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NOTE FROM HEAD CS3

Dear All,

Political instability grips South Asia. Sri Lanka is struggling to repay its debts to the IMF, amidst help from India and China.

In other news, a border skirmish between India and China has brought up border tensions between the two nations again. Afghanistan has banned women from studying in universities, inviting condemnations from around the world. In Pakistan, increased cases of terrorism have rocked the country, killing four police officers this time. A key trade port has opened between Nepal and China and Dhaka got its first metro line. South Asia enthusiasts would hopefully appreciate this volume of the newsletter. Happy reading!

Maj Gen RPS Bhadauria, VSM (Retd)
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NEIGHBOURHOOD WATCH

Analysis

Sri Lanka running out of time to fulfil its IMF obligation

(Abridged version of Reuters report titled 'India makes inroads into Sri Lanka under China's long shadow')

Sri Lanka had intended to have funding assurances for debt sustainability in place from its creditors by this month to receive the bailout package. Sri Lanka qualified on September 1 for an IMF Extended Fund Facility of \$2.9 billion to weather its worst-ever economic crisis. For the IMF board to approve the package, Sri Lanka is required to take a "prior action" of obtaining such a promise.

Under the heavy shadow of China, India made progress in Sri Lanka. When Sri Lanka experienced its greatest economic crisis in seven decades earlier this year, sparking fatal riots and grave shortages of food, fuel, and medication, its northern neighbour stepped up to fill the void.

Between January and July, India gave emergency assistance totalling roughly \$4 billion, including credit lines, a currency swap agreement, and postponed import payments. It deployed a warship with 22 million island residents' necessary medications on board. India is attempting to secure ambitious long-term investments to offset the influence of regional competitor China as Sri Lanka nears a \$2.9 billion loan agreement from the International Monetary Fund (IMF) and its economy stabilises, a cabinet minister and three sources said.

In a recent interview, Sri Lankan Foreign Minister Ali Sabry said, "What we are looking at right now is investment from them," alluding to several projects worth more than \$1 billion that are now being discussed and would assist increase India's footprint in Sri Lanka. They are prepared to make whatever investment is necessary. According to Sabry, India is likely deliberately examining that due to their security worries. When Reuters questioned India's foreign ministry about its goals and strategic objectives in Sri Lanka, they did not comment.

At a time of ongoing tension with China along their Himalayan border, a person with knowledge of the situation told Reuters that New Delhi will always place a priority on regional security. The insider, who requested anonymity due to the sensitivity of the subject, stated that there were "no two ways" regarding security issues. "Investment is being prioritised in terms of long-term involvement."

According to various authorities, Sri Lanka wants to cooperate with New Delhi on enlarging and developing the harbour at Trincomalee in the northeast into an important port in addition to pursuing Indian funding to build up renewable energy

and power projects there. These initiatives might assist New Delhi in counterbalancing China's enormous infrastructure investments in the south of the island, which have grown over the past 15 years, by taking advantage of northern Sri Lanka's proximity to India. The Tamil-dominated north of Sri Lanka is racially related to Tamil Nadu, a state in southern India.

The meetings highlight New Delhi's efforts to reclaim power in the island just a few miles off its southern point along vital waterways connecting Asia to Europe, and the volume of Indian funding this year is significantly more than that of other donors. India's top diplomat travelled to Colombo, the capital of the island nation, in late June, a week before tens of thousands of incensed Sri Lankans marched to the streets and drove President Gotabaya Rajapaksa from the country.

Along with representatives from the Indian finance ministry, Foreign Secretary Vinay Kwatra met Rajapaksa and Prime Minister Ranil Wickremesinghe, among others. According to a Sri Lankan government source with firsthand knowledge of the negotiations, Kwatra and other Indian diplomats raised China's stance as a crucial geopolitical issue in their meetings with the Sri Lankan leadership.

The source, who wished to remain anonymous because he was not authorised to talk to the media, claimed that China's enormous influence in the island's economy, which grew dramatically during past Rajapaksa regimes, was what worried India the most. The Indian foreign ministry stated in a statement issued shortly after Kwatra's visit that the discussions had mostly centred on economic matters, especially expanding investments. China was not mentioned at all.

The influence of China on its neighbouring countries, such as Nepal, Bangladesh, and Sri Lanka, has long caused anxiety in New Delhi. Since Indian and Chinese troops battled near a remote Himalayan frontier in 2020, killing dozens of soldiers, tensions have increased and diplomatic relations have deteriorated.

Sabry added, referring to India, "We realise that it is their prerogative to care after their security." We don't want to contribute to any escalation of international tension, especially as it relates to Sri Lanka. In the meanwhile, China has communicated with the Sri Lankan government about debt restructuring, which is necessary for the IMF accord to be implemented, in addition to delivering shipments of rice, gasoline, and medical supplies. According to the World Bank, Beijing has lent Sri Lanka \$7 billion, or 12% of its \$63 billion in foreign debt.¹

News

¹ <https://www.reuters.com/world/asia-pacific/india-makes-inroads-into-sri-lanka-under-chinas-long-shadow-2022-12-27/>

India-China Border Clash on December 9

On December 9, 2022, forces from India and China engaged in combat along the Line of Actual Control (LAC) in the Tawang area of Arunachal Pradesh. The Indian troops successfully stopped the Chinese from eradicating an Indian post in the region by fiercely confronting the Chinese PLA soldiers. The reports added that both sides claimed minor casualties, and at least six Indian soldiers were hurt during the confrontation and sent to Guwahati for medical attention. They were flown to the 151 Base Hospital in Basistha, Guwahati, for medical attention.

As a result of the event, the source stated, "our commander in the region had a Flag Meeting with his (Chinese) counterpart to resolve the situation by organised protocols to restore peace and tranquilly." "There are different perspectives in specific locations along the LAC in the Tawang Sector, where both sides patrol the region up to their respective claim lines. Since 2006, this has been the pattern, they added.

Since the skirmishes in Galwan, Ladakh, in June 2020, which sparked a string of clashes between the two neighbours, this is the first conflict between the two sides that have been officially documented. Over 40 Chinese soldiers were hurt or killed, while twenty Indian jawans also perished. After several discussions and gatherings, the two parties decided to stop cooperating in the crucial areas.²

Afghan Taliban bans women from universities

Afghanistan's Taliban-imposed prohibition on women attending colleges has sparked international outrage and left many Afghans feeling hopeless. On December 20, the higher education minister announced the retreat and stated that it will go into effect right away. Since females have already been kept out of secondary schools since the Taliban returned last year, the prohibition significantly restricts women's access to education. Women protested in Kabul, the country's capital.

Since the Taliban took control of the country in 2021, colleges have already been functioning under discriminatory policies for women. There were separate entrances for men and women, and older men or women could only teach female students. In the capital's parks, gyms, and public baths, women were prohibited in November.

It was "a new low further breaching the right to equal education and deepening the erasing of women from Afghan society," according to the UN's Special Rapporteur on Afghanistan. The Taliban have been under pressure from Western nations to

² <https://www.indiatoday.in/india/story/india-china-december-9-clash-what-happened-and-all-that-we-know-2308390-2022-12-12>

boost female education all year if they want to be legitimately recognised by the government of Afghanistan.³

After almost three years, a key port reopens between China and Nepal

Days after Communist Party of Nepal-Maoist Centre Chairman Pushpa Kamal Dahal "Prachanda," who is reputed to be friendly with China, was sworn in as the country's new prime minister, one of key the border transit route between Nepal and China was reopened. After being shut down for nearly three years because of the Covid-19 outbreak, two-way commerce from one of the main border transit routes between Nepal and China restarted formally on Wednesday, according to officials.

According to a statement from the Nepalese Foreign Ministry, a ceremony was held on Wednesday to officially restart trade from the border port of Kerung-Rasuwadhi. The announcement read, "From Wednesday, the Rasuwa/Kerung port between Nepal and the People's Republic of China has officially started its operation for two-way trade."

In 1961, the port began to operate formally. Pictures of the occasion were posted by the Chinese Embassy in Nepal, which also expressed China's eagerness to buy more products from Nepal. According to the statement, six cargo trucks loaded with commodities from Nepal entered China through the port.

Delegates from the Xizang Autonomous Region's Department of Commerce, Lhasa Customs, General Station of Immigration Inspection, Xizang Autonomous Region Health Commission, and other pertinent departments were present at the event, according to the article. Narayan Prasad Bhandari, the head of Rasuwa Customs, stated that the data indicated that merchandise worth Rs 5 million were shipped on Tuesday.

When the epidemic reached its height in Nepal in 2021, the port in the Xizang Autonomous Region supplied the Himalayan nation with many medical supplies. The report stated that a one-way freight clearance at the Kerung port was restored in April 2020 at Nepal's request, even though the port had been shut down because of the Covid-19 outbreak. Approximately 150 companies were using the Kerung-Rasuwadhi port to export their goods.

Nepal imports ready-made garments, footwear, apples, motor batteries, plastic items, and more from China through the port. It ships a variety of goods, including pashmina, carpets, noodles, wheat, vanaspati ghee, and chocolates to China. Starting on December 26, the Hilsa-Purang port will also be accessible for one-way commerce. The announcement from the Foreign Ministry stated that "the ports' reopening is anticipated to increase bilateral commerce between Nepal and China."⁴

³ <https://www.bbc.com/news/world-asia-64045497>

⁴ <https://indianexpress.com/article/world/key-trade-route-between-nepal-china-reopens-after-nearly-3-years-8349368/>

Four police officers killed in Pakistan

When suspected terrorists assaulted a police station in Pakistan's dangerous northwest on Sunday, four police officers lost their lives and another four were seriously injured. According to Nawaz Khan, an officer at the targeted police station, the suspects attacked the station in the Lakki Marwat district with grenades and automatic firearms before escaping the scene overnight.

Before help could arrive, the assailants allegedly ran away after running out of ammo, according to Khan, who claimed that the on-duty police reacted and called for reinforcements. The assailants were wanted by the police. Although no organisation immediately claimed credit for the incident, Pakistani Taliban, also known as Tehreek-e-Taliban Pakistan, or TTP, has claimed responsibility for other attacks on police in the district.⁵

Dhaka gets first metro-line

More than 20 million people reside in Dhaka, one of the cities with the densest populations in the world. The new railway, according to Bangladeshi Prime Minister Sheikh Hasina, is a "subject of pride." It took almost six years to construct Line 6, the first metro line. It was heavily supported by Japan, a significant partner in Bangladesh's growth. The ultimate six lines and more than 100 stations, according to Ms Hasina, would help end traffic congestion, which is said to cost the Dhaka economy \$3 billion annually in lost productivity.⁶

⁵ <https://www.scmp.com/news/asia/south-asia/article/3203745/militants-kill-4-attack-police-station-northwest-pakistan>

⁶ <https://www.bbc.com/news/world-asia-64111526>

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