

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

This week's issue of Asia on the Horizon unfolds at a moment of deepening strategic bifurcation, where economic headwinds are colliding with hardening geopolitical alliances. Across the region, the contrast between faltering industrial engines and accelerating military posturing has become stark. The stories we bring you this week reveal an Asia where major powers are furiously entrenching their positions — defining the lines of future competition from the factory floors of Guangdong to the freezing waters of the North Atlantic.

At the forefront, the strategic convergence between Beijing and Moscow has reached a new, institutionalized peak. In their 20th round of security consultations, China and Russia not only reaffirmed their "unprecedented" coordination but explicitly linked the security dynamics of East Asia with those of Europe. Vowing to jointly resist perceived "Japanese militarism" while coordinating on Ukraine, the two powers are advancing a unified front that challenges the US-led alliance system on both ends of the Eurasian continent. This solidified axis stands in sharp contrast to the diplomatic tightrope walked by French President Emmanuel Macron in Beijing. His state visit, aimed at asserting European "strategic autonomy" and pressing for fair trade, played out against a backdrop of complex pageantry and structural friction. While Macron sought partnership, the European Union simultaneously put its economic "de-risking" doctrine back on the fast track, with new frameworks designed to curb dependency on Chinese critical materials.

Meanwhile, the security architecture of the Indo-Pacific is being reshaped by Washington's sharpened competitive posture. The release of the 2025 U.S. National Security Strategy identifies the region as the decisive arena for global power, outlining a strategy of "denial-based deterrence" and demanding greater burden-sharing from allies like Japan and South Korea. This strategic clarity was met with immediate turbulence at sea: the People's Liberation Army launched its largest-ever coordinated naval mobilization, deploying over 100 vessels across the East and South China Seas in a massive show of force. Simultaneously, tensions flared around the Senkaku/Diaoyu Islands, where a fresh standoff between Chinese and Japanese coast guards underscored the fragility of the maritime status quo.

Elsewhere, regional actors continued to navigate this polarization with pragmatic assertiveness. Japan formalized closer security ties with NATO, affirming that the security of the Euro-Atlantic and Indo-Pacific is inseparable. India maintained its characteristic strategic autonomy; Prime Minister Narendra Modi's summit with Vladimir Putin in New Delhi emphasized peace and dialogue while securing essential defense and energy interests, signaling that New Delhi remains determined to hedge between great-power blocs. In the Philippines, the Navy's reception of a new South Korean-built offshore patrol vessel marked another step in Manila's efforts to modernize its fleet against maritime coercion.

In our Statistics of the Week, we examine the stubborn €41 billion trade deficit France runs with China, illustrating the economic reality behind the diplomatic rhetoric. Our Map of the Week visualizes the high-stakes geography of the Senkaku/Diaoyu Islands, a micro-territory with macro-strategic consequences. In our Photo of the Week, we capture the optics of Macron's reception in Beijing — a study in the choreography of engagement amidst rivalry. Finally, our Regional Alliances and Analysis sections provide a deep dive into the crystallized China-Russia axis and the implications of the new U.S. National Security Strategy. Together, these reports offer a panoramic view of a region where the pursuit of autonomy is becoming inseparable from the logic of competition. As always, Asia on the Horizon brings you the developments that matter most, capturing the pulse of a region that is actively reshaping the global order.



## 1. KEY DEVELOPMENTS

### Asia's Factories Falter — Trade Deals Alone Haven't Revived Demand

Manufacturing activity across much of Asia weakened further in November 2025, even after a series of U.S. trade deals that had raised hopes of a rebound. According to new PMI data, major economies including China, Japan, South Korea and Taiwan all saw continuing contraction: China's private-sector PMI slipped back into the red a day after official data showed factory activity declining for the eighth consecutive month. In China, high inventory levels and sluggish orders meant that output dropped to a four-month low while "output price" readings remained depressed — a sign of ongoing deflationary pressure.

At the same time, the expected boost from U.S. trade deals failed to materialize. Although manufacturers across Japan and South Korea got regulatory clarity, the drop in new orders continued - in Japan for over two-and-a-half years by now. In South Korea, even with trade concerns partly resolved, factory output shrank for a second month in a row. The regional slump stands in contrast to more resilient, or even expanding, manufacturing sectors in parts of Southeast Asia (e.g. Indonesia or Vietnam), underscoring a widening divergence in Asia's industrial fortunes.

### Japan Signals Deeper Trans-Regional Security Ties with NATO

On December 1, 2025, Sanae Takaichi, as the new Prime Minister of Japan, held her first high-level call with Mark Rutte, Secretary General of NATO, affirming that "the security of the Euro-Atlantic and the Indo-Pacific is inseparable." According to the Japanese government summary of the call, both leaders agreed that closer cooperation under the framework of Japan-NATO and the so-called NATO-IP4 (which comprises Japan, Australia, New Zealand and the Republic of Korea) is "strategically important." They pledged to elevate cooperation to "new heights," including through concrete measures, and committed to continued dialogue on security challenges spanning both Ukraine and the Indo-Pacific.

This renewed push marks a further step in Japan's steady institutional deepening with NATO. Since the formal launch of Japan's independent diplomatic mission to NATO at the beginning of 2025, Tokyo and the Alliance have incrementally built out a broad cooperative agenda — from maritime security and cyber defence to space, emerging technologies and humanitarian assistance. The December 1 call underlines Tokyo's intent to frame contemporary regional tensions in the Indo-Pacific — from great-power rivalry to North Korean proliferation — not as isolated Asia-Pacific issues, but as components of a broader, trans-regional security architecture in which Europe and Asia are symbiotically linked. This commitment may signal the next phase of Japan's strategic posture — shifting from hedging toward more active co-management of global security alongside NATO.

Prime Minister's Office of Japan

## Macron's China Visit — Europe's Tightrope Between Trade Dependence and Strategic Pushback

Emmanuel Macron's upcoming state visit to People's Republic of China (Dec 3–5, 2025) underscores the fraught balancing act facing Europe: maintaining deep economic ties with Beijing while confronting mounting strategic and industrial pressures. As per Reuters, Macron plans to press China for better market access and fairer conditions for European firms — particularly in high-tech, green energy, automotive, and rare-earth supply chains — even as European industries struggle under the weight of Chinese exports and an uneven trade balance.

Simultaneously, Paris — and by extension Europe — is trying to assert what Macron calls “strategic autonomy”: the capacity to negotiate with China as a bloc with its own interests, rather than being pulled purely by U.S.–China rivalry. The visit aims to convey that message firmly to Beijing: Europe wants to be treated as a “major partner,” not a pawn. Yet the challenge remains — reconciling economic interdependence with the need to push back on security risks, supply-chain vulnerabilities, and unfair trade practices.

## “No Room for Compromise” — Lai Ching-te Signals Taiwan's Readiness to Resist Coercion

On 2 December 2025, President Lai Ching-te told reservists in Yilan County that “there is no room for compromise” when it comes to Taiwan's security and sovereignty — reaffirming that freedom and democracy are the island's fundamental, non-negotiable values. He made the remarks shortly after unveiling a US\$40 billion supplementary defence budget, explicitly aimed at strengthening Taiwan's military capacity in response to what Taipei views as escalating pressure from the People's Republic of China (PRC).

The setting was telling: Lai inspected reservists in combat drills — including drone operations, small-unit tactics and medical training — underscoring a broader shift in Taiwan's security posture toward readiness and deterrence. In his address, he argued that lasting peace cannot come through “a piece of paper called a peace agreement,” but must rest on credible defence capabilities. The message is clear: Taiwan intends to meet coercion with strength — and signal to both domestic and international audiences that any attempt to force reunification or undermine Taiwan's autonomy will be confronted by a committed, prepared defender.

## UK's Keir Starmer Flags China as Security Risk — But Sees Value in Selective Engagement

On December 1, 2025, British Prime Minister Keir Starmer declared that People's Republic of China poses “national security threats” to the United Kingdom — explicitly citing concerns over espionage, critical-infrastructure risks, and hostile foreign-state activity inside the UK. He lambasted his predecessors’ oscillating “hot-and-cold” China policy as strategic inconsistency. Nevertheless, Starmer insisted his government will defend UK security interests “first and foremost,” refusing to compromise on sensitive sectors such as defence, AI, telecoms or infrastructure.

At the same time, Starmer laid out a vision for a more pragmatic and differentiated approach — advocating deeper UK–China business ties where risks are judged minimal and manageable. He encouraged British firms to explore opportunities in sectors such as financial services, creative industries, pharmaceuticals and luxury goods — arguing that economic engagement need not come at the expense of national security. The speech signals a calibrated shift: the UK would neither fully decouple from China nor embrace it uncritically, but attempt to thread a middle path — preserving critical security barriers while re-engaging economically.

## Fresh China Coast Guard-Japan Coast Guard Stand-Off at Senkaku Islands / Diaoyu Islands Waters

On 2 December 2025, the China Coast Guard (CCG) announced it expelled a Japanese fishing vessel that it claimed had “illegally entered” waters surrounding the contested Senkaku/Diaoyu Islands — a territory administered by Japan but claimed by China. According to Beijing, the expulsion was conducted under Beijing’s assertion of sovereignty over the islands and framed as a “law-enforcement” operation meant to safeguard what it defines as China’s maritime rights.

Tokyo — and in particular, the Japan Coast Guard — offered a starkly different narrative. According to Japan, two Chinese coast guard vessels had penetrated Japanese-claimed territorial waters early that morning and approached the Japanese fishing boat; in response, the Japanese Coast Guard says it intervened and expelled the Chinese vessels, maintaining the safety of the Japanese boat throughout the episode. The contradictory accounts underscore the high-risk ambiguity surrounding maritime operations near the disputed islands — and signal a renewed spike in bilateral friction. With recent statements from Tokyo linking Taiwan’s defense to Japan’s security posture, the incident may further strain China–Japan relations and raise the risk of future maritime escalation.

## Europe Firms Look to Exit China Supply Chains as Export Controls Bite

A recent flash-survey by the European Union Chamber of Commerce in China shows that about one out of every three European companies operating in China is now planning to shift sourcing and supply-chain capacity out of China, in response to the country's tighter export-control regime. The survey — covering some 130 firms including major automakers and technology companies — found that 40 % reported delays in obtaining export licences from China's commerce ministry, undermining production timelines and disrupting downstream manufacturing.

The impact has been severe enough that certain firms projected extra costs of up to €250 million, or losses amounting to 20 % of their global revenue. The pressure is most acute for sectors reliant on rare-earths, magnets, advanced chips, and other controlled goods. As a result, companies are increasingly looking to relocate sourcing and production — a trend that, if sustained, could restructure critical elements of global supply chains, reduce Europe's dependence on Chinese inputs, and accelerate a broader industrial decoupling from China.

## Philippine Navy Doubles Down on Maritime Capacity — Launches Second Korean-Built Offshore Patrol Vessel

On 1 December 2025, the Philippine Navy (PN) took delivery of its second offshore patrol vessel (OPV), built by HD Hyundai Heavy Industries (HHI) in Ulsan, South Korea — a follow-on to the first OPV launched earlier this year under the six-vessel procurement deal signed in 2022. The new platform belongs to the Rajah Sulayman-class offshore patrol vessel (HDP-2200+ design) and is intended to strengthen Manila's maritime presence across its exclusive economic zone (EEZ), signals a renewed commitment to modernize a long-underfunded fleet, and shows growing defense-industrial cooperation between Manila and Seoul.

This addition is more than a symbolic upgrade. Each OPV in the Rajah Sulayman class — with displacement around 2,400 tonnes, extended patrol endurance and a helideck — is designed for long-range surveillance, EEZ patrols, maritime law enforcement, and potentially low-intensity maritime security operations. In the context of intensifying maritime contestation in the South China Sea, the vessel enhances the Philippine Navy's ability to maintain presence — though as some analysts argue, the real test will be whether Manila pairs these hardware upgrades with robust command-and-control and strategic doctrine, or whether the fleet remains chronically overstretched.

## China and Russia Tighten Strategic Alignment at 20th Security Consultation

China and Russia held the 20th round of their Strategic Security Consultation in Moscow on December 2, marking one of the most comprehensive and politically explicit alignments between the two governments in recent years. Sergey Shoigu, secretary of Russia's Security Council, and Wang Yi, China's top foreign-affairs official, conducted wide-ranging discussions on global and regional security and reaffirmed what both sides described as their "unprecedented" level of strategic coordination. The consultations focused on military and military-technical cooperation, intelligence and law-enforcement collaboration, and joint assessments of emerging security threats. Both governments emphasized that the mechanism, now in its 20th year, has become an indispensable channel for consolidating strategic mutual trust and jointly managing challenges in an increasingly turbulent geopolitical environment.

Beijing and Moscow vowed to counter any attempts to "whitewash colonial aggression" or revive "fascism or Japanese militarism," linking present tensions — including over Taiwan and the Kuril Islands — to historical narratives they argue must be defended. They also reiterated opposition to external interference, reaffirmed Russia's adherence to the one-China principle, and projected themselves as guardians of "global fairness, justice, peace and stability." On Ukraine, both sides restated familiar positions: Russia expressed confidence in achieving its strategic aims, while China reiterated its support for "all efforts conducive to peace."

## China–Russia Reaffirm Joint Front on Ukraine and Japan — New Consensus after High-Level Talks

During a visit to Moscow by Wang Yi, Russian Foreign Ministry and Russian Security Council senior officials — including Sergei Lavrov and Sergei Shoigu — on December 3, 2025, China and Russia announced they had reached a "broad consensus" on key issues, among them the war in Ukraine and rising tensions surrounding Japan. They committed to continuing close coordination on Ukraine, with Beijing reaffirming its stance encouraging peace talks and Moscow welcoming China's engagement; in parallel, both sides expressed concern over what they described as provocative remilitarization efforts and far-right currents in Japan, vowing to jointly resist any "dangerous acts" that they allege threaten regional peace and stability.

This alignment underscores a deepening Sino-Russian strategic convergence — not only in diplomatic posture toward Ukraine but also in framing regional security dynamics in East Asia. By embedding their cooperation within a shared narrative on global security and historical memory, the two powers appear to be advancing a coordinated foreign-policy front: one that blends support for Russia in Europe with resistance to perceived Japanese militarism in Asia. For observers in the Indo-Pacific, this shift implies a more robust, joint Beijing–Moscow stance that could complicate efforts at balancing by regional actors — and heightens the significance of upcoming anniversaries as potential opportunities for further institutionalizing their cooperation.

## Taiwan Eyes Restoration of Diplomatic Ties with Honduras

On December 3, 2025, the government of Taiwan announced it is “looking forward” to re-establishing formal diplomatic relations with Honduras — a potentially significant shift in Taipei’s diplomatic strategy. According to the statement, Honduras has expressed intent to restore ties with Taiwan after a period of severed relations, signaling a possible reversal of its previous alignment with the People’s Republic of China.

If realized, this development would mark a diplomatic gain for Taiwan in a region where it has been under pressure from China’s outreach. More broadly, it could signal a modest but meaningful recalibration in the Americas — helping Taipei reaffirm its global presence and potentially encouraging other states with tenuous or controversial ties to China to reconsider their positions. Reconstruction of Honduras–Taiwan diplomatic ties would also likely reshape regional alignments and revive debates over influence, economic incentives, and security partnerships in Central America.

## UK Postpones Decision on China’s London “Super-Embassy” — Third Delay Raises Eyebrows

On December 2, 2025, the government of Royal Mint Court — the proposed site for the new Chinese embassy in London — announced a third postponement of its ruling. The deadline for a decision was moved from December 10 to January 20, 2026, after the interior and foreign ministries advised that outstanding security assessments remain unresolved. The plan, which dates back to China’s purchase of the site in 2018, would see the largest Chinese diplomatic complex in Europe built near the Tower of London — a proposal that has drawn persistent opposition from local residents, security hawks, and pro-democracy activists citing espionage and surveillance risks.

The repeated delay reflects growing unease within the UK government over potential national-security vulnerabilities tied to diplomatic infrastructure so close to critical fibre-optic cables and the financial core of London. Critics argue that the postponements amount to an abdication of decisiveness — even as the British government under Prime Minister Keir Starmer continues publicly calling out the security threat posed by China while balancing aims to preserve business and trade links. For Beijing, the deferral has already elicited a sharp response: the Chinese embassy in London lamented the move, warning that further delay “risks undermining mutual trust and cooperation.”

## India Locks in Nearly \$1 B Sustainment Deal for MH-60R Fleet

In late November 2025, Indian Navy and the United States Department of Defense (via the Foreign Military Sales programme) signed a five-year sustainment and support package — worth approximately ₹7,995 crore (about US \$946–959 million) — covering maintenance, spare parts, depot-level repair, technical assistance, and other support services for India’s fleet of 24 MH-60R Seahawk naval helicopters. The agreement aims to ensure high operational availability for these advanced, all-weather capable helicopters, enabling their deployment from both coastal bases and naval vessels across the Indian Ocean Region.

This deal significantly enhances the Indian Navy’s undersea and maritime security capabilities. The MH-60R “Romeo” fleet — already being inducted since 2021 and integrated into carrier and surface-ship operations — is central to India’s anti-submarine warfare (ASW), anti-surface warfare (ASuW), surveillance, and search-and-rescue missions. With assured sustainment now in place, India strengthens not only its naval readiness but also interoperability with the U.S. and other partner navies, bolstering deterrence and maritime-domain awareness at a time of intensifying strategic competition in the Indo-Pacific.

## EU Puts China “De-Risking” Back on Fast Track — New Economic Security Doctrine Launched

The European Union (EU) has revived and escalated its “de-risking” strategy aimed at reducing dependency on China for critical raw materials and safeguarding economic resilience, especially after a fraught 2025 marked by export curbs and supply-chain shocks. Under new proposals unveiled in early December, the bloc plans to establish a permanent economic-security framework: an “operating system” that coordinates trade, investment, and procurement controls; real-time monitoring of external economic threats via a dedicated intelligence centre; and a blacklist of high-risk foreign firms that could be blocked from EU contracts or funding.

Complementing this institutional overhaul is a sizeable push to rebuild industrial capacity at home. Through a newly launched ReSourceEU initiative, the EU has earmarked roughly €3 billion for strategic raw-materials projects, including mining, processing and recycling of rare-earths, semiconductors, and other critical inputs. The goal is to re-shore essential supply-chain segments, reduce reliance on Chinese exports, and ensure greater strategic autonomy — particularly for sectors tied to clean energy, defense, and high tech. As part of this shift, the Commission is also readying tougher trade-defence measures (anti-dumping, anti-subsidy), stricter screening of inbound investments, and preference for EU firms in public procurement where national security or economic sovereignty may be at stake.

## **U.S. Tightens Taiwan Ties — New Law Draws Mixed Reactions in Taipei and Beijing**

On December 3, 2025, Donald Trump signed the Taiwan Assurance Implementation Act into law, a legislative move requiring the U.S. State Department to review and refresh its guidance on official interactions with Taiwan at least every five years. Pro-Taiwan voices in Taipei welcomed the law as a meaningful reaffirmation of U.S. support for democratic self-governance and deeper institutional engagement — even absent formal diplomatic ties. As Taiwan’s authorities noted, the new framework could pave the way for more frequent government-level contacts, reinforcing Washington’s commitment to Taipei.

Beijing reacted sharply, condemning the law as a violation of the One-China Principle and warning the United States against sending “wrong signals” that might encourage separatist movements in Taiwan. Chinese officials reiterated that any official U.S.–Taiwan contact remains an unacceptable infringement on China’s territorial integrity — framing the legislation as a provocative move that undermines bilateral trust.

## **Islamabad and Kabul Resume Peace Talks — Ceasefire Stands for Now**

In early December 2025, Saudi Arabia hosted a fresh round of peace talks between Pakistan and Taliban-controlled Afghanistan. According to sources cited by Reuters, both sides — represented by military, intelligence and foreign-policy officials from Islamabad, and senior Taliban representatives from Kabul — agreed to uphold the existing ceasefire, which has held since October’s deadly border clashes. This comes after prior attempts mediated in Qatar and Turkey failed to deliver a durable agreement.

Despite agreeing to maintain the truce, the dialogue produced no breakthrough on the core issues driving the conflict — notably Islamabad’s demand for Kabul to crack down on militant groups accused of launching attacks from Afghan soil, including suicide bombings inside Pakistan. Afghan authorities continue to deny such allegations and argue they cannot guarantee security beyond their territory. As a result, while the renewed negotiations forestall an immediate return to open warfare, the fundamental distrust and divergent strategic interests mean that the ceasefire remains tenuous — offering only a pause, not a peace.

## **U.S.–Taiwan Legislation Spurs Taiwan Optimism — Beijing Pushes Back**

On December 3, 2025, U.S. President Donald Trump signed the Taiwan Assurance Implementation Act into law — a move that requires the U.S. State Department to periodically review and update guidance governing official interactions with Taiwan. Reaction in Taipei was broadly positive: many viewed the law as a substantial affirmation of U.S. support for Taiwan’s democratic status and a possible enabler of deeper institutional engagement despite the absence of formal diplomatic ties.

Beijing responded sharply. The government condemned the legislation as a violation of the One-China Principle, warning Washington against sending “wrong signals” that could embolden separatist sentiment. In parallel, Taiwan’s president Lai Ching-te publicly urged China to “focus on economy, not territorial expansion,” a clear rebuff to Beijing’s posture regarding Taiwan. The juxtaposition of U.S. legislative backing for Taiwan and Taipei’s assertive diplomatic tone signals an increasingly bold stance by Taiwan — likely to further heighten cross-strait tensions in coming months.

## **Xi Jinping – Emmanuel Macron Meeting Underscores Paris–Beijing’s Strategic Reset**

During a state visit to Beijing on 4 December 2025, French President Emmanuel Macron met with Chinese President Xi Jinping in a high-profile bilateral summit — signaling a deliberate diplomatic recalibration between France (and, by extension, parts of Europe) and China. Macron pressed Beijing to help address global challenges — above all the war in Ukraine — urging China to lean on Moscow toward a cease-fire. He also framed rising Sino-EU trade imbalances as a systemic risk, calling for fairer trade rules, greater Chinese market access, and more balanced economic relations.

In response, Xi emphasized that China and France must chart “independent geopolitical paths,” resisting external pressure and insisting on mutual respect for strategic autonomy. The two leaders signed a sweeping package of 12 cooperation agreements spanning nuclear energy, artificial intelligence, demographic ageing, and even panda conservation “soft-diplomacy” — a symbolic reaffirmation of friendship despite deeper structural tensions. While no major industrial megadeals (e.g. a large Airbus order) emerged — reportedly due to ongoing global trade frictions — the summit laid the groundwork for a more nuanced, multi-vector engagement: Paris balancing economic interest and strategic caution; Beijing seeking to fracture EU unity by cultivating “special relationships.”

## **Xi Jinping – Emmanuel Macron Summit in Chengdu — Charm Offensive, Cautious Back-Room Diplomacy**

On December 5, 2025, Chinese President Xi Jinping and French President Emmanuel Macron met in Chengdu for the second phase of Macron’s state visit to China. The meeting was visibly diplomatic in style — including a visit to a pandas breeding center, underscoring the soft-power appeal of the summit — yet underneath the optics the two sides sought to manage the rising tensions in their trade relationship and align on global geopolitical challenges such as stability in Ukraine and the Middle East.

Although the Chengdu session produced only modest immediate economic deliverables, it reinforced the broader message of Paris and Beijing pursuing “strategic autonomy”: France signaling its willingness to engage China independently of U.S.-led blocs, while China pushes back against what it perceives as Western pressure. For European capitals and Indo-Pacific observers alike, the summit illustrates the growing volatility in global alignments — and the risk that such bilateral engagements could deepen divisions within the Western alliance, while granting Beijing diplomatic latitude to influence European politics.

## **People's Liberation Army Navy and Coast Guard Launch Largest-Ever Maritime Deployment Across East Asian Waters**

According to newly reviewed intelligence shared with Reuters, East China Sea, the South China Sea and adjacent waters are hosting the largest coordinated naval mobilization in recent history by the People's Liberation Army (PLA) and its Coast Guard: at one point, more than 100 vessels were operating simultaneously across a broad arc stretching from the southern Yellow Sea through the East China Sea into the western Pacific. The task groups reportedly include combat destroyers, frigates, large Coast Guard cutters, replenishment ships, and amphibious assets — many of them participating in mock-attack drills and “access-denial” maneuvers simulating scenarios where foreign navies might attempt to reinforce Taiwan or transits through key maritime chokepoints.

Regional security actors describe the operation as more than routine seasonal exercises: the scale, simultaneity, and geographic spread suggest a deliberate attempt by Beijing to flex maritime muscle, test multi-theatre command-and-control, and send a signal of deterrence. While Japan’s Self-Defense Forces downplayed signs of a “sharp increase,” officials in Taipei stated they are monitoring multiple naval formations in the western Pacific, and have raised alert levels in response. For observers across the Indo-Pacific — particularly in capitals attuned to Taiwan Strait and South China Sea flashpoints — the deployment crystallises the growing norm of large-scale Chinese grey-zone maritime coercion, raising the probability of miscalculation or unintended incident.

## **Putin–Modi Summit in Delhi — Russia and India Reaffirm Strategic Ties Amid Global Realignments**

Russian President Vladimir Putin visited New Delhi on December 5, 2025 for a high-level summit with Indian Prime Minister Narendra Modi, during which both sides reaffirmed a comprehensive strategic partnership rooted in long-standing defence, energy, and diplomatic cooperation. Their joint statement underscored shared concerns over global instability — including the war in Ukraine — and expressed a commitment to strengthen coordination in multilateral forums to safeguard what they described as a “fair and balanced” international order.

On the economic and security fronts, the summit produced concrete outcomes: Moscow and New Delhi agreed to accelerate ongoing joint defence production and technology transfer initiatives, while India reaffirmed its energy-security cooperation with Russia — including imports of oil and natural gas under long-term contracts. Observers interpret the meeting as a signal that India remains committed to maintaining strategic autonomy, hedging between great-power blocs without aligning rigidly with either. For the broader Indo-Pacific region, the summit likely reinforces the resilience of a Moscow–New Delhi axis that could influence regional alignments, arms procurement patterns, and responses to growing geopolitical tensions.

## **Taiwan “Deeply Gratified” by Japan’s Public Support — Signals Growing Informal Taipei–Tokyo Solidarity**

On 5 December 2025, Cho Jung-tai — Premier of Taiwan — publicly expressed that Taiwan was “very moved” by remarks from Sanae Takaichi, the Prime Minister of Japan, who had pledged Tokyo’s support for “peace and stability” amid rising tensions over the Taiwan Strait. Takaichi’s statement — made in Japan’s parliament — had come under heavy backlash from Beijing, which views such expressions as provocations, but it resonated strongly in Taipei. Cho thanked Takaichi and the Japanese people for “upholding justice and peace under strong pressure,” underlining that the sentiment was felt across Taiwanese society.

The public expression of gratitude and solidarity suggests a strengthening of informal Taiwan–Japan ties beyond mere diplomatic formality. While Japan does not formally recognize Taiwan as a sovereign state, this warm reception from Taipei carries symbolic weight — potentially deepening bilateral rapport under the strains of cross-strait tension. For China, which loudly condemned Takaichi’s remarks and responded with punitive measures — such as suspending flights and restricting cultural exchanges — the burgeoning Tokyo–Taipei goodwill is likely to be seen as an escalation, raising the political stakes for all parties.

## Washington's New National Security Strategy Sharpens Competitive Posture in the Indo-Pacific

The Biden administration's newly released National Security Strategy places the Indo-Pacific at the center of long-term U.S. geopolitical, military, and economic planning, identifying the region as the decisive arena in which the global balance of power will be set for decades. The document outlines a more confrontational framework toward China, arguing that Beijing's economic coercion, military buildup, and expanding influence across Asia—particularly its attempts to shift trade patterns, reshape supply chains, and dominate advanced technologies—pose direct threats to U.S. interests and regional stability. To counter this, Washington commits to “winning the economic future” in Asia by strengthening energy dominance, reshoring critical manufacturing, coordinating with allies on export controls, and demanding fair-trade reciprocity from Beijing. The NSS positions economic security and technological edge as core pillars of deterrence, emphasizing U.S. leadership in AI, quantum, and undersea capabilities as essential to ensure favorable regional balances.

Militarily, the strategy reinforces Taiwan as a critical node in the regional order, stating that deterring aggression in the First Island Chain is a top priority and insisting that the U.S. will not accept any unilateral change to the cross-Straits status quo. The NSS calls for accelerated allied burden-sharing—particularly from Japan, South Korea, Australia, and Taiwan—and expanded U.S. access to regional facilities to deny China the ability to control key maritime chokepoints, especially in the South China Sea. It warns that Chinese domination of these waters could allow Beijing to impose “tolls” on global commerce or selectively close strategic sea lanes, directly harming the U.S. economy. The document's tone is unambiguous: Washington intends to consolidate an Indo-Pacific coalition that combines naval deterrence, supply-chain realignment, and intensified economic statecraft to ensure no single power—implicitly China—can reshape the region's strategic landscape.

## The Quad Strengthens Humanitarian Readiness — Hosts HADR Table-Top in Honolulu

From December 2–5, 2025, United States Department of State hosted the most recent session of the Quad’s annual Humanitarian Assistance and Disaster Response (HADR) tabletop exercise in Honolulu, with participation from all four member states — Australia, India, Japan and the United States. The exercise simulated a complex disaster scenario in the Indo-Pacific region, designed to test coordination across countries for rapid humanitarian relief, logistics sharing, and interoperable civil-military response. According to the official readout, the event reinforced the Quad’s commitment to being a reliable, lifeline-ready mechanism across the region — not only in theory but in fully operational cooperation.

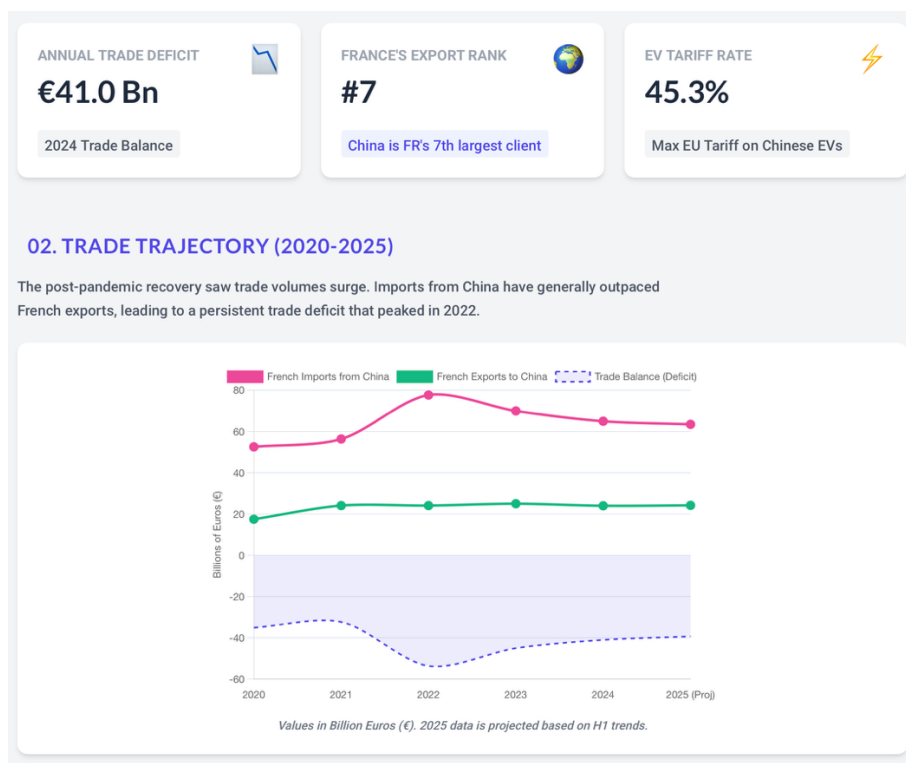
This iteration comes amid increased frequency of natural disasters, climate-linked disasters, and humanitarian crises across the Indo-Pacific — underscoring the Quad’s growing role as a stabilizing force beyond traditional security frameworks. The tabletop builds on existing Quad institutional infrastructure: the 2022 HADR guidelines, the maritime-domain-awareness cooperation under the Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA), and the Quad Indo-Pacific Logistics Network (IPLN) piloted earlier in 2025 — combining logistics, surveillance, and disaster-response capabilities under one cooperative umbrella.

## 2. STATISTICS OF THE WEEK

### France–China Trade: Persistent Imbalances Amid Strategic Frictions

France’s trade relationship with China continues to be defined by a structural and widening imbalance, with the 2024 annual trade deficit reaching €41 billion. Despite France ranking China only as its 7th-largest export destination, Chinese goods maintain an overwhelming presence in the French market — a dynamic intensified by post-pandemic import surges. The data show that while French exports have hovered in the €25–30 billion range since 2021, imports have consistently remained more than double that volume, peaking at roughly €80 billion in 2022 before easing slightly. The result is a deficit profile that, although past its worst point, remains deeply negative and indicates no meaningful rebalancing underway.

Trade trajectory trends from 2020–2025 (projected) underline the structural nature of the problem. Import growth consistently outpaced exports throughout the recovery period, driven largely by French reliance on Chinese manufactured goods, electronics, and EV-related components. Even with the EU’s 45.3% maximum tariff on Chinese electric vehicles, the deficit has proved stubborn, suggesting tariff tools alone only marginally dent the imbalance. The modest narrowing projected for 2025 does little to alter the overall picture: France’s economic exposure to China remains high, while market access for French firms in China continues to lag. In strategic terms, these figures reinforce why Paris has intensified calls for “fair-competition guarantees” and trade reciprocity in its recent engagements with Beijing — a tension likely to endure as Europe recalibrates its China policy around economic security and industrial resilience.



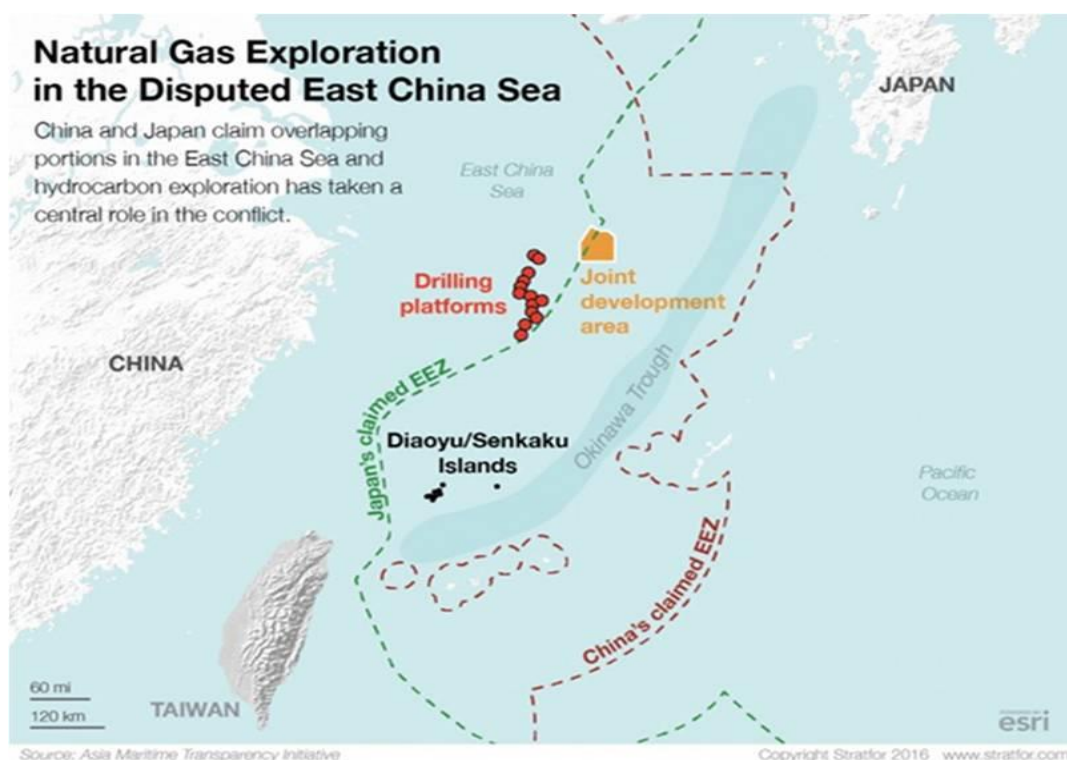
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### 3. MAP OF THE WEEK

#### The Senkaku/Diaoyu Islands: A Micro-Territory with Macro-Strategic Consequences

This week's map highlights the Senkaku/Diaoyu Islands, a tiny archipelago whose location between Okinawa, Taiwan, and mainland China makes it one of East Asia's most strategically charged flashpoints. Despite being uninhabited, the islands anchor competing sovereignty narratives and have become the focal point of a prolonged Chinese grey-zone pressure campaign — including record, months-long coast guard deployments that challenge Japan's administrative control. Because the dispute also triggers U.S. treaty commitments under Article V of the U.S.–Japan Security Treaty, any escalation carries direct implications for regional deterrence and U.S. credibility.

The islands' significance extends beyond sovereignty. For China, they sit along key maritime access routes essential for PLA Navy blue-water expansion. For Japan, they are the front line of its “southwestern wall” defense posture, prompting accelerated military modernization — from amphibious units to F-35s and light carriers. The result is a high-stakes contest of presence and endurance, with Beijing incrementally normalizing operations around the islands and Tokyo struggling to match the tempo. The Senkaku dispute remains a compressed snapshot of the Indo-Pacific's broader dynamics: intensifying great-power rivalry, contested sea lanes, and the growing risk that a small territorial dispute could become a major strategic crisis.



**\* The bulk of the resource development that has occurred so far in the East China Sea has been done by China<sup>7</sup>**

<https://www.vifindia.org/print/8020>

## 4. PHOTO OF THE WEEK

### Macron's Beijing Visit and the Optics of Strategic Courtship

This week's photo captures French President Emmanuel Macron walking alongside China's Xi Jinping during an official welcome ceremony in Beijing — a moment heavy with diplomatic theater and geopolitical subtext. The immaculate honor guard, ceremonial rifles, and red-carpet choreography underscore China's deliberate use of pageantry to frame the visit as one of high prestige and mutual respect. Macron's presence in this setting, flanked by a formation of PLA troops, visually reinforces Beijing's narrative that major European powers still seek constructive engagement with China despite mounting strategic tensions.

Yet beneath the ceremonial veneer lies a more complicated reality. Macron's trip came at a moment when Europe's trade imbalances with China are widening, concerns about over-reliance on Chinese supply chains are intensifying, and Beijing's positions on Ukraine and the Indo-Pacific diverge sharply from those of Europe. The imagery therefore serves as a study in contrasts: political necessity wrapped in symbolic grandeur; a Europe seeking strategic autonomy while navigating asymmetric leverage; and a China eager to exploit diplomatic openings to soften European alignment with Washington. In short, the photo illustrates the choreography of diplomacy — and the geopolitical friction just beneath its polished surface.



<https://www.cbs42.com/news/international/ap-chinas-xi-and-frances-macron-pledge-cooperation-on-global-crises-and-trade/>

## 5. INFOGRAPHIC OF THE WEEK

### The Putin–Modi Summit: Symbolism, Signaling, and Strategic Ambiguity

This week’s infographic distills the key takeaways from the December 5 Putin–Modi Summit in New Delhi, where symbolism did as much work as substance. Modi’s rare decision to personally receive Putin at the airport signaled the high political value India continues to place on its ties with Russia. His core message — “India is not neutral, India is on the side of peace” — framed New Delhi’s stance on the Ukraine conflict as principled but non-confrontational, reaffirming dialogue as the only acceptable path while avoiding direct criticism of Moscow.

Putin, for his part, used the visit to project steadiness amid sanctions and gratitude for India’s independent diplomatic posture. His emphasis on wanting to “move forward in our relations” underscored Moscow’s priority to maintain continuity in defense, energy, and strategic cooperation. Overall, the infographic captures a partnership defined by careful signaling and pragmatic resilience, with both leaders leveraging optics and narrative to reinforce a relationship that remains strategically important despite global headwinds.



<https://x.com/BehorizonOrg/status/1996978521777029126?s=20>

## 6. REGIONAL ALLIANCES

### China and Russia Tighten Strategic Alignment

#### Introduction: A Partnership Entering a New Phase

The latest round of China–Russia strategic consultations marks a notable deepening of a partnership that has steadily expanded across defense, diplomacy, and geopolitical signaling. While Beijing and Moscow have long emphasized the strength of their relationship, the 20th Strategic Security Consultation, held in Moscow on December 2–3, 2025, represents one of the clearest articulations yet of their shared strategic worldview. Against the backdrop of heightened global instability — from the war in Ukraine to rising tensions in East Asia — both governments framed their coordination as essential to safeguarding what they called “global fairness, justice, peace and stability.” Their message was explicit: the Sino–Russian alignment is no longer merely tactical or reactive but an evolving strategic pillar designed to counter what they perceive as external pressures and historical distortions.

#### Reinforcing Security Coordination and Mutual Trust

During the Moscow meetings, Chinese Foreign Minister Wang Yi and Russia’s Security Council Secretary Sergey Shoigu undertook comprehensive discussions spanning military cooperation, intelligence collaboration, law enforcement ties, and shared threat assessments. This mechanism — now in its second decade — was described by both sides as indispensable for guiding bilateral decision-making. Russia emphasized that cooperation with China had reached an “unprecedented level,” while Beijing highlighted the role of these consultations in enhancing strategic mutual trust. The consultation’s scope, covering both conventional security issues and broader geopolitical concerns, signals that China and Russia now approach their bilateral security cooperation as a structured, enduring framework rather than an ad hoc alignment.

#### Shared Narratives and Strategic Messaging

A defining feature of the consultations was the joint emphasis on historical memory as a strategic tool. China and Russia pledged to resist any efforts to “whitewash colonial aggression” or revive “fascism or Japanese militarism,” explicitly linking contemporary disputes — including Japan’s evolving defense posture and tensions over Taiwan and the Kuril Islands — to broader historical legacies. By framing their geopolitical stance through a shared historical lens, Beijing and Moscow reinforced a narrative that positions them as defenders of international justice against revisionism. This messaging not only tightens bilateral alignment but also serves as a counterweight to U.S. and allied narratives in the Indo-Pacific.

#### Ukraine and the Emerging Diplomatic Division of Labor

Ukraine featured prominently in the discussions. Russia reiterated confidence in achieving its strategic objectives, while China reaffirmed support for “all efforts

conductive to peace,” maintaining its established position of advocating dialogue without criticizing Moscow. Yet the nuance is important: Beijing’s diplomatic positioning enables it to serve as an intermediary, bolstering its global image as a potential peace broker while offering Moscow political cover. The joint commitment to coordination on Ukraine suggests a more deliberate division of diplomatic labor — one in which China provides international legitimacy and Russia defines the military realities on the ground. This arrangement strengthens their strategic alignment while complicating Western efforts to isolate Moscow.

### **Aligning on Japan and Regional Security in East Asia**

Perhaps the most consequential development for regional alliances is the explicit convergence on Japan. Both governments voiced alarm over what they characterized as Tokyo’s “remilitarization” and the rise of far-right political currents. Japan’s firm support for Taiwan’s security and its growing defense cooperation with the United States and other regional partners have been interpreted by Beijing and Moscow as evidence of a destabilizing shift in East Asian power dynamics. By declaring a unified stance against Japanese actions, China and Russia signal their intention to jointly shape the regional security narrative — a move that heightens the risk of sharper bloc formations in the Indo-Pacific.

This new alignment also reinforces the reality that Beijing and Moscow increasingly view East Asian security challenges as interconnected with European ones. Opposition to “external interference” and insistence on the one-China principle were reaffirmed, underscoring China’s expectation that Russia will remain supportive of its position on Taiwan, just as Beijing aligns with Moscow on Japan and Ukraine.

### **Conclusion**

Taken together, the December consultations demonstrate that the Sino–Russian partnership is shifting from broad political alignment to a more articulated and institutionalized strategic framework. Their deepening cooperation blends shared threat perceptions, historical narratives, and mutually reinforcing diplomatic messaging, creating a platform that challenges existing regional and global security architectures. For actors in Europe and the Indo-Pacific alike, the consolidation of this partnership signals a more coordinated, confident, and enduring Beijing–Moscow axis — one likely to shape regional alliances, harden geopolitical fault lines, and complicate efforts to maintain a stable, rules-based order.

As both governments prepare to mark key anniversaries in their bilateral relations next year, the trajectory points toward further formalization of their strategic alignment — and a more assertive joint posture in both European and Asian theaters.

## 7. ANALYSIS

### The Indo-Pacific Dimension of the 2025 U.S. National Security Strategy: An Analytical Assessment

#### Introduction: The Indo-Pacific as the Center of Gravity

The 2025 National Security Strategy positions the Indo-Pacific as the United States' primary geopolitical arena, defining it as the region where the balance of global power will be determined. The strategy frames China as the central strategic competitor and lays out a broad plan that fuses economic policy, defense modernization, and alliance restructuring into a single Indo-Pacific framework. What emerges is a blueprint for long-term rivalry: a strategy designed to constrain China's influence while reinforcing U.S. capacity to shape regional order.

#### Economic Security as the Strategic Foundation

A central feature of the NSS is the argument that economic power underpins all effective Indo-Pacific strategy. The United States describes its past assumptions about China as "mistaken," acknowledging that decades of economic engagement helped Beijing build capabilities the U.S. now views as destabilizing. The new approach shifts sharply toward economic defensive measures, including reshoring manufacturing, tightening supply-chain security, and preventing Chinese firms from circumventing U.S. tariffs through third countries.

The NSS also emphasizes competing with China in the Global South, recognizing that Beijing's rapidly expanding export footprint in lower-income countries strengthens its long-term leverage. To counter this, Washington proposes mobilizing Western financial resources—development banks, sovereign capital, and investment partnerships—to provide alternatives to Chinese industrial and infrastructure financing. This is an unambiguous statement that economic competition is now geographically global but strategically Indo-Pacific-focused.

#### Military Strategy: Deterrence Through Denial

On the defense side, the NSS underscores the importance of denying China the ability to coerce or forcibly alter the regional balance. Taiwan is described as strategically pivotal, not just politically symbolic. The United States insists on maintaining the capacity to "deny aggression anywhere in the First Island Chain," linking regional deterrence to freedom of navigation in the South and East China Seas.

Washington frames Chinese control of these waters as unacceptable due to the risk of maritime "toll regimes" or selective blockages that would fragment global trade. As a result, the NSS prioritizes modernization of U.S. naval, air, and missile forces, though it offers limited detail on how quickly the U.S. defense industrial base can scale to meet these demands. The strategy is intellectually coherent but operationally ambitious, particularly given documented U.S. production bottlenecks.

## **Alliance Strategy: Rebalancing Responsibilities**

A central thrust of the Indo-Pacific section is that America's allies must carry a greater share of the regional security burden. The NSS is explicit that Japan, South Korea, Australia, the Philippines, and Taiwan must not only spend more but acquire capabilities that directly contribute to deterrence. This reflects Washington's recognition that sustaining regional balance amid China's military buildup is no longer feasible through U.S. power alone.

At the same time, the strategy elevates India as a "critical" partner—though it sidesteps the reality that New Delhi's defense ties with Moscow and its reluctance to enter formal alliances limit how closely U.S. and Indian objectives can converge. The NSS calls for deeper cooperation with Southeast Asia but avoids presuming that ASEAN partners will openly align against China. The result is a pragmatic but uneven alliance framework, ambitious in its expectations yet constrained by varied political willingness among partners.

## **Conclusion**

The Indo-Pacific dimension of the 2025 NSS is clear in intent and comprehensive in scope. It identifies China as the defining long-term strategic rival and lays out a multi-domain response centered on economic resilience, denial-based deterrence, and more demanding alliance expectations.

The strategy's logic is sound: the Indo-Pacific is where global power will be contested, and U.S. competitiveness—economic and military—must be rebuilt to meet that challenge. Yet substantial risks remain. The industrial and fiscal demands of the strategy are immense, allies' abilities to meet new expectations vary widely, and the timeline for executing the required military modernization is uncertain.

In short, the NSS presents a coherent Indo-Pacific vision, but its success will hinge on whether the United States and its partners can sustainably match the scale and speed of China's growing power.

