

Welcome to This Week's Asia on the Horizon

This week's issue of Asia on the Horizon arrives amid a stark dichotomy in the Indo-Pacific: a region simultaneously tightening its defensive armor while frantically seeking diplomatic off-ramps to prevent competition from spiraling into conflict. The stories we bring you this week capture an Asia defined by high-stakes dualities—where leaders trade handshakes at summits while their navies sharpen capabilities at sea, and where economic pragmatism attempts to bridge deepening geopolitical chasms. From the corridors of the G20 in Johannesburg to the contested waters of the Taiwan Strait, the region is navigating a fragile transition where historical grievances and future-oriented strategy collide.

At the forefront, the delicate dance of diplomacy took center stage in South Korea's shuttle diplomacy at the G20. President Lee Jae-Myung's separate meetings with Chinese Premier Li Qiang and Japanese Prime Minister Sanae Takaichi underscore Seoul's urgent bid to soften regional rigidities and pave the way for a potential summit with Xi Jinping. Meanwhile, economic pragmatism resurfaced in unexpected corners as Canada and India formally agreed to restart trade negotiations. The pledge by Prime Ministers Mark Carney and Narendra Modi to double two-way trade by 2030 signals a dramatic pivot from the diplomatic freeze of 2023, prioritizing commercial vitality over lingering political friction. Similarly, Beijing launched a strategic charm offensive toward Europe, with Premier Li Qiang pitching a "new energy" partnership to German Chancellor Friedrich Merz, attempting to insulate economic ties from security concerns.

Yet, the shadow of hard power looms larger than ever. The Indo-Pacific's maritime theater was particularly dynamic, marked by a structural shift in the undersea balance of power. Our Regional Alliances section this week dissects the deepening naval cooperation between China and Pakistan, specifically the impending induction of AIP-equipped Hangor-class submarines. This development threatens to widen the capability gap with India, whose own submarine modernization remains plagued by delays, fundamentally altering the calculus of sea denial in the Indian Ocean. Taiwan has responded to this darkening horizon with its own bold move, announcing a record defense budget boost to US\$40 billion. The package, aimed at asymmetric capabilities like the "T-Dome" air defense shield, represents Taipei's firmest signal yet that it intends to raise the cost of any potential aggression.

Elsewhere, the energy map of Eurasia is being permanently redrawn. In our Statistics of the Week, we highlight the crystallization of the Russia-China energy axis, where bilateral trade has hit a record \$254 billion, with Russia now supplying 19% of China's total energy imports. Our Map of the Week visualizes this physical pivot, tracing the planned "Power of Siberia 2" pipeline that will re-route gas flows previously destined for Europe directly into China's industrial heartland. In our Photo of the Week, we turn to a somber domestic tragedy in Hong Kong, where a devastating fire at Wang Fuk Court has exposed the fragile urban realities and governance challenges facing the city.

Finally, our deep-dive Analysis explores the "New Quadrilateral Tension" emerging between the U.S., China, Japan, and Taiwan. following the rare call between Xi Jinping and Donald Trump. We examine how Beijing is anchoring its claims in post-war history, while Tokyo's assertive military posture draws American caution. Together, these stories provide a panoramic view of a region in flux. As always, Asia on the Horizon brings you the developments that matter most—not just as a digest of weekly news, but as a window into the ideas, partnerships, and rivalries that will shape the region's future.



1. KEY DEVELOPMENTS

Nexperia Disruption Re-exposes Auto Industry's China Reliance

The recent Nexperia crisis has once again demonstrated how deeply global automakers depend on semiconductor production in China — even for seemingly mundane “low-tech” chips. After the Netherlands government seized control of Dutch-based Nexperia in late September over national-security concerns tied to its Chinese owner Wingtech Technology, Beijing retaliated by halting exports from Nexperia’s major chip-packaging plant in Dongguan. That facility produces inexpensive but essential components — chips for brakes, power windows, and other core automotive functions. The export freeze forced major manufacturers such as Nissan, Honda and Bosch to cut production or reduce factory working hours — despite earlier promises that the shockwaves from the 2020–2023 semiconductor shortage would never recur.

The episode exposes a critical blind spot: even “low-end” chips are geopolitical levers, and automakers’ heavy reliance on just-in-time supply chains remains an Achilles’ heel. Substituting components is far from trivial — many chips are soldered directly onto vehicle components, and any change requires months of requalification. While supply has partially resumed following diplomatic disengagement and a retreat by the Dutch government from its takeover attempt, the disruption has triggered a wider industry reckoning. It serves as a case study in the high cost of resilience, and the difficulty — both technical and financial — of decoupling global automotive production from China-centric semiconductor supply lines.

Seoul Tries Shuttle-Diplomacy to Soften G20 Tensions Among Korea, China and Japan

At the 2025 G20 Johannesburg Summit, Lee Jae-Myung, President of South Korea, held separate bilateral meetings with Li Qiang (China’s Premier) and Sanae Takaichi (Japan’s Prime Minister). During the discussion with Li, Lee reportedly conveyed his desire to meet Xi Jinping in Beijing — a message Li said he would pass on. Lee emphasized the need for enhanced communication to rebuild mutual trust between Seoul and Beijing, and Li welcomed the idea of cooperation aimed at concrete “livelihood” benefits.

In the separate meeting with Takaichi, Lee and the Japanese premier affirmed the strategic importance of Korea–Japan relations in an unstable global environment. They pledged to engage in “future-oriented” cooperation and maintain high-level visits despite growing regional tensions, particularly over Taiwan. Lee also used his G20 speech to underscore South Korea’s ambition to preserve the summit as a vital tool for international cooperation — a framing meant to support Seoul’s role as host of the 2028 G20 gathering.

Japan's Missile Deployment Near Taiwan Provokes Sharp Chinese Response

Beijing has condemned Tokyo's plan to deploy a medium-range surface-to-air missile unit on Yonaguni Island — a Japanese territory located roughly 110 km east of Taiwan — calling the move a “deliberate attempt to create regional tension and provoke military confrontation.” The deployment was confirmed by Japan's Defence Minister Shinjirō Koizumi, who said the missiles are meant to boost deterrence and protect the island. In Beijing's view, the decision — coming after remarks by Japanese Prime Minister Sanae Takaichi hinting at military intervention should China attack Taiwan — crosses a “red line.”

China's response has been harsh. At a press briefing, Foreign Ministry spokesperson Mao Ning lambasted what she described as a rising tide of “right-wing forces” in Japan steering both Tokyo and the region toward “disaster.” Meanwhile, Beijing's defence establishment warned that should Japan take any steps beyond missile deployment — specifically, any forceful intervention related to Taiwan — it would “pay a painful price.” The incident deepens the current diplomatic crisis between the two countries, complicating regional security dynamics in East Asia.

China Seeks Economic Reset with Germany — A Strategic Pivot by Premier Li Qiang

At the sidelines of the 2025 G20 Johannesburg Summit, Chinese Premier Li Qiang used a meeting with German Chancellor Friedrich Merz to pitch a renewed phase of cooperation between China and Germany — this time centered around high-tech and future-oriented sectors. Li proposed joint efforts in “new energy, smart manufacturing, biomedicine, hydrogen energy technology and intelligent driving,” signaling Beijing's strategic intent to deepen industrial and technological ties. Amid recent friction — including Chinese export curbs on chips and rare-earth minerals that disrupted German supply chains — the outreach suggests Beijing is attempting to repair relations and frame the bilateral bond as mutually beneficial rather than adversarial.

Yet Li's pitch is not merely about economics: it carries a broader political message. By asking Germany to “avoid interference and pressure,” and to focus on shared economic interests rather than “external factors,” China is implicitly pressing Berlin to soften its recent critical stance on Beijing's industrial policies and human-rights record. Given Germany's recent moves — including establishing a committee to review security-relevant trade with China — Li's gesture presents a test of whether Berlin will prioritize commercial gains over strategic caution.

Canada–India trade talks restart — Economic Over Political Fallout

G20 Johannesburg Summit served as the backdrop for a major thaw in bilateral relations, as Canada and India formally agreed to resume negotiations on a comprehensive trade agreement. Mark Carney (Canada's Prime Minister) and Narendra Modi (India's Prime Minister) pledged to start talks on a high-ambition Comprehensive Economic Partnership Agreement (CEPA), with the shared goal of roughly doubling two-way trade to USD 50 billion (\approx C\$ 70 billion) by 2030.

This move marks a striking pivot after a diplomatic freeze triggered by Ottawa's 2023 accusations of Indian involvement in the killing of a Sikh separatist on Canadian soil — accusations that New Delhi denied. The revival of trade talks underscores both countries' apparent willingness to separate economic considerations from past political grievances. For Canada, the deal aligns with a broader strategy under Carney to diversify trade partners beyond the United States; for India, it signals a pragmatic reopening of ties with a historically important trading partner.

Undersea Arms Race Deepens: India's Submarine Gap Widens as Pakistan Gains via China

The Indian Navy continues to struggle with a chronic shortfall in its conventional-submarine fleet, even as the Pakistan Navy — backed by People's Liberation Army Navy supply from China — prepares to induct next-generation submarines in the coming years. According to reporting by South China Morning Post, despite the recent commissioning of an indigenous anti-submarine shallow-water vessel designed for coastal defence, experts argue this does not compensate for New Delhi's failure to modernise its deep-water undersea capabilities. Meanwhile, Islamabad is set to receive multiple AIP-equipped Hangor-class submarine boats by 2028 — with the first expected to enter service as early as 2026 — enabling Pakistan to sustain long-duration submerged operations and boosting its ability to conduct stealthy operations in the Arabian Sea and Indian Ocean.

For India, this development sharpens a strategic dilemma: while its overall naval posture remains numerically superior in surface ships and carrier-based assets, the deficit in modern conventional submarines undermines long-term sea-denial capabilities crucial in the event of conflict with Pakistan (or third-party intervention). The lagging timeline of India's own submarine modernisation efforts — especially delays in the Project 75I conventional-submarine procurement programme — risks leaving a growing underwater capability gap at a moment when the regional security environment is becoming more contested.

Xi Jinping–Donald Trump Call Re-anchors Taiwan in Post-War Order Debate

In a rare and highly consequential phone call on November 24, 2025, the leaders of the United States and China re-engaged at a moment of mounting East Asian tension — and the crux of their discussion was once again Taiwan. According to Chinese state media, Xi told Trump that Taiwan’s “return to China” is fundamental to preserving the post–World War II international order, framing Beijing’s long-standing territorial claim as more than a matter of regional politics — but as a question of global order and historical legacy. The call meanwhile addressed other global flashpoints — including Ukraine and trade tensions — but the emphasis on Taiwan signaled Beijing’s intent to reassert the island’s status at a time when regional dynamics are growing more volatile.

The timing of the conversation — coming shortly after fresh tensions between China and Japan over Tokyo’s Taiwan-related remarks — underscores a broader strategic calculus by Beijing: to draw the U.S. into a stabilizing role while isolating Tokyo and reinforcing China’s narrative. Observers note that Washington’s back-to-back calls, first with Xi and then with Japanese Prime Minister Sanae Takaichi, reflect a calculated balancing act: preserving Sino-American diplomacy while sending a subtle message to Tokyo that regional stability — not escalatory rhetoric — remains the priority.

Taiwan Firmly Rejects Beijing’s “Return” Claim

Cho Jung-tai, the Premier of Taiwan, declared on November 25, 2025 that for Taiwan’s 23 million residents, a “return to China” is categorically off the table. His remarks came in direct response to Xi Jinping’s assertion, made during a phone call with U.S. President Donald J. Trump, that Taiwan’s reintegration into mainland China was a core component of Beijing’s vision for the post-World War II international order. Cho stressed that Taiwan is a fully sovereign, independent country under the name Republic of China, and that historical narratives invoked by Beijing do not reflect the will of Taiwan’s people.

The statement by Taiwan’s government comes amid heightened regional tensions — including renewed Chinese military pressure around the island and heightened rhetoric from nearby powers — underlining Taipei’s determination to resist Beijing’s political and historical claims. By rejecting both forced unification and Beijing’s proposed “one country, two systems” framework, Taiwan signals a firm red line: its democratic system, sovereign status and collective identity are non-negotiable.

Russia-China Oil Deal: Moscow Pushes to Expand Exports to Beijing

Russian Federation Government and People's Republic of China Government are reportedly in talks to significantly ramp up Russian crude oil exports to China, according to comments by Russian Deputy Prime Minister Alexander Novak at a Sino-Russian business forum in Beijing. Under the current flow, China imports roughly 1.4 million barrels per day (bpd) of Russian oil by sea and an additional 900,000 bpd via pipeline. The discussions reportedly include extending intergovernmental supply agreements — notably through transit via Kazakhstan — for another ten years until 2033.

The potential expansion reflects Moscow's strategy to deepen energy ties with Beijing amid Western sanctions targeting major Russian oil producers like Rosneft and Lukoil. For China, the move offers a continuation — and possible expansion — of inexpensive oil imports at a time when global price fluctuations and sanctions complicate supply. But for global markets, the deal risks contributing to oversupply: analysts note that crude balances may already loosen in 2026, with supply growth expected to outpace demand. The development underlines the growing strategic interdependence between Moscow and Beijing — with long-term implications for energy geopolitics in Asia and beyond.

Tokyo–Washington Call Signals U.S. Attempt to Stabilise Taiwan–Japan–China Row

In the hours following Donald J. Trump's call with Xi Jinping, U.S. President Trump reached out to Sanae Takaichi, the Prime Minister of Japan — putting Tokyo next on his diplomatic agenda. According to reporting by South China Morning Post, the two leaders discussed U.S.–Japan ties and regional volatility, highlighting “close cooperation” between the two nations. Takaichi described Trump as a “very close friend ... who said I should call him any time,” signaling a reaffirmation of Japan's alliance with the United States even as tensions with Beijing intensify.

At the same time, however, reports indicate that Trump urged Tokyo to “lower the volume” on its Taiwan-related rhetoric, cautioning against further escalations in light of already fraught Sino–Japanese tensions over the island. This suggests Washington is trying to thread a narrow needle: preserving its alliance and signaling support for Tokyo, while also attempting to prevent the dispute from spiraling into a broader regional crisis. The call may reflect U.S. concern that Japan's assertive posture — especially under Takaichi — could destabilise the carefully calibrated balance in East Asia.

Beijing-Paris Economic Reset: China and France Recommit to Strategic Cooperation

At a high-level video meeting held on November 24, 2025, He Lifeng (Chinese Vice Premier) and Roland Lescure (French Finance Minister) affirmed that China and France will deepen cooperation in economy, trade, and finance — signaling renewed commitment to bilateral economic ties. China emphasized that strengthening Sino-French economic collaboration will contribute stability and “positive energy” to the global economy, while France voiced readiness to expand practical cooperation across investment, trade, and financial sectors.

The renewed agreement comes at a time of growing global economic uncertainty. By solidifying their economic-financial dialogue, Beijing and Paris appear to be hedging against volatility in global markets — potentially offering European firms continued access to the Chinese market, while giving China a critical European anchor amid shifting geopolitical tensions. The cooperation is likely to involve cross-investment, trade facilitation, and deeper financial linkages — a partnership that could influence broader EU–China economic dynamics in the coming years.

Taipei’s Big Bet — Taiwan Proposes US\$40 Billion Defence Boost

Lai Ching-te — Taiwan’s president — announced on Nov. 25, 2025 that his government will submit a supplementary defence-spending package amounting to roughly US\$40 billion. The plan would raise total defence expenditure for 2026 to about US\$30.3 billion, equivalent to 3.32 % of GDP — the highest level since 2009 — and sets a long-term goal of reaching 5 % of GDP by 2030. According to Lai, this is not a posture of provocation but a necessary step to defend Taiwan’s sovereignty, democracy, and freedom in the face of intensifying pressure from mainland People’s Republic of China (PRC).

The budget increase is expected to fund major arms purchases — especially from United States — and to improve Taiwan’s asymmetric defence capabilities, including investments in missile systems, drones, air- and missile-defence architecture (such as the proposed “T-Dome” multilayered air defence shield), naval, aerial assets, and other force-multipliers tailored to deter a larger adversary. The government argues this build-up is aimed at raising the cost and risk for any potential aggression, rather than initiating escalation.

Russia–China Energy Alliance Deepens at Key Forum

At the 7th Russia-China Energy Business Forum (RCEBF) held on November 25, 2025 in Beijing, top officials from both sides underscored a major push to deepen bilateral energy cooperation — spanning oil, gas, coal, nuclear power, and renewables. The head of Rosneft, Igor Sechin, highlighted that “truly large-scale joint projects” are underway and reaffirmed Russia’s role as China’s leading supplier of oil and natural gas. Chinese President Xi Jinping, in a message to the forum, described the energy partnership as a pillar of mutual benefit and pledged to work with Russia to “jointly safeguard the stability and smooth functioning of the global energy supply chain.”

The renewed emphasis comes amid growing international pressure on both Moscow and Beijing — particularly Western sanctions targeting Russian energy firms and calls for China to reduce its imports of Russian oil. Against this backdrop, the Russia-China energy axis appears to be shifting toward long-term strategic realignment: greater interdependence, cross-border infrastructure, and joint investment in traditional and green energy. For global energy markets, this could mean a more durable supply corridor outside Western influences, potentially reshaping oil and gas flows — and geopolitical alignments — for years to come.

China Warns U.S. to Rein in Japan as Taiwan Tensions Spike

In a strongly worded editorial published on November 27, 2025, the official mouthpiece of China’s ruling party urged the United States of America to “rein in” Japan, cautioning Washington against enabling what Beijing termed a revival of “Japanese militarism.” The commentary came after Japan’s prime minister, Sanae Takaichi, had told her parliament that a hypothetical Chinese attack on Taiwan could justify a military response from Tokyo — a statement that triggered sharp backlash from Beijing. By framing Tokyo’s Taiwan-related remarks as a resurgence of wartime militaristic ambitions, Beijing added historical and symbolic weight to its warning.

Parallel to the editorial, sources indicate that U.S. President Donald Trump warned Takaichi in a phone call to “lower the volume” on Taiwan-related rhetoric and avoid further escalation with China. The sequence — Beijing’s warning, followed by U.S. pressure on Tokyo — signals a subtle but meaningful bid by Washington to assume a mediating role, balancing its alliance with Japan against broader interest in stable U.S.–China trade ties under strain.

Beijing doubles down: Fresh travel warning against Japan amid bilateral tensions

Chinese Embassy in Japan issued a new advisory on November 26 urging Chinese citizens to avoid traveling to Japan “in the near future,” citing reports of “unprovoked insults and beatings” against Chinese nationals living in or visiting Japan. The notice also called upon those already in Japan to exercise heightened vigilance, referencing data pointing to a rise in violent crime. This represents a repeat of a prior warning issued on November 14 — a reflection of the deepening diplomatic rift between Beijing and Tokyo triggered by recent provocative remarks from Tokyo’s leadership regarding a potential military response to a conflict over Taiwan.

The renewed travel advisory is not merely a safety alert — it functions as a diplomatic lever. By discouraging travel, China signals disapproval of Japan’s political posture on Taiwan and exerts economic pressure through potential disruption of tourism, student exchanges, and cultural flows. Given that Chinese tourists historically comprised a significant portion of Japan’s inbound travel, the move could inflict considerable economic and reputational costs, beyond aggravating bilateral tensions.

China Issues New Arms-Control White Paper — A Renewed Push for Global Security Norms

On November 27, 2025, the government of People's Republic of China (PRC) published a white paper titled China's Arms Control, Disarmament, and Nonproliferation in the New Era, marking the first comprehensive statement of Beijing’s arms-control and non-proliferation policy since 2005. The document reaffirms China’s commitment to a defensive-only military posture, pledges transparency in defense spending through UN reporting mechanisms, and underscores adherence to a no-first-use nuclear weapons policy. The white paper calls for reinforcing the existing global arms-control regime under the auspices of the United Nations (UN), and heralds Beijing’s willingness to cooperate internationally to mitigate evolving security risks associated with emerging domains such as outer space, cyberspace, and artificial intelligence.

This release is more than declaratory: it reflects a strategic attempt by China to reposition itself as a “responsible major power” amid rising geopolitical tensions and growing concern over international arms races. By advocating principles such as justice, cooperation, balance, and effectiveness — and by criticizing what it describes as double standards and coercive security measures — the white paper seeks to influence global norms, especially in security governance over both traditional weaponry and emergent technologies. The timing — coinciding with 80th-anniversaries of the end of World War II and the founding of the UN — suggests Beijing aims to cast this initiative as part of a broader reaffirmation of the post-war international order and its role in preserving it.

Devastating High-Rise Blaze Tests Wang Fuk Court — A Crisis for Hong Kong's Governance

A devastating fire broke out on 26 November 2025 at the Wang Fuk Court residential complex in the Tai Po district of Hong Kong. The blaze began in external bamboo scaffolding surrounding one of the towers undergoing renovation, then spread rapidly to seven of the eight 32-storey towers — engulfing whole buildings in a matter of hours. By the end of rescue and recovery efforts, at least 128 people were confirmed dead and some 150 remained missing, making it the deadliest fire in Hong Kong in decades.

The disaster has triggered an immediate reckoning over building safety, regulatory oversight, and governance legitimacy. Authorities arrested eleven individuals linked to the renovation contractor on charges including gross negligence and possible corruption. The tragedy exposed critical flaws: reportedly flammable renovation materials, malfunctioning fire alarms, and the continued use of bamboo scaffolding — a traditional but increasingly controversial building method. In response, the mainland Chinese government launched a nationwide inspection of fire-safety standards in high-rise buildings — especially those under renovation — underscoring the broader stakes of the incident for urban governance across China.

US-South Korea 2025 joint drills: Pyongyang Decries Moves as Destabilizing — Seoul and Washington Stress Deterrence

The recent joint military exercises conducted by the United States Armed Forces and Republic of Korea Armed Forces have drawn sharp condemnation from the Korean Central News Agency (KCNA), which accused the allies of undermining regional stability and “destroying the strategic security balance.” According to KCNA, the deployment of a U.S. guided-missile destroyer, anti-submarine helicopters, and F-16 fighters — in naval drills near Pyeongtaek and operations based out of airfields in South Korea and Japan — was designed to deter the North but in practice threatens “regional countries ... by force.” Pyongyang framed the drills as part of a U.S.-led campaign to provoke confrontation rather than preserve peace.

Seoul and Washington, however, maintain that the drills are defensive — aimed at deterring aggression from the Democratic People's Republic of Korea (DPRK) and preserving stability on the Korean Peninsula. The exercises underscore continuing U.S.–Korea security cooperation even as regional tensions rise. At the same time, South Korea's leadership has floated the possibility of suspending such drills should a formal peace framework be achieved with the North, suggesting the exercises are not intended as a permanent provocation, but as leverage within a broader diplomatic-security calculus.

Guam Becomes Hub for Major Allied Naval Build-Up in Indo-Pacific

Guam recently hosted a large-scale maritime exercise involving the navies of United States Navy (USN) along with forces from Japan Maritime Self-Defense Force (JMSDF), Indian Navy, Royal Australian Navy (RAN) and Republic of Korea Navy (ROKN). The drills — reported by a leading U.S. naval source — focused heavily on anti-submarine warfare and advanced maritime coordination. This framework of cooperation underscores a concerted effort by these states to enhance operational interoperability and readiness across multiple domains — surface ships, submarines, patrol aircraft and possibly support and logistics vessels.

By combining maritime capabilities from across the Indo-Pacific — from South Korea and Japan to India and Australia — the exercise at Guam sends a strong strategic signal: these navies are consolidating collective capacity to operate across vast maritime theatres. The deployment underscores Guam's importance as a U.S. forward basing hub, offering a strategic location from which allied navies can project power, coordinate underwater and aerial surveillance, and respond quickly to regional contingencies. For regional security dynamics, this multilateral maneuvering may contribute to deterrence against potential coercion or aggression, while also ratcheting up naval integration among U.S. partners in the broader Indo-Pacific.

Beijing Presses London to Endorse “One-China” Principle

Wang Yi, China's foreign minister, on November 28 publicly urged the United Kingdom to reaffirm its commitment to the One China principle — the policy under which Beijing claims sovereignty over Taiwan — during a meeting with UK national security adviser Jonathan Powell in Beijing. According to the Chinese read-out, Wang stressed the importance of “strategic communication and necessary coordination” between China and the UK, indicating Beijing's broader effort to mobilize diplomatic support amid escalating tensions over Taiwan, particularly with the nearby regional flashpoints involving Japan.

The move reveals Beijing's proactive diplomacy as it seeks to shore up international legitimacy for its cross-Straits claims, while pressuring foreign powers to avoid any moves that could be interpreted as challenging those claims. For London — historically tied to the Taiwan issue via its role in administering Hong Kong — the request puts the UK in a delicate position. Accepting would signal a shift toward reinforcing Beijing's narrative; resisting or ignoring the request could risk diplomatic friction. Either way, China's call to the UK is a clear indicator that Beijing aims to frame Taiwan not only as a regional issue, but as an international test of states' adherence to its preferred order.

Vladimir Putin to Visit India for Strategic Summit with Narendra Modi

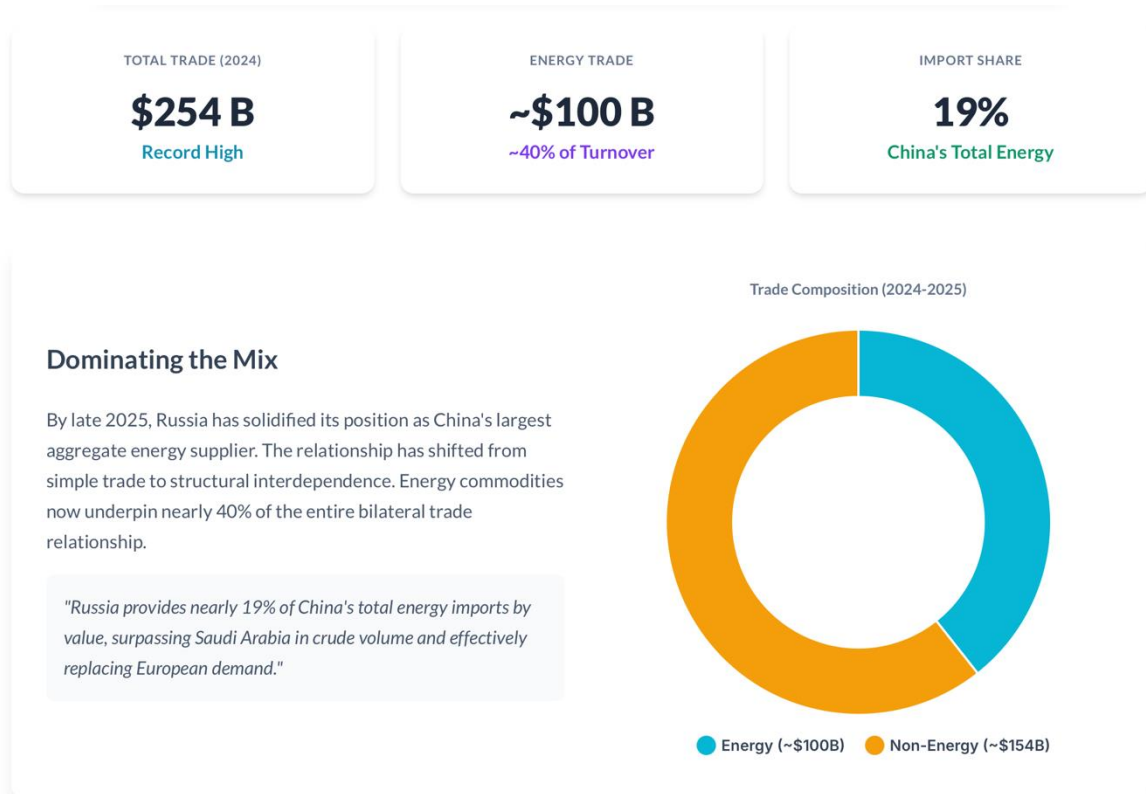
According to Russian state media and confirmation by New Delhi, Vladimir Putin will travel to India on 4–5 December 2025 for a state visit — the first such trip since December 2021. During the visit, he will meet Prime Minister Narendra Modi and also have a separate audience with India’s President, engaging in talks aimed at reinforcing the “special and privileged strategic partnership” between the two countries.

The summit is expected to produce a flurry of intergovernmental and commercial agreements spanning multiple domains — from trade and energy to defence, technology and cultural cooperation. Observers believe the agenda may include discussions around delayed defence deliveries (e.g. air-defence systems), upgrades to existing military platforms, and expansion of bilateral cooperation in emerging sectors. Given the current global context — including pressure from Western capitals over energy and defence ties with Russia — the visit will be scrutinized as a litmus test for how deeply India is willing to engage with Moscow while balancing relations with other major powers.

2. STATISTICS OF THE WEEK

Russia Becomes China's Indispensable Energy Backbone

The latest data underscores how profoundly the Russia–China energy axis has transformed into a system of structural interdependence rather than opportunistic trade. Bilateral commerce reached a record-high \$254 billion in 2024, with energy alone accounting for roughly \$100 billion, or ~40% of total turnover. This reflects a decisive reconfiguration of China's import mix: Russia now supplies 19% of all Chinese energy imports, overtaking Saudi Arabia in crude volume and filling the vacuum left by retreating European buyers. The shift is not merely quantitative. The Kremlin's pivot toward Asia—forced by sanctions and facilitated by discounted barrels—has aligned seamlessly with Beijing's appetite for secure, long-term supplies. What emerges is a trade relationship increasingly anchored by pipelines, maritime corridors, and state-directed financing mechanisms rather than volatile spot markets.



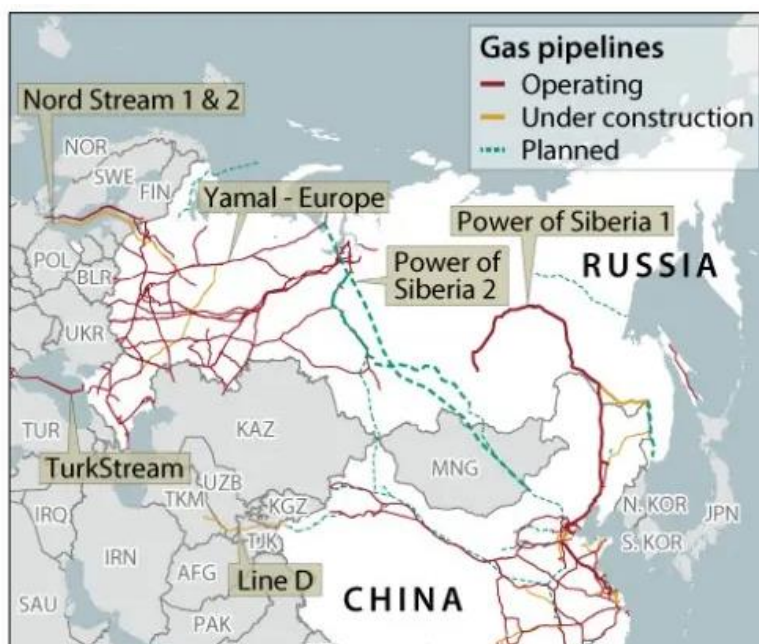
<https://behorizon.org/russia-china-the-strategic-energy-alliance/>

3. MAP OF THE WEEK

The Re-Routing of Eurasia's Gas Flows

This week's map illustrates the backbone of Russia's evolving natural gas network and the structural redirection of pipeline flows away from Europe and toward China. Following Moscow's suspension of gas exports to several EU states in April 2022, the Kremlin accelerated its pivot eastward, placing the Power of Siberia system at the center of its long-term strategy. Power of Siberia 1 is already operational, channeling gas from eastern Siberian fields into China under a 30-year supply agreement. The planned Power of Siberia 2 (PS-2) — mapped here as the major green corridor — represents the true strategic shift. Designed to repurpose the capacity previously earmarked for Europe, PS-2 would connect the Yamal gas fields in western Siberia directly to northern China, effectively replacing Europe as the primary end-market for Russian pipeline gas.

Russia reportedly sought to begin construction of PS-2 as early as 2024–2025, framing the project as essential to offset the collapse of westbound exports and to lock in China as a structurally dependent buyer for decades. For Beijing, the pipeline offers diversification away from maritime LNG routes and strengthens its hand in pricing negotiations. The map also puts PS-2 into broader context: Russia's gas architecture — from the shuttered Nord Stream lines and Yamal-Europe corridor to TurkStream, Line D, and the existing Power of Siberia 1 — is being re-engineered into a bifurcated system: constrained and politically toxic in the west, expansive and strategically insulated in the east. The result is a Eurasian energy landscape increasingly defined by one direction of flow — toward China — with long-term implications for both regional power dynamics and global gas markets.



<https://globalinghub.com/report-presentation/power-of-siberia-2-another-russia-china-pipeline>

4. PHOTO OF THE WEEK

Hong Kong's Deadliest Blaze in Years Exposes Fragile Urban Realities

This week's photo captures the inferno that swept through a residential complex in Hong Kong's Tai Po district, leaving at least 36 people dead and 279 missing — a scale of casualty that is extraordinary even for a city well-versed in high-rise fire risks. The blaze ignited mid-afternoon and raced vertically and laterally across bamboo scaffolding and construction netting that wrapped seven of the estate's eight towers, turning the very structures meant to support renovation into conduits for rapid fire spread. More than 700 residents were evacuated, many elderly and trapped behind smoke-logged corridors as flames burst from windows across multiple floors. The Fire Services Department deployed a massive response — 128 fire trucks and 57 ambulances — yet even this was overwhelmed by the scale and speed of the event. One firefighter was among the dead, a stark testament to the intensity of the conditions crews faced as the city raised its alert level to its highest tier.

The image crystallizes a broader, uncomfortable truth: Hong Kong's dense urban fabric, ageing residential stock, and long-standing reliance on bamboo scaffolding have combined into a systemic vulnerability. Despite earlier commitments to phase out bamboo frameworks for public projects, the practice remains widespread — and in this case, disastrously exposed. The blaze has sparked renewed scrutiny of contractor oversight, building-code enforcement, and the adequacy of evacuation protocols in high-rise estates that house thousands. For a city already under pressure from demographic shifts, governance strain, and infrastructure fatigue, the fire is not just a tragedy — it is a warning. The physical and institutional architecture of Hong Kong's urban life is being tested, and the consequences of inaction are now painfully visible.

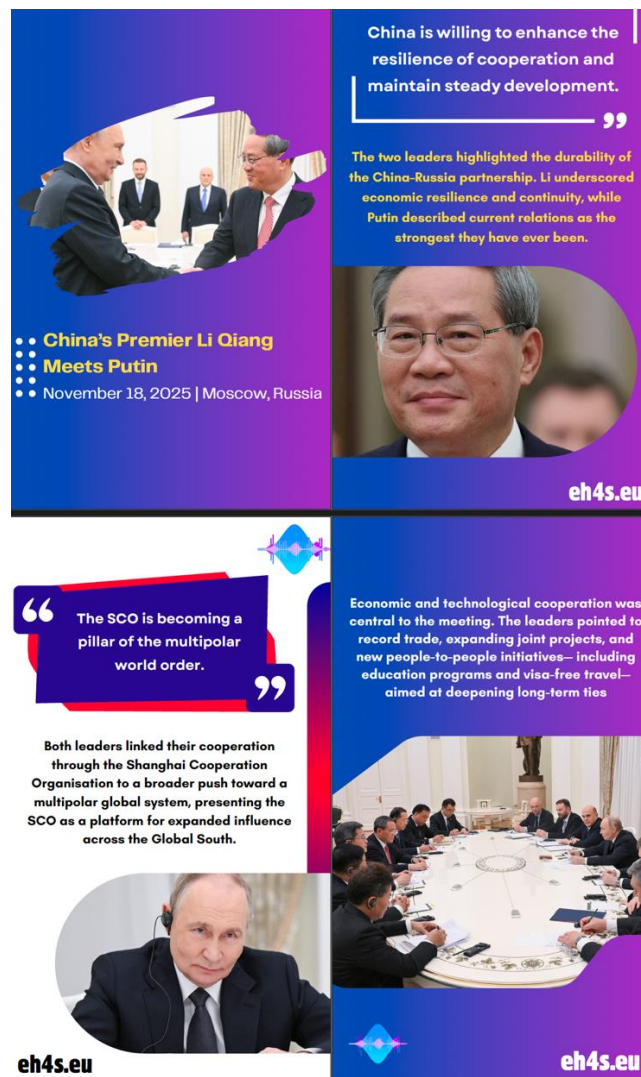


<https://www.reuters.com/world/china/hong-kong-police-say-death-toll-rises-40-residential-blaze-2025-11-26/>

5. INFOGRAPHIC OF THE WEEK

Xi-Trump Call Signals Calm Optics, Harder Undercurrents

This week's infographic highlights the carefully choreographed optics surrounding the November 24, 2025 phone call between Xi Jinping and Donald Trump — the first substantial leader-level contact since tensions spiked over Taiwan and Japan's recent security statements. On the surface, the visuals project diplomatic steadiness: both leaders smiling, flags carefully arranged, and messaging polished by state media and Western outlets alike. Yet the accompanying statements reveal a harder edge. Xi's line — "The return of Taiwan to China is an important part of the post-war international order" — was the centrepiece of Beijing's readout, anchoring Taiwan's fate not just in contemporary geopolitics but in the normative legacy of 1945. By contrast, Washington released no formal transcript, allowing Trump's off-camera claim that Xi "understands the answer" regarding U.S. defense of Taiwan to hang ambiguously in the air.



https://www.linkedin.com/posts/eurohub4sino_xitrump-call-highlights-cooperation-activity-7399034447032954880-vc9u?utm_source=share&utm

6. REGIONAL ALLIANCES

China–Pakistan Submarine Cooperation and the Emerging Undersea Imbalance

Introduction: A Quiet but Strategic Shift Beneath the Waves

The China–Pakistan naval partnership has entered a decisive new phase, one that is reshaping the undersea military balance in the northern Indian Ocean. While surface-fleet modernisation attracts the most attention, it is the quiet, incremental growth of Pakistan’s submarine arm — powered by extensive Chinese industrial and technological support — that is having a more consequential strategic impact. As India’s own submarine capabilities face delays and ageing platforms, Beijing’s provision of next-generation conventional submarines to Islamabad is accelerating the region’s most consequential undersea arms race in decades.

Recent reports from South China Morning Post and corroborating analyses from Naval News and Janes indicate that Pakistan is on track to induct a new fleet of air-independent propulsion (AIP) submarines before the end of the decade. This shift is not merely a bilateral transaction — it is a structural transformation of Pakistan’s long-range sea-denial capability, and by extension, a geopolitical lever for China in the Indian Ocean.

China’s Expanding Role: Industrial Transfer and Strategic Signalling

Beijing’s naval-industrial support to Pakistan is extensive, long-term, and deliberately structured to deepen dependence. Under the Hangor-class programme — derived from China’s Type-039A Yuan-class — four submarines are being built in China, with another four under construction at Karachi Shipyard & Engineering Works. This hybrid production model ensures technology transfer while anchoring China as Pakistan’s primary defence partner for the foreseeable future.

Chinese media and defence sources frame the cooperation as part of a broader strategy of “regional stability,” but the strategic signalling is unmistakable. By enabling Pakistan to field AIP-equipped submarines capable of weeks-long submerged operations, Beijing is effectively reinforcing a second axis of deterrence against India beyond the Himalayan land frontier. This synergy fits into the PLA Navy’s wider ambition to secure forward influence in the Arabian Sea and safeguard energy-shipping into the Gulf.

Pakistan's Hangor-Class Leap: AIP, Long Endurance, and Stealth

According to *SCMP* and analyses from *Naval News*, Pakistan's Hangor-class submarines are on track for deployment beginning **2026**, with the full fleet expected by **2028**. These boats will provide Pakistan with:

- **Air-Independent Propulsion** for extended submerged endurance
- **Improved acoustic stealth**, benefiting from Chinese quieting technology
- **Land-attack potential**, depending on final integration of cruise missiles
- **Longer operational reach** into the Arabian Sea and approaches to India's western seaboard

This capability represents a substantial qualitative jump from Pakistan's existing Agosta-90B fleet. With multiple AIP platforms operating simultaneously, Islamabad will acquire near-continuous underwater presence — a fundamental shift in its deterrence and sea-denial posture.

India's Submarine Dilemma: Delays, Gaps, and Waning Margins

The contrast with India is stark. While the Indian Navy possesses a larger blue-water force overall, its conventional submarine fleet remains critically overstretched. As noted in *SCMP*'s reporting, New Delhi's commissioning of shallow-water ASW vessels does not meaningfully offset its shortage of modern deep-water attack submarines.

Key structural problems include:

- **Ageing Kilo-class boats**, many nearing service-life limits
- **Delays in Project 75(I)**, India's next-generation conventional submarine procurement
- **Failure to close the timing gap** ahead of Pakistan's Hangor-class arrivals
- **Limited AIP capability**, with indigenous systems still in development

India's strategic challenge is not absolute numbers but **relative timing**: Pakistan will field an entirely new AIP-capable fleet before India introduces any comparable next-generation platform. That gap fundamentally weakens India's sea-denial posture in the western Indian Ocean, even as its surface fleet grows.

Strategic Implications: A Two-Front Naval Geometry

China's role in Pakistan's submarine modernisation deepens what Indian strategists increasingly describe as a "two-front maritime challenge":

1. **Pakistan's expanding undersea fleet** creates persistent pressure in the Arabian Sea.
2. **The PLA Navy's growing presence in the Indian Ocean** — from Djibouti to Gwadar — amplifies that pressure by offering logistics, ISR support, and potential coordination in a contingency.

For Beijing, this partnership is economical and strategic: Pakistan becomes a force multiplier in a region vital to China's maritime trade and energy supplies. For Islamabad, the cooperation closes a decades-long qualitative gap with the Indian Navy. For New Delhi, it heightens the urgency of resolving procurement bottlenecks and modernising its underwater fleet before the imbalance becomes entrenched.

Conclusion

China–Pakistan submarine cooperation is not a routine defence transaction; it is a structural realignment of the northern Indian Ocean’s military landscape. Pakistan’s impending fleet of AIP-enabled submarines — delivered, financed, and partially constructed by China — will grant Islamabad a more durable and persistent undersea presence than at any point in its history. India’s delays in modernising its own submarine arm amplify the significance of this shift.

As the Hangor-class boats enter service from 2026 onward, the underwater balance will tilt, not only altering the India–Pakistan equation but also expanding China’s strategic depth across the Indian Ocean. This emerging alignment marks one of the clearest examples of how regional alliances — formal or informal — are reshaping the Indo-Pacific’s evolving security architecture from below the surface.

7. ANALYSIS

The New Quadrilateral Tension: Taiwan at the Center of U.S.–China–Japan Rivalry

East Asia has entered a period of heightened geopolitical tension, driven by sharper rhetoric, shifting diplomatic alignments and the resurfacing of unresolved historical claims. The rare Xi Jinping–Donald Trump phone call on November 24, 2025, followed by Trump’s immediate outreach to Japanese Prime Minister Sanae Takaichi, has reactivated the four-way dynamic that has long defined strategic stability in the region. Taiwan’s government, meanwhile, has issued its clearest rejection yet of Beijing’s sovereignty claims, underscoring a widening conceptual and political gulf across the Taiwan Strait.

The sequence of these interactions — Beijing’s assertive invocation of the post-war order, Taipei’s firm repudiation, Washington’s balancing act, and Tokyo’s assertive posture — illuminates a critical shift: East Asia is moving from a period of managed competition into one where narratives, symbols, and historical claims are becoming instruments of coercive diplomacy. In this context, the China–U.S.–Taiwan–Japan relationship is no longer merely reactive; it is becoming a core arena in the redefinition of the regional order.

China Reasserts Its Historical Narrative — And Tests U.S. Resolve

In Beijing’s official readout of the Xi–Trump call — reported by *Xinhua*, *SCMP*, and *Reuters* — Xi framed Taiwan’s “return to China” as **“an important part of the post–World War II international order.”** This was not a casual phrase. It was a deliberate attempt to anchor Beijing’s position in the legitimacy of wartime settlements, casting opposition to unification as a challenge to the global order itself. This framing serves several objectives:

1. **International Legitimacy:**

By invoking post-war arrangements, Beijing situates the Taiwan issue not as a contemporary political dispute but as a matter of historical justice.

2. **Pressure on Washington:**

Beijing expects the U.S. to acknowledge, at minimum, the sensitivity of the Taiwan question — if not its ultimate outcome.

3. **Leverage Against Japan:**

By rooting Taiwan’s status in the post-war settlement, Beijing indirectly pushes back against Japan’s recent comments on defending Taiwan in a conflict — rhetoric that *China’s Foreign Ministry and PLA commentators sharply criticized*.

Beijing’s diplomatic strategy thus ties history, geopolitics, and normative claims into a single argument aimed at reshaping how external actors perceive the Taiwan question.

Taiwan's Response: A Firm and Unambiguous Rejection

The following day, **Premier Cho Jung-tai** issued one of Taipei's strongest-ever statements, rejecting the notion that Taiwan's future is linked to any "return" narrative. As *Reuters* reported, Cho underscored that:

- Taiwan is **"a sovereign, independent country"** officially called the Republic of China.
- Beijing's historical framing **"does not reflect the will of Taiwan's 23 million people."**
- Both forced unification and "one country, two systems" are unacceptable.

This assertiveness reflects Taiwan's broader strategic context:

- Chinese military activity around the island remains elevated, including increased PLA sorties and naval operations.
- Public opinion in Taiwan has hardened decisively against political integration with the mainland.
- Taipei is bolstering its defense posture through expanded budgets and new procurement agreements with Washington.

Taiwan's rejection of Beijing's narrative is not simply rhetorical — it signals a political identity increasingly defined in opposition to the PRC's conceptual framework.

Washington's Dual Messaging: Diplomatic Re-Engagement With Beijing, Reassurance for Tokyo

The U.S. response to the Xi–Trump conversation was unusually opaque — with no detailed American readout — but subsequent reporting from *SCMP*, *Reuters*, and *The Wall Street Journal* suggests a coordinated two-track approach:

1. Stabilize U.S.–China Communication:

Trump's call with Xi appears aimed at preventing Taiwan tensions from escalating further, preserving diplomatic channels, and maintaining economic stability.

2. Caution Tokyo on Escalatory Rhetoric:

Within hours of speaking with Xi, Trump called Japanese Prime Minister Sanae Takaichi. According to *WSJ* and *Reuters*, Trump privately urged her to **"lower the volume"** on Taiwan-related statements — a rare moment of Washington pressing its closest regional ally to moderate messaging.

This dual-track approach highlights Washington's acute concern that Japanese assertiveness — particularly Takaichi's statements on possible military involvement in a Taiwan conflict — could further destabilise the region at a moment when the U.S. seeks controlled competition, not crisis escalation.

Japan's Position: Assertive, Vocal, and Increasingly Central

Japan's stance on Taiwan has shifted markedly in recent years, driven by several assessments:

- Taiwan's security is now viewed as **directly linked to Japan's own national defense**, particularly for Okinawa and the Nansei island chain.
- China's naval and air presence near Japan continues to expand.
- Tokyo's defense reforms — including higher spending and enhanced strike options — have strengthened its confidence and willingness to speak openly.

Prime Minister Takaichi's statements — warning that Japan may respond if a Taiwan conflict threatens its security — triggered sharp criticism from Beijing's state media and the PLA. China characterized her remarks as a revival of "militarism," a historically charged accusation designed to isolate Japan diplomatically.

Washington's behind-the-scenes cautioning indicates that Japan's emerging assertiveness complicates U.S. crisis management efforts, even as Tokyo remains an indispensable part of the regional balance.

Conclusion

The events of late November 2025 reveal a regional landscape marked by **interlocking pressures and diverging narratives**:

- **China** is embedding its Taiwan claim in historical and normative frameworks to win international acquiescence.
- **Taiwan** is asserting sovereignty with unprecedented clarity, backed by public consensus and expanding defense commitments.
- **The United States** is attempting to preserve communication with Beijing while managing alliance dynamics and discouraging unilateral escalation.
- **Japan** is becoming more vocal and strategically assertive, altering the traditional U.S.–Japan division of labor on Taiwan.

This emerging configuration suggests an Asia-Pacific order increasingly defined by **contested legitimacy, strategic mistrust, and the growing intertwining of diplomacy, history, and military readiness**. Taiwan sits at the center of this evolving equation — not merely as a geopolitical flashpoint but as the focal point of diverging visions of regional and global order.