi Recast India–China Ties

At the 25th Shanghai Cooperation Organisation (SCO) Summit in Tianjin, held from August 31 to September 1, 2025, Indian Prime Minister Narendra Modi and Chinese President Xi Jinping made a striking joint declaration: India and China are "development partners, not rivals." In their bilateral meeting, the leaders agreed that while differences persist, especially along their disputed Himalayan border, these should not derail broader cooperation. Modi highlighted the importance of peace and stability, noting the evolving security situation at the frontier, and underscored that growth must be grounded in "mutual respect, trust and sensitivities." Xi echoed this sentiment, stating that both countries present "development opportunities" rather than threats to each other and urging that border tensions not define their overall relationship.

This diplomatic overture comes amid mounting global economic strain, including steep U.S. tariffs imposed on Indian exports. Modi and Xi discussed measures to bolster trade, address India's substantial \$99.2 billion trade deficit with China, and expand visa and cultural exchanges—steps aimed at reinforcing people-to-people links. Modi also congratulated Xi on the successful summit and extended a warm invitation for his participation in the upcoming BRICS 2026 gathering.

## Modi's Warmth with Xi and Putin Marks India's Strategic Recalibration

At the SCO summit in Tianjin, Indian Prime Minister Modi joined Chinese President Xi and Russian President Putin in a now-viral photograph that has been widely interpreted as emblematic of a shifting geopolitical era—one in which non-Western powers are coalescing amid renewed U.S. transactional diplomacy. The New York Times framed Modi's gesture—notably reaching out to both Xi and Putin, despite unresolved border tensions with China—as a “smiling manifestation” of a troika that signals India's willingness to diversify its alignments. Analysts dubbed this imagery the “Reverse-Nixon moment”: whereas President Nixon once pursued rapprochement with Beijing to counterbalance Moscow, Trump's recent tariff warfare appears to have backfired—nudging India closer to both Beijing and Moscow instead of pulling them apart.

Beyond the optics, the summit produced tangible institutional momentum. China pledged to accelerate the creation of an SCO development bank and unveiled sizable financial incentives—RMB 2 billion in grants and RMB 10 billion in loans—to support member states, especially within energy, green industry, and digital economy sectors. In his keynote, Xi denounced “hegemonism and power politics,” calling instead for “true multilateralism,” a message echoed by Putin, who heralded the SCO as laying the groundwork for a “new system of stability and security in Eurasia”. India's presence and engagement at the summit thus symbolize not only its nuanced balancing act between competing power centers, but also a recalibrated diplomatic latitude—one that underscores its strategic autonomy in a rapidly evolving multipolar landscape.

## South Korea Halts “Voice of Freedom” Broadcasts to Ease Tensions

In a historic first in 15 years, S.Korea has suspended its military radio broadcasts—known as “Voice of Freedom”—to N.Korea, marking a significant shift toward de-escalation on the peninsula. The Defense Ministry confirmed that the broadcasts, which relay news about the N.Korean regime, S.Korea's economic progress, and K-pop culture as part of psychological operations, have been halted as a deliberate measure to reduce military tensions. This pause follows the administration of the newly elected President Lee Jae-myung's earlier move in June to terminate border loudspeaker propaganda, signaling his intent to reset inter-Korean relations and revive dialogue with Pyongyang—though so far, North Korea has shown no reciprocal interest.

This notable policy reversal closes a chapter of aggressive information campaigns that had been periodically revived and withdrawn depending on the state of diplomatic détente. The “Voice of Freedom” was first introduced in 1962 and has since been used intermittently to influence North Korean audiences during periods of frost and thaw in bilateral ties. By ending these broadcasts, Seoul intends to demonstrate goodwill and reduce the psychological warfare that has long accompanied decades of mistrust and standstill. Yet, with Pyongyang unresponsive and engaged elsewhere—such as Kim Jong Un's diplomatic visit to Beijing—it remains to be seen whether this conciliatory gesture will yield any breakthrough.

## **Afghanistan Reels from Devastating Earthquake as Taliban Appeals for International Relief**

A powerful magnitude-6.0 earthquake struck eastern Afghanistan late on August 31, 2025, severely impacting remote regions within Kunar and Nangarhar provinces. The shallow quake—followed by landslides and contiguous inaccessibility due to mountainous terrain and damaged infrastructure—has claimed over 800 lives and wounded at least 2,800 people, with hundreds of villages flattened and survivors still trapped under rubble. Helicopters and military rescue teams have flown approximately 40 evacuation missions, transporting around 420 injured or deceased victims to hospitals in Jalalabad and other urban centers. Yet rescue operations remain severely constrained, and the death toll is expected to climb as relief teams reach more isolated communities.

The disaster places additional strain on Afghanistan's fragile humanitarian system, already reeling from a sharp decline in international aid since the Taliban took power—funding levels have plummeted from \$3.8 billion in 2022 to just \$767 million in 2025. In response, Taliban authorities have publicly appealed for international support. China has offered to provide disaster relief “according to Afghanistan's needs and within its capacity,” while the United Nations is coordinating emergency assistance. Health and aid agencies warn that with very limited local capacity and ongoing logistical challenges, this quake could emerge as one of the gravest humanitarian crises in recent years for the war-torn nation.

## **Trump Claims India Offers Zero Tariffs Amid Trade Flashpoint**

Former U.S. President Donald Trump asserted on September 1, 2025, via his Truth Social platform, that India has offered to reduce tariffs on U.S. goods to zero—an overture he described as long overdue in addressing what he called a “one-sided” trade relationship. Trump's remarks came as U.S. tariffs on Indian imports have surged to as much as 50%, triggered by New Delhi's continued purchases of discounted Russian oil. He lamented that India had dominated their bilateral trade imbalance for years and that the zero-tariff proposal should have been implemented much earlier. The Indian Embassy in Washington has not issued any official response to this claim.

This claim follows a broader pattern of escalating tensions between the U.S. and India, where Trump's tariffs—combined with India's strategic autonomy in energy sourcing—have unsettled longstanding ties. Reports indicate that before this heated exchange, New Delhi had expressed tentative openness to tariff reductions on a substantial portion (55%) of U.S. import categories worth billions, though such offers were conditional and part of ongoing negotiations. Against the backdrop of India's engagements with China and Russia—as seen at the SCO summit in Tianjin—this bid for deeper trade concessions signals New Delhi's insistence on balancing multiple strategic imperatives rather than submitting to unilateral pressure from Washington.

## Kremlin's Patrushev Brands Japan's Militarisation Efforts 'Suicidal'

Nikolai Patrushev, a senior Kremlin security figure and former KGB hardliner, sharply rebuked Japan in remarks published on September 2, 2025. Patrushev denounced Tokyo's expanding defense posture toward Russia and China as a "suicidal policy," warning that the Japanese Navy's close cooperation with NATO could see it enlisted for Western-led combat operations—though he presented no concrete evidence for such claims. His remarks, delivered to the Russian outlet Argumenty i Fakty, signaled Moscow's increasing impatience with what it views as Japan's alignment with Western military frameworks.

These comments come amid President Vladimir Putin's rare visit to China for a military parade in Beijing marking the end of World War II—a display underscoring deepening ties between Moscow and Beijing. Patrushev leveraged this backdrop to underscore persistent friction between Russia and Japan—particularly over the unresolved Kuril Islands dispute, which continues to thwart a formal peace treaty since World War II. His statement was more than rhetorical posturing; it reflected a strategic posture suggesting that, unless Japan reverses its militarisation trend, Russia would feel compelled to bolster its Far Eastern military defenses.

## Xi and Putin Project Strategic Solidarity, Reimagining Global Order

During the Shanghai Cooperation Organisation (SCO) summit in Tianjin, Chinese President Xi Jinping and Russian President Vladimir Putin held an informal yet highly symbolic meeting, reinforcing their collaborative posture amid intensifying Western geopolitical friction. Putin reportedly briefed Xi on his recent communications with former U.S. President Trump, underscoring Moscow's strategic positioning in the evolving global chessboard. At the summit's opening, Xi appealed to "like-minded" countries to champion a "more just and equitable multipolar order," signaling a concerted front against hegemonic structures.

Beyond rhetoric, this summit served as a diplomatic showcase rather than a tightly coordinated bloc formation. The image of camaraderie between Xi, Putin, and Indian Prime Minister Modi—captured in candid moments of smiles and handshake exchanges—accentuated the narrative of emerging multipolar cooperation, even as underlying tensions persist. Meanwhile, strategy analysts from the Stimson Center characterized the summit as a diplomatic triumph for Beijing: it adeptly curated optics of unity, advanced institutional initiatives like the SCO Development Bank, and seized strategic advantage amid U.S. uncertainty, despite the uncertain practical cohesion among member states.

## Trump's Dual Diplomatic-Strategic Gambit

In a surprising turn, President Trump announced that the United States will allow 600,000 Chinese students to study at American universities—more than double the current enrollment, which stood at approximately 277,400 in 2023–24. This expansion marks a sharp rhetorical shift from prior restrictions targeting Chinese students with supposed ties to the Chinese Communist Party or sensitive academic fields. Trump defended the move by emphasizing the economic contributions of international students, suggesting their presence is vital to the survival of weaker U.S. colleges, though critics argue the policy remains partly performative, with some GOP voices dismissing the announcement as misleading or overblown.

At the same White House meeting, Trump issued a pointed warning that China must ensure the U.S. continues receiving rare-earth magnets—or face a staggering 200% tariff. Rare-earth magnets are key components in electric vehicles, drones, and advanced electronics, especially the technologically advanced NdFeB magnets, which are predominantly produced in China (over 95% of global supply). Analysts view the threat as both a high-stakes negotiating lever and confirmation of China's strategic bargaining power in global supply chains. While China has previously restricted rare-earth exports, the U.S. is simultaneously stepping up domestic production and forging new supply chains—efforts underscored by significant investments in companies like MP Materials

## Xi Projects Power in Grand Beijing Parade with Putin and Kim

On September 3, 2025, China staged its largest-ever military parade along Tiananmen Square, commemorating the 80th anniversary of Japan's surrender in World War II—what Beijing calls Victory Day. More than 12,000 troops from the People's Liberation Army marched in the display, showcasing advanced military systems including hypersonic missiles, drones, laser weapons, and underwater drones. President Xi Jinping, flanked in the VIP viewing stand by Russian President Vladimir Putin and North Korean leader Kim Jong Un, used the event to send a potent message: a rising Sino-centric axis defiantly asserting strength and cohesion in the face of Western-led global order.

Xi's speech during the parade underscored this message. He framed the moment as a historical choice between peace or war, asserting that the "rejuvenation of the Chinese nation" was "unstoppable" and pledging that China would not be bullied. The attendance of Putin and Kim, both under international sanctions and diplomatically isolated by Western powers, reinforced the narrative of an "axis of upheaval," a growing alliance challenging the status quo.



## Thailand's Ruling Party Seeks Snap Election Amid Power Struggle

Thailand's ruling Pheu Thai Party has requested the king's approval to dissolve parliament and call early elections—an effort to preempt a rival bid for the premiership. This move came just as the People's Party, the largest bloc in parliament, announced its support for Bhumjaithai Party leader Anutin Charnvirakul to become prime minister, potentially signaling the collapse of Pheu Thai's fragile control. The fallout intensified after Prime Minister Paetongtarn Shinawatra was dismissed by the Constitutional Court over ethical violations, stirring political chaos and opening the door to sharp realignments.

The maneuver reflects more than a tactical bid to cling to power—it highlights the rapid erosion of the longstanding influence wielded by the Shinawatra dynasty, as opponents consolidate behind Anutin's conservative yet pragmatic platform. Some legal analysts question whether a caretaker government even has the authority to dissolve the House, raising constitutional uncertainties amid rising political stakes.

## EU Warns of “Autocratic Alliance” Challenging Global Order

In a stark response to the recent Beijing military parade featuring Chinese President Xi Jinping, Russian President Vladimir Putin, as well as leaders from Iran and North Korea, European Union foreign policy chief Kaja Kallas condemned the gathering as more than mere symbolism. Speaking in Brussels, Kallas warned that this coalition reflects an emerging “autocratic alliance” that poses a direct challenge to the rules-based international order—a system rooted in diplomacy, multilateral norms, and international law. She cautioned that while Western nations continue to pursue dialogue and uphold shared frameworks, this bloc is accelerating efforts toward a new world order that undermines established global systems.

Kallas's remarks underscore growing concern within European leadership about a coordinated ideological front among non-Western powers. By publicly framing the appearance of these leaders as a deliberate challenge—not just “anti-Western optics,” but a realignment—the EU signals its intent to reaffirm multilateralism and bolster defense of institution-driven diplomacy. This development underscores the rising geopolitical fault lines and elevates the stakes for Western diplomacy in maintaining coherence and resilience in the face of such coordinated strategic posturing.

## India Seeks Germany's Backing to Accelerate EU Trade Deal

India's External Affairs Minister, S. Jaishankar, appealed to Germany for support in fast-tracking the long-stalled Free Trade Agreement (FTA) negotiations between India and the European Union, during a meeting with German Foreign Minister Johann Wadepful in New Delhi. India is pushing for a "decisive conclusion" of the deal in the coming days and relies on Germany's backing to overcome challenges, particularly around EU demands for reduced tariffs on vehicles and dairy alongside stricter climate and labor standards—issues India sees as threats to its domestic industries. The appeal comes amid pressure from recent U.S. trade actions, including higher tariffs tied to India's Russian oil imports. These dynamics add urgency to New Delhi's outreach to key EU allies to ensure smoother, more equitable terms.

Germany returned the gesture, expressing optimism that the India–EU FTA can be finalized in the coming months and reiterating its full support for the agreement. Both sides emphasized growing bilateral trade—currently around €50 billion—and the ambition to double that figure. Discussions included expanding ties beyond commerce, focusing on strategic areas such as defense, technology, green energy, semiconductors, and people-to-people exchanges, including free student visas and enhanced collaboration. The framing of this engagement underscores how global economic volatility and trade fragmentation are driving India and Germany toward deeper cooperation as strategic partners in a reconfiguring global order.

## Kim Pledges “Everything” to Aid Russia in Ukraine Conflict

During a high-profile gathering in Beijing—marked by China's grand WWII Victory Day military parade—North Korean leader Kim Jong Un affirmed his country's unwavering support for Russia in its war against Ukraine. Addressing President Vladimir Putin beside Chinese President Xi Jinping, Kim pledged to assist Moscow “with everything I can,” framing such support as a “fraternal duty” between allied states. This commitment follows the deployment of North Korean soldiers, artillery, and missiles to assist Russian forces in Ukraine, particularly in the contentious Kursk region. Putin, in turn, lauded the role played by North Korean special forces, calling their contribution “courageous and heroic”.

The meeting carries both symbolic and strategic weight. It cemented the first joint public appearance of Kim, Putin, and Xi since the Cold War—underscoring North Korea's evolving diplomatic confidence and closer alignment with fellow autocratic powers. The reaffirmation of ties comes against the backdrop of a 2024 mutual defense treaty between Pyongyang and Moscow, which commits either side to military aid in the event of hostilities. Analysts view Kim's Beijing presence and his enthusiastic backing of Russia not merely as a propaganda coup, but as a tangible reinforcement of a growing anti-Western bloc.



## China Emphasizes Peace, Unity, and Global Justice at Victory Day Reception

At a reception held on September 3, 2025, to commemorate the 80th anniversary of China's victory in the War of Resistance Against Japanese Aggression and the broader World Anti-Fascist War, President Xi Jinping delivered a powerful address emphasizing shared humanity and collective moral purpose. Xi invoked the sacrifices that led to the defeat of fascism—highlighting China's alignment with Allied efforts—and called on nations to “remain unwavering in our conviction in justice, unyielding in our commitment to peace, and unshakable in our confidence in the insurmountable strength of the people.” He warned that the choice between peace or war, dialogue or confrontation, and win-win cooperation or zero-sum competition is once again central to the global order. Stressing that “might may rule the moment, but right prevails forever,” Xi positioned China as a champion of global fairness, urging solidarity and harmony across nations and reaffirming steadfast commitment to a path of peaceful development and modernization.

In his closing remarks, Xi extended a symbolic toast—to the victory that reshaped history and to ongoing efforts to defend international fairness. By positioning the people as “creators of history” and advancing the notion that a better life is a shared human aspiration, Xi underscored China's dual narrative: its rise is both an internal transformation grounded in “Chinese modernization” and an appeal to global partnerships rooted in justice, peace, and shared progress. This event sends a clear message—not only commemorating past triumphs but also framing China's future role as a stabilizing, developmental force in the world.

## Iran Downgrades Diplomatic Ties in Retaliation Over Accusations

In a notable escalation, Iran has downgraded its diplomatic relationship with Australia following Canberra's expulsion of Iran's ambassador. This move comes after Australian intelligence linked Iran—specifically the Islamic Revolutionary Guard Corps (IRGC)—to two antisemitic arson attacks: one at a kosher restaurant in Sydney and the other at a synagogue in Melbourne. Iran's Foreign Ministry characterized Australia's decision as “unreasonable” and “baseless,” asserting that the reduction in diplomatic ties was a reciprocal and legally permissible response under diplomatic norms. Meanwhile, Australia's embassy operations in Tehran have been suspended, with staff relocated to a third country for safety, though Iran's embassy in Canberra continues limited consular services.

This diplomatic rupture marks a rare severance—the first such ambassadorial expulsion by Australia since World War II—highlighting the heightened tensions over alleged Iranian covert operations on Australian soil. Australian investigators remain active, with a Melbourne man recently charged in connection with the synagogue arson, further underscoring the seriousness with which Canberra views the threat.

## India Gains Singapore's Support to Join Malacca Strait Patrol

During the recent bilateral meeting between Prime Minister Modi and his Singaporean counterpart Wong, India secured Singapore's explicit acknowledgment of New Delhi's interest in participating in the Malacca Straits Patrol—a maritime security initiative currently conducted by Indonesia, Malaysia, Singapore, and Thailand. India has long aspired to join these joint sea and air patrols, citing its geographic proximity via the Andaman and Nicobar Islands and its strategic maritime interests in the region. While formal membership is still under discussion, both sides agreed to explore greater coordination and information sharing to ensure security synergy along this critical shipping lane.

The Malacca Strait is one of the world's most vital chokepoints—handling roughly 60% of India's seaborne trade and nearly the entirety of its LNG imports. It is also a key artery for Chinese energy supplies, amplifying its geopolitical significance. India's growing maritime capabilities, driven by the Andaman and Nicobar Command and bolstered by its naval modernization, position it as a potential net security provider in the Indo-Pacific. Joining or contributing to the MSP aligns with India's Act East policy and its interest in safeguarding regional stability while expanding maritime domain awareness. Singapore's backing not only provides a diplomatic opening for India's formal inclusion, but also cements closer defence-tech cooperation.

## Xi and Kim Reaffirm Strategic Partnership Amid Global Shifts

On September 4, 2025, Chinese President Xi Jinping and North Korean leader Kim Jong Un held their first bilateral summit in six years at Beijing's Great Hall of the People, immediately following their joint appearance at China's Victory Day military parade alongside Vladimir Putin. During this high-stakes meeting, Xi called for closer strategic coordination and enhanced communication to protect shared interests amid shifting regional and global dynamics. He affirmed that China's friendship with North Korea "will not change no matter how the international situation evolves," underlining a deepened alignment between the longtime allies. Kim, in turn, pledged unwavering support for China's sovereignty, territorial integrity, and development goals, asserting that "China's celebration is our celebration." Their discussions spanned governance exchanges, high-level visits, and practical cooperation—reaffirming enduring bilateral ties.

This revival of visibly strong diplomatic engagement occurs against a backdrop of evolving geopolitical entanglements: North Korea's growing military alignment with Russia in the Ukraine conflict, the spectacle of a three-way summit with Putin and Xi, and Western concerns over an emerging "autocratic axis." Analysts suggest both leaders are leveraging this moment to reinforce mutual reliance—North Korea continuing to rely on Chinese economic surpluses even as it deepens ties with Moscow, and China reasserting influence over a strategically unpredictable ally. Together, the show of unity reinforces Beijing's role as Pyongyang's anchor in the region and sends a clear signal of ideological convergence amid rising global polarization.

## Japan and Australia Deepen Security Ties Amid Regional Tensions

At their 12th Foreign and Defense "2+2" dialogue in Tokyo on September 5, 2025, Japan and Australia affirmed a strategic step-up in bilateral security cooperation in response to growing risks across the Indo-Pacific region. Japanese Foreign Minister Takeshi Iwaya stated that both countries agreed to “further strengthen our collective deterrence capabilities” and initiate discussions on security contingencies that could impact regional stability. These plans build on a 2023 reciprocal access agreement, enabling each country’s forces to operate from the other's territory—paving the way for deeper operational coordination.

Complementing this diplomatic momentum, Defense Minister Richard Marles toured Japan’s Mogami-class frigate, underscoring the maritime dimension of the defense alliance. Australia recently selected Japan’s Mogami-class design for its new warships—a A\$10 billion (\$6.5 billion) procurement set to revitalize its naval capabilities—highlighting Australia’s commitment to modernizing its fleet in partnership with Tokyo. Both nations also agreed to enhance cooperation in energy, critical minerals, and coordination for evacuation of nationals during crises—signaling deeper ties across defense, economic, and humanitarian domains.

## Trilateral “Freedom Edge” Drills Escalate Amid Rising DPRK—China Alignment

South Korea, Japan, and the United States are set to launch their annual "Freedom Edge" defense exercises starting September 15, focusing on enhancing joint aerial, naval, and cyber capabilities to counter North Korea’s evolving nuclear and missile threats. Announced by South Korea’s Joint Chiefs of Staff, these drills reaffirm regional defense cohesion and adherence to international law—although details such as troop numbers and equipment remain undisclosed.

This announcement comes on the heels of defiant displays of solidarity by North Korea, Russia, and China—whose leaders convened for a major military parade in Beijing earlier this week. The juxtaposition of these displays underscores a growing geopolitical divergence: an emboldened non-Western bloc projecting unity and force, counterbalanced by intensified defensive coordination among U.S.-aligned East Asian powers.

## Power Struggle Unfolds as Japan's Ishiba Faces Leadership Bid

Japan's Prime Minister Shigeru Ishiba is under mounting pressure as lawmakers from the ruling Liberal Democratic Party (LDP) prepare to vote on Monday—September 8, according to party insiders—whether to trigger an extraordinary leadership election. Ishiba's authority has been weakened following the party's poor performance in the July upper house elections and growing dissatisfaction over his fiscal prudence. Even senior figures like former Prime Minister Taro Aso support a party-wide leadership contest. Political tensions and uncertainty have rattled financial markets, pushing the yen lower and driving long-term government bonds to record-high yields.

The possible outcome holds significant economic implications. Soured investor sentiment is already evident; should Ishiba be replaced, his successor—potentially favoring looser fiscal and monetary policies—may sway the Bank of Japan away from further tightening. Analysts from the Eurasia Group calculate a 60% probability that Ishiba's leadership ends swiftly. This internal upheaval could delay the passage of a planned stimulus package meant to counter inflation and rising U.S. tariffs, potentially jeopardizing policy continuity at a critical juncture.

## China and Pakistan Roll Out 2025–2029 Action Plan to Deepen Strategic Bond

China and Pakistan have unveiled a comprehensive 2025–2029 action plan aimed at forging an even closer “community with a shared future in the new era”, spanning realms from politics and economy to security and cultural exchange. The plan pledges to bolster political trust, expand economic and trade ties, deepen security cooperation, and solidify the public foundation for bilateral relations. Both countries framed this as a model framework for regional strategic cooperation and reaffirmed that any attempt to undermine their partnership would be futile. The action plan also commits to annual progress reviews by their foreign ministries under existing diplomatic mechanisms, signaling institutionalized coordination and continuity.

Complementing security and trust-building measures, the plan includes people-to-people exchange initiatives, such as providing 3,000 study and training opportunities in China for Pakistanis over the 2025–2029 period. Both countries also inked multiple cooperation documents covering sectors like CPEC, artificial intelligence, agriculture, judiciary, cultural heritage, and public welfare, underscoring the multidimensional ambition of their strategic alignment.

## **U.S. Immigration Raid Disrupts Major Hyundai-LG Battery Project, Straining Seoul–Washington Ties**

In a sweeping enforcement action on September 4, 2025, U.S. immigration authorities executed the largest single-site raid in Department of Homeland Security history at Hyundai's electric vehicle battery plant under construction in Ellabell, Georgia. The operation—referred to as "Operation Low Voltage"—resulted in the arrests of approximately 475 individuals, most of whom were South Korean nationals, many employed through subcontractors rather than directly by Hyundai or LG Energy Solution.

The raid halted construction at the site and triggered an immediate corporate response: Hyundai pledged to investigate its supply chain, while LG suspended U.S. travel for employees and recalled staff amid mounting uncertainty. For Seoul, the incident deepened concerns about the security of South Korean investments in the United States—especially against the backdrop of ongoing trade negotiations involving up to \$350 billion in pledged staffing and infrastructure expansions.

## **India Defies U.S. Tariffs, Pledges to Continue Russian Oil Imports**

On September 5, 2025, India's Finance Minister Nirmala Sitharaman reaffirmed that New Delhi will persist in importing Russian crude oil—citing economic advantages and energy security—even after the Trump administration slapped a hefty 50 percent tariff on Indian goods in response to these purchases. India has emerged as the largest importer of Russian seaborne oil, leveraging steep discounts to partly offset global fuel volatility. The government argues that its procurement choices are grounded in strategic autonomy and practicality—not political alignment—and that its activities help maintain global oil market stability.

Sitharaman's statement deepens the unfolding diplomatic and trade impasse between India and the U.S., where efforts to negotiate tariff relief and broader trade talks have stalled. U.S. officials—including Commerce Secretary Howard Lutnick and Treasury Secretary Scott Bessent—have criticized India's oil policy, casting it as profiteering or complicit in financing Russia's war effort. Yet, India maintains that its energy sourcing follows legal protocols and serves domestic priorities. This stance highlights New Delhi's balancing act between safeguarding its developmental needs and managing escalating friction with a key strategic partner.

## Trump Jabs India, Then Softens—Highlighting Volatile U.S.–India Relations

In a striking display of diplomatic dissonance on September 5, 2025, U.S. President Donald Trump took to social media to declare that the United States had “lost India and Russia to deepest, darkest China,” following a high-profile summit in Tianjin where the three countries’ leaders appeared in solidarity. The post underscored growing Western concern over India’s leaning towards China amid a turbulent geopolitical landscape. The Indian Ministry of External Affairs opted not to respond publicly to Trump’s comment.

Just days later, however, Trump pivoted—emphasizing that there was “nothing to worry about” regarding U.S.–India relations. He praised Prime Minister Narendra Modi as a “great PM” and emphasized the “special relationship” between their nations, even while expressing disapproval of some of India’s policy choices, notably its Russian oil imports. In response, Modi struck a balanced tone, thanking Trump for his “positive assessment” and reaffirming that the India–U.S. partnership remains “very positive” and “forward-looking.”

## China Reinforces Strategic Ties with Hungary, Advocates Europe–China Partnership

During the September 3 commemorations of the 80th anniversary of World Anti-Fascist victory, China’s Foreign Minister Wang Yi held a high-level meeting with Hungarian Foreign Minister Péter Szijjártó in Beijing. Wang championed the milestone as a moment not only to honor shared history, but to forge forward-looking cooperation: under the guidance of their heads of state, he stated that Sino–Hungarian relations are now “at their best in history.” He framed their partnership as emblematic of a broader Europe–China dynamic rooted in mutual respect, equality, and win-win collaboration, specifically urging Hungary to assist in cultivating a “rational perception” and deeper trust toward China across European capitals.

Wang also emphasized China’s commitment to strengthening multilateral global governance, referencing President Xi Jinping’s recently launched Global Governance Initiative—a conceptual framework presented at the SCO+ meeting, alongside related efforts in development, security, and cultural dialogue. He invited Hungary to contribute constructively under this diplomatic architecture to promote a more equitable international order. Szijjártó echoed a positive reception of China’s initiatives, affirming that Hungary views China as its most important cooperative partner and shared a vision of expanding bilateral exchanges and bringing opportunities—not risks—to Europe–China relations.



## **“Arctic Express” Signifies China’s Strategic Leap into Polar Trade**

China is set to launch its inaugural “Arctic Express” container service on September 20, connecting major Asian ports—including Ningbo-Zhoushan, Qingdao, and Shanghai—with Northern Europe via the Northern Sea Route (NSR). The route will be serviced by the Istanbul Bridge, a 4,890 TEU vessel with a low ice-class rating suitable for navigating summer ice-free corridors. As reported by the South China Morning Post, this marks a crucial step in China's ambition to recalibrate its trade architecture by tapping into melting Arctic pathways.

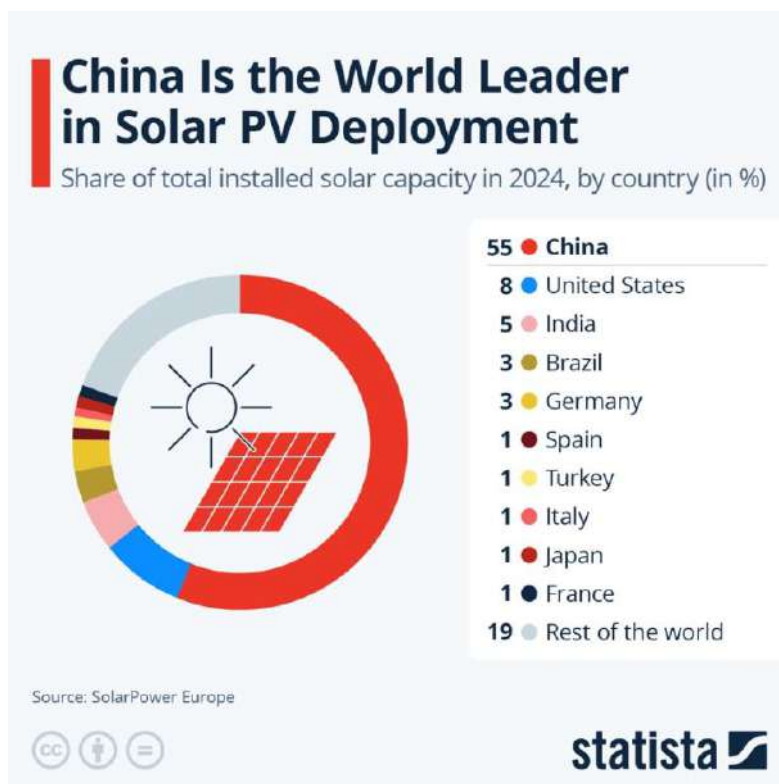
Analysts highlight multiple strategic benefits: shortened shipping times, reduced logistics costs, enhanced supply chain resilience, and a strengthened foothold in global trade networks. The initiative forms part of China's broader “Polar Silk Road” vision—melding Arctic routes with its Belt and Road framework to circumvent traditional chokepoints like the Suez Canal and assert greater commercial and geopolitical agency.

## 2. STATISTICS OF THE WEEK

### China Extends Solar Power Dominance

China consolidated its position as the undisputed global leader in solar photovoltaics (PV) in 2024, both in terms of manufacturing and domestic deployment. According to SolarPower Europe, the country installed 329 GW of new capacity, bringing its share of global installed solar power to 55%. By comparison, the United States accounted for 8% and India 5%, placing them second and third, respectively. The scale of China's expansion was so vast that, as Carbon Brief reported, the country installed more solar power at home than it exported abroad.

Despite China's overwhelming lead, other markets also recorded strong growth. The U.S. added 50 GW, a 54% increase year-on-year, while India surged ahead with an additional 30.7 GW, marking a 145% rise. Globally, total installed solar capacity hit a record 597 GW in 2024, up from 449 GW the previous year. The Asia-Pacific region drove the trend, contributing 70% of all new capacity additions, underscoring the region's central role in the clean energy transition.



<https://www.statista.com/chart/2337/global-installed-photovoltaic-capacity/>

### 3. MAP OF THE WEEK

#### Rising Traffic Along the Northern Sea Route

By the end of August 2025, the Northern Sea Route (NSR) had recorded 52 transit voyages, carrying approximately 1.3 million tons of cargo, according to satellite AIS data compiled by the Centre for High North Logistics (CHNL). These figures capture activity during the first half of the summer–autumn navigation season (June–August), when Arctic ice retreat typically opens up seasonal shipping opportunities. The map illustrates the east–west corridors along Russia’s Arctic coastline linking Asia and Europe, where traffic has steadily increased despite variable ice conditions.

The CHNL notes that while ice coverage continued to decline through the reporting period, residual ice remained in the eastern East Siberian Sea by late August. This lingering ice cover has implications for route selection, particularly for deeper-draft vessels, and underscores the challenges of navigating the Arctic even during peak summer months. The uptick in NSR transits highlights the growing role of the Arctic as an alternative maritime corridor, one that reduces shipping times between Asia and Europe but remains highly sensitive to climate conditions and geopolitical shifts.



<https://chnl.no/ukategorisert/overview-of-transit-voyages-along-the-northern-sea-route-as-of-august-31-2025/>

## 4. PHOTO OF THE WEEK

### Power on Parade in Beijing

The image captures a striking moment from Beijing, where world leaders walked together down the red carpet during the 80th anniversary commemorations of the victory in the War of Resistance Against Japanese Aggression and the World Anti-Fascist War. At the center of the procession, China's President Xi Jinping was flanked by Russia's Vladimir Putin and North Korea's Kim Jong Un, symbolizing the strengthening ties among the three countries. The scene, held against the backdrop of a massive military parade, was both ceremonial and symbolic—projecting unity among non-Western powers at a time of heightened global polarization.

Alongside them marched leaders from Central Asia, the Middle East, and Eastern Europe, underlining Beijing's ability to convene a wide coalition of states in support of its global vision. The tightly choreographed optics of the parade and the leaders' collective presence highlighted not only the historic narrative of shared sacrifice in World War II but also contemporary ambitions to reshape the international order. This carefully staged image served as a powerful statement of solidarity, projecting the emergence of an alternative bloc in world affairs.



<https://www.straitstimes.com/multimedia/photos/in-pictures-china-marks-the-80th-anniversary-of-victory-day-with-lavish-military-parade>

## 5. INFOGRAPHIC OF THE WEEK

### SCO Summit 2025 – Shaping a Multipolar Future

The infographic spotlights the Shanghai Cooperation Organization (SCO) Summit 2025, held in Tianjin, where China, Russia, and India signaled a coordinated push toward a more multipolar world order. President Xi Jinping emphasized the SCO's role as an alternative center of global governance, pledging \$280 million in grants and \$1.4 billion in loans to member states—directly challenging U.S.-led systems. Russian President Vladimir Putin echoed this vision, framing the SCO as the backbone of a new Eurasian security framework that could counter Western sanctions and military blocs.

Indian Prime Minister Narendra Modi's participation stood out as a symbolic reset in Sino-Indian relations, despite ongoing border frictions. The infographic highlights that U.S. tariff pressures may be nudging India closer to Beijing and Moscow, aligning New Delhi with Eurasian initiatives at a delicate geopolitical moment. Beyond concrete agreements, the Tianjin summit projected strong optics of unity: Xi, Putin, and Modi standing side by side underscored the SCO's ambition to serve as a counterbalance to Western-led institutions, even as substantive breakthroughs remain limited.



<https://x.com/EuroHub4Sino/status/196242339677742749>



## 6. REGIONAL ALLIANCES

### Beijing Rallying the “CRINK” Bloc

The recent Beijing events—spanning a major military parade and follow-on bilateral talks—have served as a powerful reaffirmation of the deepening alignment among three autocratic powers: China, Russia, and North Korea. This loose grouping, often referred to as “CRINK,” is increasingly presenting itself as a counterweight to Western-led institutions and norms. These developments mark not only a diplomatic spectacle but also the consolidation of strategic coordination among the three nations, with significant implications for the global order.

#### A Historic Trilateral Display of Unity

On September 3, 2025, Chinese President Xi Jinping led a lavish military parade to commemorate the 80th anniversary of the World War II victory, flanked by Russian President Vladimir Putin and North Korean leader Kim Jong Un—a first joint public appearance of the three since the Cold War era. Symbolically staged at Tiananmen Square, the parade showcased China’s most advanced weapons systems—including hypersonic missiles, AI-equipped naval drones, and submarine-launched missiles—sending a clear signal of strength and alignment.

#### North Korea’s Open Commitment to Russia

In follow-up meetings, Kim Jong Un reaffirmed his regime’s support for Russia, saying Pyongyang would do “everything I can to assist” Moscow—a declaration rooted in the 2024 mutual defense treaty between the two states. The Kremlin, in turn, publicly praised Kim’s troops for their role in pushing Ukrainian forces out of the Kursk region. These reciprocal expressions underline the increasingly operational ties between the two pariah states.

#### Xi’s Strategic Outreach to North Korea

The day after the parade, Xi and Kim met at the Great Hall of the People, marking their first such encounter in six years. Xi called for deeper “strategic coordination” in global and regional affairs, positioning North Korea as a trusted partner, not merely a neighbour. Kim reciprocated by praising the parade as a shared achievement—“China’s celebration is our celebration”—reinforcing the idea of ideological and strategic convergence.

#### Europe’s Stark Warning

Beyond Asia, the European Union sharply criticized the Beijing convergence, with its foreign policy chief calling it “not just optics” but a “direct challenge to the international system”. Western observers interpret the display as an affirmation of a nascent autocratic bloc—akin to the so-called “CRINK” alliance—that seeks to reshape global norms and institutions.



## Conclusion

In sum, these coordinated events in Beijing have elevated the strategic rapport among China, Russia, and North Korea to new heights. While each has long engaged in bilateral coordination, their combined public presence—including military pageantry, mutual defense pledges, and calls for shared global strategy—signals the emergence of a de facto ideological front. As the “CRINK” bloc matures, it will increasingly test the cohesion of Western alliances and challenge the architecture of the current rules-based order.

## 7. ANALYSIS

### A Changing Global Order in the Indo-Pacific

The Indo-Pacific has emerged as the central arena where the rhetoric of global security is shifting decisively from “defense” to “war.” Against the backdrop of intensifying great-power competition, the United States has rebranded its military bureaucracy from the Department of Defense back to the Department of War, underscoring an era where warfighting, not merely deterrence, is the dominant paradigm. At the same time, China’s rise, military modernization, and high-profile displays of power are reinforcing this linguistic and strategic pivot, transforming the Indo-Pacific into a testing ground for a new global order.

#### From Defense to War: The U.S. Strategic Pivot

Washington’s renaming of its defense apparatus is more than semantics—it reflects a recognition of the hardening strategic climate. Indo-Pacific Command (INDOPACOM) is now openly preparing for high-intensity conflict with near-peer competitors, chiefly China. U.S. naval patrols in the South China Sea, expanded basing agreements with the Philippines, and deeper defense coordination with Japan and Australia through the Quad and AUKUS are all framed less as “security cooperation” and more as preparations for potential regional war scenarios. The language has shifted, and so has the posture: deterrence by denial now carries an unmistakable war-fighting readiness.

#### China’s War Preparedness and Assertiveness

China has simultaneously transformed its military into a force capable of projecting power beyond its borders. Its Victory Day military parade in September 2025, attended by Russia’s Vladimir Putin and North Korea’s Kim Jong Un, showcased hypersonic missiles, advanced naval drones, and aircraft carriers, symbolizing Beijing’s ambition to deter and, if necessary, confront adversaries. President Xi Jinping’s declaration that China “fears no violence” reflects a rhetorical embrace of war preparedness as central to the country’s national rejuvenation. For Beijing, particularly in the Indo-Pacific, the shift is not only linguistic but operational—seen in assertive maneuvers in the Taiwan Strait and contested maritime zones.

#### Regional Ripple Effects

The sharper vocabulary of “war” has reverberated across Indo-Pacific capitals. Japan, once constitutionally pacifist, has adopted its most robust defense strategy since World War II, explicitly naming China as its greatest security challenge. India, balancing between great powers, is deepening naval patrols in the Indian Ocean while expanding partnerships with Washington and European states. Southeast Asian nations, caught between economic interdependence with China and security reliance on the U.S., are recalibrating their rhetoric too—Vietnam, the Philippines, and Indonesia increasingly frame their security concerns not in “peacekeeping” terms but in deterrence and defense of sovereignty.

## **Conclusion: A Region Defined by the Language of War**

The Indo-Pacific is no longer spoken of primarily in the language of security cooperation and peace dividends but in the stark lexicon of war readiness. The U.S. renaming of the Department of War symbolizes a mindset shift that resonates across the region, while China's assertive military displays reinforce the perception of an inevitable confrontation. For regional states, the challenge is navigating this linguistic and strategic transformation—balancing deterrence and diplomacy in a theater now defined less by the pursuit of “security” and more by the preparation for “war.”

