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Asia in Review

Grasp the pattern, read the trend

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Dear Readers,

Welcome to this week's issue of the Asia in Review (AiR) covering the latest events, developments and trends in domestic politics, international relations and geopolitics in East Asia, South Asia, and Southeast Asia.

I wish you an informative read and extend special greetings to everyone who celebrates Colombia's and Slovakia's Independence Day, France's National Day, and Ukraine's Statehood Day this week.

With best regards,

Henning Glaser

Editor in Chief

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Main Sections

- Constitutional Law and –Politics, Human Rights and National Security in East Asia
- Constitutional Law and –Politics, Human Rights and National Security in South Asia
- Constitutional Law and –Politics, Human Rights and National Security in Southeast Asia
- International Relations, Geopolitics and Security in Asia
- Announcements

Constitutional Law and –Politics, Human Rights and National Security in East Asia

China: Former “Covid city” mayor under corruption probe

(dql) The Central Commission for Discipline Inspection, China's top anti-corruption agency, is investigating Zhou Xianwang, the former mayor of Wuhan, for suspected “serious violations of discipline and law”—a common euphemism for corruption. [Global Times]

Zhou, who served as the top Chinese Communist Party official in the 12-million people metropolis from 2018 until early 2021, played a major role in the handling of the first known outbreak of Covid-19 in December 2019. He drew widespread criticism for his handling of the early stages of the Covid-19 outbreak in response to which he publicly admitted in January 2020 that local authorities were constrained by higher-level approval, saying he could only release information after receiving authorization.

Following a key State Council meeting on January 20, which shifted responsibility to local governments, Zhou said Wuhan's response became more proactive. Still, he acknowledged that the city, home to over 11 million people, had failed to issue sufficient warnings and defended the controversial decision to allow over 40,000 people to attend a Lunar New Year banquet earlier that month.

Zhou and Wuhan's then-Communist Party chief Ma Guoqiang offered to resign amid mounting public anger, with thousands demanding accountability on social media. Both were heavily criticized for their delayed response. Ma and Hubei provincial party secretary Jiang Chaoliang were removed from their posts in February 2020. [SCMP] [Hong Kong Free Press]

Jiang, who was later dismissed from a national legislative role, has been under investigation for corruption since February. Zhou's case is reportedly linked to Jiang's. [China Daily]

China: Central Government reins in provincial investigation amid outrage over kindergarten lead poisoning

(dql) The Central Government has reined in Gansu province's investigation into a kindergarten lead poisoning scandal that has sparked national outrage, dispatching a State Council (Cabinet) task force to oversee the case alongside provincial authorities, including Gansu Party Chief Hu Changsheng and Governor Ren Zhenhe.

The scandal erupted after tests conducted outside the province revealed that 233 of 251 children at a kindergarten city of Tianshui had elevated blood lead levels—despite earlier local tests showing no abnormalities. Authorities suspect the kindergarten used inedible paint to color food, and eight individuals, including the principal, have been detained.

Nearly 100 children reportedly have blood lead levels exceeding 200 micrograms per liter—double China's threshold for lead poisoning. However, this standard is more lenient than the World Health Organization's, which recommends clinical intervention at 50 micrograms per liter. Although China drafted stricter lead exposure guidelines for children in 2021, it remains unclear whether these measures have been enacted. [SCMP]

While the case initially triggered national concern over food safety, it has since become a flashpoint for public

skepticism about the government's handling of such crises. Many parents question the official explanation, pointing to discrepancies between local and external blood test results. Public doubt has been amplified by censorship of online discussions and by the memory of a similar, unresolved lead poisoning case in the same district in 2006. [CNN]

China: Offshore wind energy sector expands rapidly

(dql) According to Global Energy Monitor (GEM)—a U.S.-based non-profit organization that tracks and analyzes global energy projects and infrastructure—China is rapidly expanding its offshore wind energy sector, aligning with its goals of carbon neutrality, energy security, and marine economic development.

Cementing its leading position in the global wind and solar energy sector, China holds as much as 74 percent of all wind and solar projects currently under construction. In the first half of 2025, the country added 4.4 GW of offshore wind capacity—the same as in all of 2024—and is expected to reach at least 9 GW by year-end, accounting for over half of projected global additions. An additional 22 GW of offshore projects are under construction and expected to become operational after 2025. [GEM]

GEM's latest July report highlights China's robust offshore wind industry, supported by strong central government backing through financial subsidies, strategic planning, and market-based incentives. The country is now pushing development into deeper waters, as demonstrated by the recent launch of its farthest offshore wind project off Yancheng, Jiangsu. Located 85.5 km from shore, the facility is expected to generate 2.6 terawatt-hours of electricity annually—enough to power approximately 1.1 million households.

As the world's largest developer of renewables, China is building 510 GW of utility-scale solar and wind capacity, a 57 percent increase from last year. With 1.3 terawatts of such capacity planned or under construction, China could soon generate more electricity than Japan consumed in all of 2023. [SCMP] [Oilprice] [The Atlantic]

China: 300 dams destroyed, hydropower stations shut down to save Yangtze River

habitats

(lb) China has dismantled 300 dams and shut down most small hydropower stations on the Red River, a major tributary of the upper Yangtze River, as part of a sweeping effort to restore fish habitats and reverse biodiversity loss. The move is part of a broader environmental campaign that includes a 10-year fishing ban and strict regulation of river development.

According to state media, 300 of the 357 dams and 342 of the 373 small hydropower stations along the Red River were decommissioned by December 2024. These actions have helped restore natural water flow, reopen migratory paths for rare fish species, and support the reproductive cycles of aquatic life, including the endangered Yangtze sturgeon.

The Red River, flowing over 249 miles through Yunnan, Guizhou, and Sichuan, is considered one of the last refuges for endemic fish in the Yangtze's upper basin. For decades, river development projects had fragmented habitats and caused certain sections to run dry. Hydropower stations, while still structurally present in many cases, have ceased power generation and shifted their water control practices to better align with ecological needs. [South China Morning Post]

China: First renewable mandates for steel, cement, and polysilicon sectors

(lb) China has, for the first time, introduced renewable energy requirements for its heavy industrial sectors, including steel, cement, and polysilicon, as well as for certain data centers. These mandates represent an expansion of the country's renewable portfolio standards (RPS), which had previously applied only to firms involved in power trading and the aluminum sector.

Under the new rules, each province has been assigned specific targets for renewable energy usage by industrial consumers. The RPS sets minimum shares of electricity consumption that must be sourced from renewables, differentiated by energy type—hydropower and non-hydro sources like wind and solar.

For example, the 2025 renewable target is 70 percent in hydropower-rich Yunnan, while provinces like Fujian have lower thresholds, such as 24.2 percent. Non-hydro targets peak at 30 percent in wind- and solar-abundant regions like Inner Mongolia, Gansu, and Qinghai. More mountainous and less resource-rich

areas, such as Chongqing, have lower targets, with 2025 set at 10.8 percent.

Newly constructed data centers in designated national hub nodes face even stricter rules, with at least 80 percent of their electricity required to come from renewable sources. These rules align with Beijing's broader decarbonization agenda and reflect growing pressure to transition high-emissions sectors toward cleaner energy.

Industry analysts emphasize that these targets have wider implications beyond environmental compliance. The RPS levels feed into China's evolving contract for difference mechanism, which compensates renewable energy producers when market prices fall below a guaranteed minimum. This mechanism is part of China's shift toward more market-driven electricity pricing, aimed at supporting renewable generation in a competitive power market. [Reuters]

China: Deepened producer deflation highlights challenges to economic recovery

(dql) Producer prices fell 3.6 Percent in June in China, marking the steepest decline in nearly two years and intensifying pressure on policymakers to introduce more support measures. The drop, worse than May's 3.3 percent fall and exceeding expectations, reflects weak domestic demand, a prolonged property downturn, and uncertainty from global trade tensions, particularly with the U.S.

Factory activity contracted for the third straight month, with export orders and employment remaining sluggish. Amid tepid demand, companies have offered steep discounts to boost sales—most notably in the automotive sector, where authorities are calling for a crackdown on price wars (see AiR No. 27, July/2025, 2).

The consumer price index (CPI), meanwhile, edged up 0.1 percent in June, reversing a 0.1 percent decline in May and beating expectations. The rise was attributed mainly to a rebound in industrial consumer goods prices. However, the monthly CPI fell 0.1 percent, matching forecasts. Core inflation, excluding food and fuel, rose 0.7 percent year-on-year, the highest in 14 months. [Reuters 1] [Channel News Asia]

Overall, China's economic growth is expected to have slowed in the second quarter of 2025 amid rising U.S. trade tensions, persistent deflation, weak consumer demand, and a prolonged property downturn. Data

released on July 15 showed that China's gross domestic product (GDP) grew by 5.2 percent year-on-year in the April–June quarter, down from 5.4 percent in the first quarter. [Reuters 2]

Growth is forecast to decline further to 4.5 percent in Q3 and 4.0 percent in Q4, reflecting growing economic headwinds. Full-year growth is projected at 4.6 percent, below last year's 5.0 percent, with a further slowdown to 4.2 percent expected in 2026.

While Beijing has responded with infrastructure spending, consumer subsidies, interest rate cuts, and liquidity injections, analysts warn that these measures may not be enough. The central bank is expected to further cut interest rates and the reserve requirement ratio later in the year. [Reuters 3]

China: Job support expanded as trade pressures mount

(lb) China has announced a series of new measures to stabilize employment as the economy faces mounting pressure from ongoing trade tensions with the United States and weak global demand. The State Council, China's cabinet, issued new guidelines on July 9 aimed at supporting firms and job seekers, particularly vulnerable youth and small businesses.

Local governments will increase unemployment insurance refund rates for companies retaining workers. Small firms will now be eligible for up to 90 percent in refunds—up from 60 percent—while large firms will see a rise to 50 percent from 30 percent. Companies struggling financially can also apply to defer contributions to pension, unemployment, and workplace injury insurance schemes.

A key focus is tackling high youth unemployment, which remains elevated despite recent improvements. The jobless rate among Chinese citizens aged 16 to 24, excluding students, stood at 14.9 percent in May. [SCMP]

To address this, the government will offer a one-time subsidy of up to CNY 1,500 (USD 200) per person for firms hiring unemployed youth under formal contracts and paying full insurance for at least three months. In addition, regional authorities have been urged to broaden access to vocational education by easing age restrictions for unemployed youth and migrant workers enrolling in technical schools.

While official data show a modest decline in joblessness among workers aged 25 to 29, from 7.1 to 7.0 percent, recent business surveys indicate that many firms are still under pressure to cut wages and trim headcounts due to weak demand at home and abroad. [Reuters]

China: Progress maintained on poverty relief during rural revitalization shift

(lb) China has sustained progress in poverty alleviation through a five-year transitional period that began after it declared the eradication of absolute poverty in February 2021. A new report by Xinhua Institute, a national think tank, outlines how the country has worked to solidify and expand the results of its anti-poverty campaign while pivoting toward long-term rural revitalization.

The report highlights that this transitional phase, ending in 2025, was designed to prevent any large-scale return to poverty. It describes the government's efforts to uphold employment and income levels among formerly impoverished households. As of the end of 2024, over 33 million people from these households remained employed—a number that has stayed above 30 million for four straight years.

Income growth in these areas has also outpaced the national rural average. In 2024, residents in counties lifted out of poverty earned a per capita disposable income of CNY 17,522 (USD 2,400), representing a 24.7 percent increase since 2021. The report notes that this growth has been consistent each year of the transition period.

To support these gains, China introduced a four-part mechanism focused on maintaining continuity in responsibilities, policies, resources, and monitoring. Measures included promoting regional coordination—such as sharing Zhejiang's rural development model—and ensuring steady financial support. The approach aims to bridge the urban–rural divide and lay the groundwork for common prosperity. [Xinhua]

China: Readiness for carrier deployment signaled with J-35 fighter production facilities revealed

(dql) For the first time, China has publicly revealed the production facilities of its fifth-generation fighter jets,

indicating their readiness for carrier-based catapult launches.

The J-35s, painted in green corrosion-resistant coating, are believed to be carrier-capable versions, expected to deploy on China's third aircraft carrier, the Type 003 Fujian. This carrier, currently undergoing sea trials, features advanced electromagnetic catapults enabling more efficient take-offs than traditional ski jumps and is slated for commissioning by year-end.

Alongside the J-35, the shipborne J-15T, a 4.5-generation multirole fighter upgraded with thicker landing gear struts, catapult tow bars, and dual-wheel landing gear, was introduced. Both the J-15T and land-based J-35 were unveiled at the Zhuhai Airshow last November, with the J-15T recently showcased aboard China's first domestically built carrier, the Shandong. [SCMP]

China – Hong Kong: Pro-democracy activists appeal subversion convictions in controversial national security case

(dql) Eleven Hong Kong pro-democracy activists have appealed their subversion convictions and prison sentences in a high-profile national security case that has drawn widespread international criticism. The case, known as the "47 democrats" case, stems from an unofficial primary election held in July 2020, shortly after Beijing imposed a sweeping national security law. Prosecutors allege the election was part of a plot to paralyze the government by securing a legislative majority and vetoing budget proposals (see AiR No. 28, July/2020, 2).

Of the 47 arrested in early 2021, 45 were convicted, while two were acquitted. Eleven of the 16 who pleaded not guilty, including Gordon Ng, Gwyneth Ho, and Owen Chow—each sentenced to over seven years—are appealing their convictions. Prince Wong, who pleaded guilty, is appealing her sentence. The government is also appealing the acquittal of barrister Lawrence Lau.

Hong Kong and Chinese authorities maintain that the judiciary is independent and that all defendants received fair trials. Defense lawyers argued that the activists acted within their rights as lawmakers to oppose government bills. The appeal proceedings are expected to last around ten days. [SCMP] [Reuters]

The case is seen among critics ad forming part of a broader crackdown under the national security law,

which has led to numerous arrests and the shutdown of independent media and civil society organizations. [Amnesty International]

China – Hong Kong: Government pushes for same-sex legislation amid political opposition

(dql) Hong Kong authorities will introduce a bill this week to legally recognize same-sex partnerships, granting limited rights related to medical decisions and post-death arrangements. The move responds to a 2023 Court of Final Appeal ruling that required the government to establish a legal framework for same-sex couples within two years.

The bill, set for first and second readings in the Legislative Council on July 16, explicitly states that recognized partnerships will not be equivalent to marriage, reaffirming Hong Kong's monogamous and heterosexual marriage system. It allows recognition of foreign-registered same-sex marriages, partnerships, or civil unions, provided at least one partner is a Hong Kong resident. Registered couples would gain rights including hospital visitations, access to health records, organ donation decisions, and cremation arrangements.

Despite the bill's limited scope, it faces strong opposition from major political parties controlling 39 of the 89 seats in the Legislative Council, Hong Kong's parliament. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), the city largest pro-Beijing party, warned the proposal could undermine traditional family values and lead to changes in school curricula to reflect legal recognition of same-sex partnerships. Conservative, pro-Beijing Legislator Priscilla Leung the called it a "dark day" for traditional values and urged the government to seek an extension of the court-ordered deadline. [The Guardian]

Lawmakers acknowledged the bill's low chance of passage but conceded the government was obligated to introduce it following the court ruling. This comes amid growing public acceptance of same-sex marriage in the former British colony. 2023 survey by Hong Kong and overseas universities found that 60 percent of Hongkongers support same-sex marriage—up from 38 percent in 2013. [SCMP]

Japan: Ruling party lawmaker resigns Upper House committee post ahead of election

(dql) In a sign of mounting political pressure ahead of Japan's July 20 Upper House election, senior ruling Liberal Democratic Party (LDP) lawmaker Yosuke Tsuruho resigned on July 14 as chair of the House of Councillors' Budget Committee following widespread backlash over remarks he made about the 2024 Noto Peninsula earthquake.

Tsuruho had described the disaster—which killed over 600 people—as "fortunate" for revealing ways to improve public services, particularly in facilitating administrative procedures during emergencies. His comment, made during a campaign rally in early July, sparked outrage among survivors and drew strong criticism from opposition parties, who are now calling for his resignation as a lawmaker. [Nippon.com] [Kyodo News 1]

His resignation comes just days before Upper House election, with the latest polls indicating that the ruling coalition of LDP and Komeito are facing a risk of losing its majority. Conducted over two days with more than 43,000 respondents, the survey projects LDP may win fewer than 40 of the 125 contested seats—raising calls for Prime Minister Shigeru Ishiba's resignation.

While the main opposition Constitutional Democratic Party of Japan (CDPJ) maintains steady support, smaller parties with populist economic platforms, such as the center-right Democratic Party for the People (DPP) and right-wing Sanseito, are poised for significant gains.

The LDP and its coalition partner Komeito need to secure at least 50 seats combined to retain control of the 248-seat chamber, a target that now appears uncertain. Komeito also faces challenges due to its aging voter base and may lose some of its 14 contested seats. [Kyodo News 2]

Japan: Civil society organization condemn xenophobic rhetoric in election campaign

(dql) Nearly 300 nongovernmental organizations jointly condemned xenophobic remarks made by candidates during Japan's July 20 Upper House election campaign, including unfounded rumors that foreigners receive special privileges.

A joint statement, issued by eight groups and signed by an additional 266 organizations, emphasized that foreigners are wrongly scapegoated for rising prices of rice and consumer goods, with no factual basis supporting claims that they receive preferential treatment in medical care, pensions, or health insurance.

The statement also highlighted that Japan lacks a basic law protecting foreigners' human rights and noted that they do not have voting rights or legal access to public assistance. [The Asahi Shimbun]

This comes as immigration has become a central issue in the election, driven by a record surge in foreign residents and visitors. As of late 2024, Japan hosted 3.77 million foreign residents and saw 36.9 million foreign visitors, both all-time highs. While the influx has brought economic benefits, it has also sparked cultural friction and political debate over integration and public safety.

The ruling Liberal Democratic Party (LDP) is campaigning under the slogan "zero illegal immigrants," proposing stricter enforcement against unlawful employment and suggesting that unpaid medical or insurance bills by foreigners could affect residency status. The opposition center-right Democratic Party for the People (DPFP) has cited national security in its push for tighter restrictions on foreign property ownership and proposed new taxes to curb speculative foreign investment.

Meanwhile, right-wing Sanseito, a minor party with a hardline "Japanese First" stance, has taken a notably anti-foreigner tone, calling for limits on foreign workers, a halt to welfare for foreign nationals, and stricter naturalization criteria.

These positions reflect growing public unease, but also widespread misinformation online linking foreigners to crime, welfare misuse, and public safety issues. [The Mainichi] [Nikkei Asia]

Japan: Ground Self-Defense Force opens new base to host Osprey transport aircraft

(ja) The Ground Self-Defense Force (GSDF) opened a new base in southwestern Japan on July 9 to host Osprey transport aircraft amidst ongoing efforts to strengthen Japanese military power in remote islands to counter China's growing military ambitions.

The new military base, named Camp Saga, located in the prefecture of the same name, received the first V-22 Osprey from Camp Kisarazu in Chiba Prefecture, where the aircraft had been temporarily based since July 2020. The GSDF plans to transfer the remaining 16 Ospreys in several waves by mid-August.

The relocation reflects the government's recent focus on boosting response and deterrence capabilities in the Nansei island chain, which is a vital strategic area due to its proximity to Taiwan. China has recently strengthened its military pressure on the self-ruled island and increased its assertiveness in the East and South China seas amidst its attempts to reunify it with the mainland.

Citizens have gathered near the facility to protest the deployment amidst safety concerns following a series of Osprey accidents, including a fatal crash that had occurred two years prior, in which a U.S. deployed Osprey crashed off Yakushima Island in Kagoshima Prefecture during a routine training flight, killing all eight crew members on board. [Public Relations Office of the Government of Japan] [Kyodo News]

Mongolia: Prime minister meets with local governors to discuss national priorities

(fs) Mongolian Prime minister Gombojav Zandanshatar held a virtual meeting with regional governors of Mongolia to discuss governance priorities and national challenges.

He emphasized the need for coordinated implementation of austerity measures in response to complex internal and external circumstances. Stressing the importance of rural development, he announced plans to revoke regulations limiting the authority of local governors and to expand their administrative powers.

Governors were also instructed to prioritize crime prevention, youth education, public awareness, and digital education initiatives. Zandanshatar called for heightened disaster preparedness, especially in rural areas, urging action on wildfire prevention, disease control, immunization campaigns, traffic safety, and fodder stockpiling. [Montsame]

Mongolia: Law to regulate electric scooters passed amid safety concerns

(fs) Parliament has approved an amendment to Mongolia's Road Traffic Safety Law to regulate the use of electric scooters and bicycles, following a sharp increase in accidents and growing public concern.

The legislation, aimed at improving safety and urban order, introduces uniform rules for the rapidly growing sector, which now serves around one million users in Ulaanbaatar. Under the new law, riders must be at least 16 years old, use bike lanes where available, and adhere to a maximum speed of 10 km/h on pedestrian paths.

In 2024 alone, over 16,800 electric scooters and bikes were imported into the country, 16 times more than in 2022. 985 accidents and injuries involving scooters, e-bikes, and mopeds have occurred in the last three years, with nearly 40 percent affecting children aged 10-19. [Bloomberg TV, in Mongolian]

Mongolia: Inflation reaches 8.2 percent in June

(fs) The Central Bank of Mongolia has cautioned that inflation is expected to stay above its target level throughout 2025, despite a modest decline in June. National inflation stood at 8.2 percent in June, down 0.1 percentage points from May, yet it remains above the target range of 6 percent.

Housing, water, electricity, and fuel prices rose by 21 percent year-on-year, accounting for nearly one-quarter of total inflation. Food prices increased by 5.6 percent, contributing 19.2 percent to the overall index.

At its June monetary policy meeting, the Bank of Mongolia noted that inflation is cooling faster than expected but still exceeds the target range. Uncertainty in global trade conditions and rising import prices, contributing 28.9 percent to inflation, have also added external pressure, up by 1 percentage point compared to the previous month. [Bloomberg TV]

Mongolia: Partnership with Asia Group signed to boost investment and economic cooperation

(fs) The Ministry of Economy and Development of Mongolia and The Asia Group, a U.S.-based strategic and investment advisory firm, signed a Memorandum

of Understanding to strengthen economic cooperation. The agreement was signed by Deputy Prime Minister and Minister of Economy and Development Uchral Nyam-Osor and Managing Partner at The Asia Group Kurt Tong.

The partnership aims to support policy development, attract foreign investment, and improve Mongolia's investment climate.

Nyam-Osor stated that Mongolia is entering a new phase focused on sustainable growth and seeks to collaborate with global institutions to build investor confidence. [Akipress]

North Korea: Kim Jong-un sued by defector

(dql) In an unprecedented move, a North Korean defector has filed a lawsuit against North Korean leader Kim Jong-un in a South Korean court, accusing the regime of torture and sexual violence.

Choi Min-kyung, 53, is seeking KRW 50 million (approximately USD 37,000) in damages from the North Korean state, naming Kim and six other officials in a civil suit. She has also lodged a criminal complaint urging prosecutors to investigate charges of crimes against humanity against Kim and five others.

This is believed to be the first time a North Korean defector has initiated legal action in South Korea over human rights violations by the regime. Choi, who escaped North Korea in 1997, was forcibly repatriated from China four times between 2000 and 2008. During her final repatriation, she was detained for five months across three facilities in North Hamgyong province, where she alleges, she was subjected to severe beatings, sexual assault during an unsanitary body cavity search, and prolonged torture through forced stress positions. In 2012, she defected for the final time and settled in South Korea in October of the same year. [Korea JoongAng Daily]

The case is supported by the Database Centre for North Korean Human Rights (NKDB), which intends to submit it to UN bodies and the International Criminal Court. [NKBD]

Legal analysts view the case as potentially precedent setting for South Korean courts, which have little prior case law addressing crimes against humanity. Although South Korean courts theoretically have jurisdiction—given that the constitution considers North Korea part

of its national territory—enforcement remains largely symbolic, as there is no mechanism to compel Pyongyang to pay damages. The civil complaint lists North Korea's UN mission in New York as the service address due to the lack of direct channels to the regime. [The Guardian]

North Korea: Crackdown on Chinese-made mobile phones in border regions

(fw) North Korea has intensified its crackdown on users of Chinese-made mobile phones along the China-North Korea border, following directives issued after a major party meeting last month. State security forces, particularly in border cities like Hoeryong in North Hamgyong province, have launched comprehensive surveillance and enforcement operations aimed at eradicating illegal use of these devices, which are crucial for remittance brokers operating in the underground economy.

The Ministry of State Security ordered local branches to undertake a "mop-up operation against the remaining roots" targeting Chinese mobile phone users. Since June 30, the Hoeryong branch has employed advanced tactics such as signal detection, undercover investigations, stakeouts, interrogations, and constant surveillance to identify and apprehend suspects.

Remittance brokers, who depend heavily on these phones to communicate and conduct business across the border, are living in constant fear. The crackdown has forced them to significantly reduce their communications, keep phone calls brief, and constantly check their surroundings before using their devices. Many brokers have adopted extreme caution, for example, powering off their phones immediately after calls and avoiding usage unless necessary. [Daily NK]

North Korea: Elevation of chemical weapons as key deterrent

(fw) According to reports citing North Korean internal military documents, North Korea is increasingly treating chemical weapons as a core strategic deterrent, expanding research, development, and production to position them alongside its nuclear arsenal. Pyongyang now considers chemical weapons the most realistic and immediately usable option in the

event of full-scale war, aiming to neutralize enemy command centers and military facilities before any potential nuclear use.

The Nuclear-Chemical Defense Bureau is said to have completed test launches of ballistic missiles equipped with chemical warheads and is preparing to deploy these weapons to frontline units. Chemical weapons are viewed to pressure adversaries and disrupt their operational planning, with operational scenarios including preemptive strikes on South Korean and U.S. military targets near the border.

While North Korea publicly emphasizes its nuclear capabilities, it has quietly accelerated chemical weapons development and views the 2017 VX nerve agent assassination of Kim Jong Nam as a model for covert operations. The regime is also reportedly working on new biochemical agents designed to incapacitate rather than kill, underscoring its commitment to expanding its arsenal of "invisible threats". [Daily NK]

Kim Jong Nam was the half-brother of North Korean leader Kim Jong Un, who was fatally poisoned at Kuala Lumpur International Airport in Malaysia on February 13, 2017.

South Korea: Former President Yoon arrested again in martial law case

(dql) Former President Yoon Suk-yeol was placed in custody on July 10 after a Seoul court issued an arrest warrant over his failed attempt to impose martial law in December. The warrant, approved by the Seoul Central District Court, was requested by special counsel Cho Eun-suk amid concerns that Yoon might destroy evidence. Cho, along with his investigating team, was appointed by Yoon's successor Lee Jae-myung under a bill that passed the National Assembly with the votes ruling Democratic Party's majority against the fierce resistance of Yoon's opposition People Power Party. [The New York Times] [BBC]

This marks Yoon's second arrest; his first occurred in January while he was still in office, but the court later accepted his request to cancel the arrest, leading to his release in March. Yoon was ousted in April after the Constitutional Court upheld the National Assembly's December 14 impeachment vote against Yoon.

The former president faces five key charges, including violating the rights of Cabinet members by summoning only a select few to a meeting held shortly before

declaring martial law on December 3. He is also accused of fabricating a martial law declaration document after that date to legitimize his actions, having it signed by then-Prime Minister Han Duck-soo and Defense Minister Kim Yong-hyun before discarding it.

Other allegations include ordering the presidential spokesperson to distribute false statements denying any intent to undermine the constitutional order, instructing the Presidential Security Service to block his detention by investigators in early January, and ordering the deletion of call records from secure phones used by three military commanders.

Yoon and his lawyers denied all charges during the hearing. He was subsequently taken to the Seoul Detention Center in Uiwang to await further proceedings. [Yonhap News Agency]

In the latest development of the case, the military's drone operations command was raided on July 14 as part of a growing investigation into Yoon. The probe centers on allegations that Yoon orchestrated a drone mission over North Korea in October to create a pretext for declaring martial law on December 3.

Investigators are seeking evidence that drone units in Pocheon, Gyeonggi Province, executed the mission over Pyongyang under orders from Yoon and then-Defense Minister Kim Yong-hyun. They are also examining whether the military coordinated efforts to conceal the operation, including possible destruction or withholding of key documents.

In October last year, North Korea accused South Korean drones of entering its airspace and dropping anti-regime leaflets over its capital, releasing photos of a recovered drone. South Korea's military initially denied the claim but later neither confirmed nor denied the operation.

Suspicion of a cover-up intensified after a fire broke out at the drone command facility on December 8, shortly after Yoon's martial law declaration. The military described it as a routine document incineration unrelated to the case. [The Korea Herald]

The drone operations command, established in 2023 as a joint unit of the Army, Navy, Air Force, and Marine Corps, operates under the Joint Chiefs of Staff chairman. Monday's raid extended to 24 military-related sites, including the Defense Ministry, Joint Chiefs of Staff, National Security Office, and Defense Counterintelligence Command.

South Korea: Raids conducted in probes tied to Unification Church scandal, former First Lady, death of Marine

(dql) South Korea's newly established special counsel teams, appointed by President Lee Jae-myung after he assumed office on June 4 to investigate high-profile corruption and abuse-of-power allegations linked to the previous administration, has launched a series of coordinated raids targeting senior officials, law enforcement agencies, and political figures.

Unification Church probe

A special counsel team on July 8 executed a search warrant at the Korean National Police Agency and searched a police station in Chuncheon to secure records related to an investigation into alleged overseas gambling by leaders of the Unification Church.

The probe centers on claims that church officials gambled approximately KRW 60 billion (USD 44 million) at Las Vegas casinos between 2008 and 2011. After learning of the police investigation launched in 2022, the church allegedly sought to obstruct it by lobbying figures close to then-President Yoon Suk Yeol. The special counsel is examining whether pro-Yoon allies intervened to derail the investigation. [The Korea Herald 1]

The Unification Church, officially known as the Family Federation for World Peace and Unification, is a religious movement founded in South Korea in 1954. It is widely recognized for its unique theology—its founder Sun Myung Moon claimed to be the Messiah and the Second Coming of Christ, calling to complete Jesus Christ's unfinished mission—a highly organized structure and significant political and economic influence both in South Korea and internationally, especially in Japan and the U.S.

Former First Lady cases: meddling in party candidate selections,

Separately, raids were conducted at the office and home of opposition People Power Party (PPP) lawmaker Yoon Sang-hyun, the home of former PPP lawmaker Kim Young-sun in Changwon, and the residence of former prosecutor Kim Sang-min. These searches are linked to allegations that the former first lady interfered in the PPP's candidate nominations for the 2022 parliamentary by-elections and the 2024 general elections.

In a previously leaked phone call from May 2022, then-President Yoon is heard suggesting to self-proclaimed power broker Myung Tae-kyun that he would instruct Yoon Sang-hyun to ensure Kim Young-sun received the party's nomination for the 2022 by-election. The former first lady is also suspected of attempting to secure the 2024 nomination for the former prosecutor in the same district. [The Korea Herald 2]

In addition, the Ministry of Land, Infrastructure and Transport and nine other locations were raided on July 14 over suspected land price manipulation linked to the Seoul-Yangpyeong highway project. Led by prosecutor Min Joong-ki, the team searched the Land Ministry and subcontractors Donghae Engineering & Consultants and Kyong Dong Engineering in Seoul and Gwacheon.

The probe centers on a 2023 rerouting of the highway's endpoint near land owned by former first lady's family in Yangpyeong, Gyeonggi Province, raising suspicions of manipulating land prices for financial gain. An internal audit, requested by the National Assembly in 2023 and delivered 18 months later, found contract flaws and revealed deletion of documents related to the rerouting before submission to parliament. [The Korea Herald 3]

Marine death cover-up case

In addition, the Ministry of National Defense and the presidential National Security Office were raided on July 10 as part of an investigation into alleged interference by senior officials in the probe into the 2023 death of Marine Cpl. Chae Su-geun.

Led by special counsel Lee Myung-hyun, the operation targeted the Defense Ministry's Policy, Spokesperson's, and Military Advisor's Offices, along with the National Security Office. The special counsel, established only in June in the wake of the power transition to President Lee Jae-myung, is examining whether former President Yoon pressured officials to block a police referral in the case.

Cpl. Chae drowned during a flood rescue mission in July 2023 after entering a fast-flowing river without a life jacket, reportedly following an order that prioritized uniform appearance over safety. Public criticism quickly mounted, and on July 31, Yoon was reportedly angered by an internal Marine report that named eight officers—including 1st Marine Division commander Maj. Gen. Lim Seong-geun—as responsible. He allegedly instructed then-Defense Minister Lee Jong-sup to delay the referral, questioning the impact on military leadership.

The investigation is focused on whether these instructions altered the Marine Corps' findings and how they were communicated. Key figures under investigation include former Defense Minister Lee, former presidential defense secretary Im Ki-hoon, and former Deputy National Security Office Director Kim Tae-hyo. [The Korea Herald 4]

Meanwhile, Col. Park Jeong-hoon, the Marine investigator who initially led the probe but was dismissed for defying an order from his commander to withhold investigative records implicating senior Marine officers in Cpl. Chae's death and handing the case to police against ministry orders, will be reinstated to his former position. Park, previously indicted for insubordination and defamation, was acquitted earlier this year. His reinstatement follows the special counsel's decision to drop its appeal filed by the military court. [Chosun Biz]

South Korea: Cabinet endorses stricter corporate governance and martial law regulations

(fw) South Korea's Cabinet approved a series of key legislative revisions aimed at enhancing corporate governance, tightening controls over martial law declarations, and formalizing a seasonal foreign labor program.

A major highlight was the revision of the Commercial Act, designed to strengthen the fiduciary responsibilities of company boards toward shareholders—a shift from the previous standard that prioritized the company's interests over those of shareholders. Under the new law, which will take immediate effect upon promulgation, one-third of board members in listed companies must be independent outside directors. Additionally, the largest shareholder's voting power in decisions regarding the audit committee's composition (including outside directors) will be capped at 3 percent, effective one year after the law's enforcement. The bill also mandates the adoption of electronic voting alongside in-person shareholder meetings by January 2027. This legislation, passed by bipartisan consensus on July 3, is viewed as a long-anticipated reform to counteract the chronic undervaluation of South Korea's stock market.

The Cabinet also endorsed a bill that restricts the presidential powers to impose martial law, aiming to prevent potential abuse. The law requires the Cabinet to produce and submit detailed meeting minutes to the National Assembly whenever the president seeks

parliamentary approval for martial law. Furthermore, interference with lawmakers or officials entering the National Assembly will carry penalties of up to five years in prison. The law explicitly prohibits military and police personnel from entering the Assembly during martial law, with violators subject to imprisonment for up to three years.

Another significant measure passed involves amendments to the Immigration Act creating a legal framework for hiring seasonal foreign workers to meet high-demand periods in agriculture and fishing. Only government-authorized entities at the central or local level may recruit these workers, with violations punishable by up to three years incarceration. Originating from a pilot program launched in 2015, the seasonal worker initiative is expected to employ nearly 100,000 workers this year and will gain enhanced worker protections under the new legal structure six months post-promulgation.

In total, 13 bills were approved during the Cabinet meeting. President Lee Jae Myung, who chaired the session, called for prudent management of public funds in the forthcoming budget, urging cuts where expenditures are habitual yet inefficient or wasteful. [The Korea Herald]

South Korea: Democratic Party seeks July vote on revised bill to ban anti-North Korean leaflets

(fw) The ruling Democratic Party (DP) announced its intention to bring a revised bill banning anti-Pyongyang leaflet campaigns to a vote during this month's parliamentary session. This initiative aligns with President Lee Jae Myung's commitment to suspend leaflet balloon launches and loudspeaker broadcasts targeting North Korea.

Moon Jin-seok, the DP's senior deputy floor leader, told reporters at the National Assembly that the party aims to pass the bill within July if possible. Given anticipated opposition in the Foreign Affairs and Unification Committee, chaired by the main opposition People Power Party (PPP), the DP is considering fast-tracking the legislation to expedite the process.

Originally enacted in March 2021, the Development of Inter-Korean Relations Act prohibits the sending of anti-Pyongyang leaflets via balloons across the border, with penalties including up to three years in prison or fines up to KRW 30 million won (USD 22,172). However, in 2023, South Korea's Constitutional Court declared

the ban unconstitutional, ruling it excessively restricted freedom of expression.

The DP's revised bill seeks to address the court's constitutional concerns while maintaining the prohibition on leaflet launches. The issue remains sensitive given that North Korean defector groups have long used balloons carrying leaflets to inform and encourage North Koreans, a practice that has repeatedly caused friction between Seoul and Pyongyang. [Yonhap News Agency]

South Korea: Political party dissolution bill submitted targeting opposition party

(dql) Ruling Democratic Party (DP) lawmaker and party leadership candidate Jeong Cheong-rae has introduced a bill to amend the Constitutional Court Act, allowing the National Assembly—alongside the government—to request the dissolution of political parties deemed unconstitutional. Currently, only the government holds this authority. Jeong's proposal adds a clause enabling such requests following a resolution by the National Assembly plenary session.

The amendment is widely seen as targeting the opposition People Power Party (PPP), some of whose members are under investigation for allegedly obstructing efforts to lift martial law during the December 3 incident. Jeong accused the party of undemocratic actions, labeling it an "insurrection party" during a press conference, and argued that parties involved in unconstitutional acts should face legal consequences.

His rival in the DP leadership race, Park Chan-dae, has also taken a hardline stance. On July 8, Park proposed a "Special Law on Insurrection" to restrict pardons for insurrectionists and cut off government subsidies to parties associated with them. He also suggested that a party dissolution trial could be requested through the justice minister if collusion in martial law or obstruction of impeachment is confirmed.

The leadership contest between Jeong and Park has intensified into a battle for ideological clarity and appeals to their party's base as the August 2 party convention approaches. [Chosun Biz]

South Korea: Parliament downgrades AI textbooks to educational materials

(fw) South Korea's parliamentary Education Committee approved a bill on July 10, that reclassifies artificial intelligence (AI)-generated textbooks as "education materials" rather than official textbooks, effectively reversing a policy introduced by the previous administration to deploy AI digital textbooks nationwide.

This legislative change, supported by the ruling Democratic Party (DP) and the minor conservative Rebuilding Korea Party, faced opposition from the main opposition People Power Party (PPP), which criticized the move as hindering educational innovation and equal access initiatives. [Yonhap News Agency]

Notably, Independent Deputy Prime Minister and Education Minister Lee Joo-ho voiced his regret over the committee's decision during the same day's parliamentary session. Lee underscored the value of AI textbooks as tools critical for educational innovation aligned with the 2022 curriculum reforms fully implemented in 2025. He warned that passing the bill in the plenary session could lead to confusion in schools and the loss of strategic policy momentum for modernizing education.

Introduced in March, AI textbooks have been used by select elementary, middle, and high school students in subjects such as English, math, and information technology. Initially, the government intended to mandate their use nationwide but later opted to make implementation voluntary after encountering resistance from the ruling party.

Lee urged lawmakers to carefully reconsider the bill during further National Assembly discussions, emphasizing that AI textbooks represent a forward-looking investment in the future of South Korean education. [Chosun Biz]

South Korea: Finalized Cabinet and key vice-ministerial appointments

(fw) President Lee Jae Myung has finalized his inaugural Cabinet by appointing all 19 ministers, including Rep. Kim Yun-duk as Minister of Land, Infrastructure and Transport and Chae Hwi-young, CEO of travel platform Nol Universe, as Minister of Culture, Sports and Tourism. Alongside these appointments, Lee also named five vice ministers and seven vice ministerial-level officials, enhancing his administration's executive team with experienced leaders from diverse fields.

Rep. Kim Yun-duk, a three-term lawmaker from the ruling Democratic Party and seasoned member of the National Assembly's Land, Infrastructure and Transport Committee, is tasked with addressing real estate policies from a citizen-centric perspective. Presidential Chief of Staff Kang Hoon-sik emphasized Kim's role in enacting pragmatic policies that balance protecting genuine housing demand with market principles, while curbing speculative practices responsible for housing instability.

Chae Hwi-young brings substantial private-sector expertise to the culture ministry. As the founder and CEO of Nol Universe—a comprehensive travel and leisure platform created in 2024 through the consolidation of Yanolja Platform and Interpark Triple—Chae is positioned to drive innovation in South Korea's cultural and tourism sectors. His leadership history includes CEO roles at Interpark Triple and online service provider NHN. Kang noted that Chae's fresh perspective aligns with the president's vision for revitalizing the nation's cultural industry. [Yonhap News Agency 1]

In addition to Cabinet-level appointments, President Lee appointed five vice ministers, including Choi Eun-ok as Vice Minister of Education; Koo Hyuk-chae as First Vice Minister of Science and ICT; Kang Yun-jin as Vice Minister of Patriots and Veterans Affairs; Kang Hee-up as Second Vice Minister of Land and Transport; and Roh Yong-seok as Vice Minister of SMEs and Startups. Seven other vice ministerial-level figures were also named, among them the Minister of Government Legislation and the Chief of the Disease Control and Prevention Agency.

A notable milestone includes the appointment of Hong So-young as Commissioner of the Military Manpower Administration, marking her as the first female to lead the agency. Previously serving as head of the administration's central regional office, Hong's promotion signals a progressive step forward in gender representation within South Korea's defense administration.

By law, the Cabinet ministers nominated by President Lee must undergo parliamentary hearings, although formal legislative approval is not required for their official appointment. [Yonhap News Agency 2]

South Korea: Government pushes fully renewable energy-powered industrial zones

(dql) The presidential office has announced plans to introduce a special law establishing industrial zones fully powered by renewable energy. The initiative aims to create "RE100" zones—areas where companies operate using 100 percent renewable sources such as solar and wind—to address regional power imbalances.

Presidential policy chief Kim Yong-beom stated the plan includes incentives such as regulatory easing, improved living conditions, and electricity bill discounts to attract businesses. The move is intended to shift electricity demand away from the Seoul metropolitan area toward southwestern regions rich in renewable resources.

A task force comprising the ministries of industry, finance, and transport will draft the legislation and oversee implementation. [The Korea Times]

South Korea: Wartime operational control transfer from U.S. to be regained

(fw) South Korea is set to regain wartime operational control (OPCON) from the United States during President Lee Jae Myung's administration, Defense Minister nominee Ahn Gyu-back confirmed on July 15. Speaking at his confirmation hearing before the National Assembly's Defense Committee, Ahn emphasized that completing the transfer remains a top priority for the current government and is expected to occur within Lee's five-year term.

The OPCON transfer, a key issue in the Korea-U.S. military alliance, would allow South Korea to assume full command of its military forces in wartime. Currently, South Korea controls its forces only during peacetime, while wartime command is retained by the U.S.-led Combined Forces Command. This handover has been under discussion since 2006, with progress dependent on meeting specific military readiness criteria rather than fixed deadlines. [Yonhap News Agency]

Ahn outlined that the handover's cost is projected around KRW 21 trillion won (USD 15.2 billion), covering the reorganization of command structures, enhancement of precision strike systems, and upgrades in surveillance and reconnaissance capabilities. He noted that for years, joint efforts between Seoul and Washington have steadily advanced toward fulfilling these readiness benchmarks.

The nominee also addressed concerns related to nuclear armament raised during the hearing. While some lawmakers suggested that South Korea consider developing its own nuclear weapons and possibly withdraw from the Nuclear Non-Proliferation Treaty (NPT) amid security uncertainties, Ahn dismissed this as “extremely difficult and practically unfeasible” as long as Seoul remains an NPT signatory.

Beyond the OPCON transfer, Ahn highlighted plans to strengthen civilian oversight of the military to prevent political misuse, criticizing the previous administration’s martial law plans as damaging to military integrity and morale. He pledged to restore the armed forces’ political neutrality and rebuild public trust under robust civilian control.

On defense reform, Ahn stressed prioritizing sustainable, structural improvements over rapid changes. This includes modernizing the military culture, integrating artificial intelligence and advanced technologies, and expanding research and development investments. He also stressed building a defense industry that supports both national security and economic growth.

Ahn reaffirmed commitment to evolving the Korea-U.S. alliance to better match mutual strategic interests and pledged to enhance trilateral cooperation with the U.S. and Japan, while expanding defense diplomacy with other regional and global partners. Ultimately, he emphasized that the government seeks lasting peace on the Korean Peninsula through a balanced approach combining credible deterrence with dialogue and trust-building. [The Korea Times]

South Korea: Marine attack helicopter’s combat capabilities successfully tested

(dql) South Korea’s Defense Acquisition Program Administration (DAPA) announced successful day-and-night live-fire tests of machine guns and rockets for the Marine Attack Helicopter, currently in development and expected to be completed next year. Conducted three times in the first half of 2025, the tests validated the helicopter’s combat capabilities in amphibious operation scenarios.

Led by Korea Aerospace Industries (KAI), the helicopter is based on KAI’s Marine Utility Helicopter (Marineon) platform. Development began in 2022, with the prototype completing its maiden flight in January 2025. The new attack helicopter incorporates advanced

avionics and weapons systems from KAI's Light Armed Helicopter.

Further evaluations of guided rockets and air-to-ground missiles are planned later this year. Once deployed, the Marine Attack Helicopter will provide fire support during amphibious assaults and close air support for ground forces. Twenty-four units are slated for delivery to the Marine Corps by the second half of 2026. [The Korea Herald]

Taiwan: Opposition parties leverage majority to pass controversial spending package

(dql) The opposition-controlled Legislative Yuan, Taiwan's parliament, passed on July 11 a NTD 545 billion (USD 18.6 billion) spending package that includes a NTD 10,000 (USD 342) cash handout to the public by the end of October. The bill aims to bolster Taiwan's economy amid global uncertainties, particularly the threat of U.S. tariffs, with government talks on tariff levels ongoing.

Ruling Democratic Progressive Party (DPP) lawmakers criticized the package as a populist move that risks harming public finances and increasing the national debt burden for future generations. They also accused the Kuomintang (KMT) of using the cash handout to deflect recall efforts against 26 of its legislators. The opposition defended the rebate, citing a NTD 1.87 trillion (USD 63.8 billion) tax surplus accumulated over the past four years.

The package, approved by the opposition parties, the Kuomintang (KMT) and the Taiwan People's Party (TPP), notably excluded a government proposal for a NTD 100 million (USD 3.5 million) grant to state-run utility Taipower. The KMT demanded more transparency from the Cabinet on utility rate plans and energy policy.

According to the approved bill, the cash rebate will cost NTD 235 billion (USD 8 billion), with NTD 93 billion (USD 3.2 billion) allocated to industry and employment support, NTD 67 billion (USD 2.3 billion) for social spending, and NTD 150 billion (USD 5.1 billion) for national security and resilience. [Taiwan News]

Taiwan: Ruling party councilor survives recall vote

(dql/yl) Ruling Democratic Progressive Party (DPP) Councilor Chen Yu-ling retained her seat on the Nantou County Council after a recall vote on July 13 failed to meet the legal threshold.

Of the 57,207 eligible voters in her district, 18,171 cast ballots—a turnout of 31.76 percent. While 67.45 percent of valid votes supported the recall (12,160 votes) and 32.55 percent opposed (5,867 votes), the recall fell short of the required 25 percent of eligible voters, reaching only 21.26 percent. Under the Public Officials Election and Recall Act, this renders the result invalid. [Taiwan News]

Meanwhile, the Central Election Commission (CEC) has announced that the upcoming recall votes for 26 Kuomintang (KMT) lawmakers, alongside a national referendum on restarting a nuclear power plant, could cost up to NTD1.62 billion (USD 55.38 million).

Recall elections for 24 KMT legislators are set for July 26, while two more recall votes and the nuclear plant referendum are scheduled for Aug. 23.

Petitions for five additional KMT lawmakers are still under review; voting dates will be announced if approved. [Focus Taiwan]

Taiwan: Wage growth and stock market gains reflect economic resilience amid tariff uncertainty

(yl) Taiwan's economy showed signs of strength in recent data, with both capital markets and wage indicators reporting notable gains. On July 10, the TAIEX closed up 166.24 points at 22,693.25, buoyed by strong performances in the tech and financial sectors. AI-related companies such as Delta Electronics and MediaTek led the charge, supported by robust second-quarter revenues and increasing investor interest in server cooling technologies.

Meanwhile, the financial sector rose 1.36 percent, reflecting investor confidence as U.S. tariff announcements excluded Taiwan. However, analysts noted that falling trading volumes suggest continued investor caution amid ongoing global trade uncertainties. [Taiwan News]

Separately, data released by the Directorate General of Budget, Accounting and Statistics (DGBAS) showed that Taiwan's average real regular monthly wage rose 0.96 percent in the first five months of 2025 to NTD 43,572 (USD 1,489)—the highest growth in five years. Nominal

regular wages increased by 3.02 percent year-on-year, reaching NTD 47,568 (USD 1,624), marking the strongest growth in 25 years. When factoring in bonuses, average real monthly earnings rose 1.65 percent to NTD 61,902 (USD 2,115).

Overtime hours in the electronics sector also surged to levels not seen in over eight years, driven by AI-related demand and a temporary pause in U.S. tariffs. Officials said these trends point to strong global demand and sustained employment momentum, particularly in export-driven manufacturing industries. [Focus Taiwan]

Taiwan: Government defends Han Kuang drills as essential for national defense

(yl) Taiwan's Mainland Affairs Council (MAC) has dismissed criticism from China's Taiwan Affairs Office, which condemned Taiwan's Han Kuang 41 live-fire military exercise as a move toward separatism.

The MAC called the accusation “repetitive rhetoric,” asserting that military preparedness is essential for safeguarding national sovereignty, not a declaration of independence. He added that Taiwan has maintained a robust defense force since 1949. [Taiwan News 1]

China’s condemnation came as Taiwan conducted drills simulating the repulsion of People’s Liberation Army (PLA) aircraft attempting to land at Taoyuan International Airport, part of the second day of live-fire exercises. [Taiwan News 2]

The Han Kuang 41 military exercise, that started on July 9 and runs till July 18, is Taiwan's most extensive and realistic annual defense drill to date. This year's iteration includes a 10-day, continuous live-fire segment, marking a significant extension from previous exercises. The drills involve over 22,000 personnel, the largest mobilization in the exercise's history (see AiR No. 26, July/2025, 1).

In the latest development, Taiwan is conducting nationwide urban resilience drills from July 15 to July 18, featuring 30-minute air raid alerts, public evacuation exercises, and disaster relief operations. Following the alerts, local governments and civil defense teams will conduct related emergency drills.

Cho emphasized that the drills aim to promote public preparedness, strengthen disaster response, and demonstrate Taiwan’s determination to defend itself. [Taipei Times]

Constitutional Law and –Politics, Human Rights and National Security in South Asia

Bangladesh: Political parties reach preliminary consensus on major institutional reforms

(mon/lm) Bangladesh's political parties and the National Consensus Commission have entered a critical phase of constitutional dialogue, reaching preliminary consensus on major institutional reforms while continuing to negotiate the structure of the future caretaker government.

Currently in its second round, the commission-led talks have brought together 30 parties, including the Bangladesh Nationalist Party (BNP), Bangladesh Jamaat-e-Islami, the National Citizen Party (NCP), and others, with proposals ranging across electoral administration, judicial reform, emergency powers, and parliamentary restructuring.

The most concrete progress has been made on amending the constitutional provisions governing the judiciary and emergency declarations. On judicial appointments, parties agreed to reform Article 95 of the Constitution. Under the proposed framework, the President would be authorized to appoint the Chief Justice from among currently serving judges in the Appellate Division.

Debate remains over whether this appointment should always go to the most senior judge or whether the President may choose between the two most senior candidates, unless one is under investigation under

Article 96, which governs judicial misconduct and incapacity. Several parties, including the NCP—a youth-led political force that was formed by two institutions behind the July 2024 protest movement—and Jamaat-e-Islami, Bangladesh's largest Islamist political party, have called for strict adherence to seniority to avoid politicization. The NCP's Member Secretary emphasized that only mandatory seniority can insulate judicial appointments from partisan interference, a view echoed by Jamaat and other parties who also pushed for an accompanying law to institutionalize the practice.

A parallel consensus has emerged on Article 141A, which authorizes the President to declare a state of emergency. Parties agreed to remove "internal disturbance" as a valid ground for such declarations, citing its frequent misuse to suppress dissent. Instead, emergencies would be limited to constitutional crises, pandemics, natural disasters, or threats to national sovereignty. Participants also advocated replacing the current provision—where the Prime Minister's countersignature is sufficient—with a more accountable process requiring either full cabinet approval or consent from a cross-party parliamentary committee. Related articles, 141B and 141C, which allow suspension of fundamental rights during emergencies, are also under review. Most parties proposed retaining basic rights such as the right to life and freedom from torture even under emergency rule, except in specific cases covered by Article 47(3), including war crimes or genocide. [Financial Express] [The Daily Star] [daily observer]

At the heart of the dialogue is the reestablishment of a neutral caretaker government to oversee the next national election. Nearly all parties—including the BNP, Jamaat, NCP, Gano Odhikar Parishad, and the Communist Party of Bangladesh—agree in principle on restoring the caretaker model, originally introduced informally in 1990 and later formalized by the 13th amendment. Disagreements persist, however, over how to appoint the Chief Adviser and structure the caretaker cabinet.

The Consensus Commission has proposed a 13-member Chief Adviser Search Committee composed of leaders from both parliamentary chambers, with fallback procedures including ranked-choice voting if consensus fails. The BNP has floated three formats for multiparty nomination, with an emphasis on reviving the spirit of the 13th amendment. Jamaat, in contrast, proposed a 12-member bipartisan committee composed entirely of elected representatives. The NCP, which opposes judicial involvement in politics, has called for parliamentary voting procedures to

select a Chief Adviser and reiterated its earlier proposal of nominating candidates through party quotas. [The Daily Star]

Beyond electoral governance, the July 14 session of talks saw the Commission introduce proposals for broader constitutional reform, including the creation of a bicameral legislature. Two models are under consideration. One would have an upper house composed of 100 members nominated proportionally by political parties based on their national vote share. The other envisions direct elections of one representative from each administrative district and city corporation, to be held concurrently with the Jatiya Sangsad (lower house) elections. These changes would require amending Article 65 of the Constitution. In tandem, the Commission proposed abolishing the reserved seat system for women and instead requiring political parties that contest at least 25 seats to nominate women for at least one-third of their candidacies. [The Daily Star]

Bangladesh: Election Commission seeks to reclaim oversight powers but clashes with student-led party

(lm) Bangladesh's Election Commission (EC) is undertaking significant institutional reforms ahead of national elections tentatively scheduled for February 2026, while facing mounting pressure from emerging political forces and public scrutiny of its credibility.

Following its 8th commission meeting, the EC announced plans to propose amendments to the Representation of the People Order (RPO) to restore its authority to void the results of an entire constituency in cases of election irregularities—a power previously removed. Currently, the EC can only annul results at the polling center level.

In a parallel move, the EC confirmed the full discontinuation of Electronic Voting Machines (EVMs) in all elections, national and local, citing high costs and operational complications. At the same time, the EC is finalizing procedures to allow expatriate Bangladeshis to vote via IT-assisted postal ballots. Although online voting is being considered for the future, it will not be implemented in the upcoming cycle.

To manage the complex electoral process, five oversight committees—each led by an election commissioner—have been set up to handle security, law compliance, voter education, and coordination with observers. Constituency boundary delimitation is

nearly complete, with no objections raised in 221 areas. Meanwhile, voter rolls are being updated: over 4.4 million new voters have been added, and 2.1 million deceased voters removed. [The Daily Star 1]

Tensions are rising between the Election Commission (EC) and the National Citizen Party (NCP), a student-led political party that emerged from two key institutions behind last year's mass uprising, as the country moves toward a general election tentatively scheduled for February 2026.

However, institutional reforms have not calmed growing political tensions. The EC is in conflict with the newly formed National Citizen Party (NCP), a student-led party that emerged from last year's mass protests. On July 9, the EC rejected the NCP's request to use the national emblem "Shapla" (water lily) as its election symbol, citing the *Election Conduct Rules*. The NCP responded by accusing the EC of bias and warned it would "fight politically" if denied the symbol. It also demanded the removal of the "Boat" symbol—historically linked to the now-deregistered Awami League (AL)—from the EC's list. The EC rejected both demands, emphasizing that election symbols are EC property, not party entitlements.

The EC has rejected both demands. Election Commissioner Abdur Rahmanel Masud emphasized that symbols belong to the commission, not to any political party, and clarified that the "Boat" would remain listed even if AL remains deregistered.

But the NCP has gone further, calling for the reconstitution of the Election Commission itself and amendments to the law under which it was formed—highlighting broader mistrust of existing institutional arrangements. While the party said it would accept previously proven officials, it no longer considers the current commission credible enough to oversee a transitional election process.

Meanwhile, in an interview with BBC Bangla, CEC AMM Nasir Uddin confirmed that the Election Commission is fully prepared for a February 2026 vote, though the official date remains undecided. He also defended his meeting with Chief Adviser Muhammad Yunus, stating that the adviser holds no party affiliation and that the meeting was focused on procedural readiness.

The CEC further ruled out proposals to hold local elections before the national vote, citing historical violence and logistical constraints. The commission has meanwhile expanded the number of election symbols from 69 to at least 115 to accommodate new parties and independent candidates, including the NCP, which

submitted its registration application on June 22. [The Daily Star 2] [The Daily Star 3]

Bangladesh: Student-led party sets August 3 deadline for government to publish reform blueprint

(lm) The National Citizen Party (NCP), a student-led party that emerged from two key institutions behind the July 2024 mass uprising, has issued an ultimatum to the interim government: publish the long-awaited "July Proclamation" and "July Charter" by August 3 or face nationwide protests. The warning was delivered during the party's 36-day "July Padajatra" (foot march), now underway across the country.

At a rally in Magura—where ten individuals were killed during last year's protests—NCP Convenor Nahid Islam reiterated that the movement's core demands remain unfulfilled. He emphasized that if the interim government led by interim leader Muhammad Yunus continues to delay publication of the reform documents, the party will mobilize students and citizens nationwide in renewed mass action. [The Daily Star 1]

In a separate address on July 14, Nahid sharply criticized the Bangladesh Nationalist Party (BNP)—the main opposition to the ousted Awami League—accusing it of turning into a party of "extortionists and criminals" and of now defending the same political order the uprising sought to dismantle. He further alleged that the BNP has begun promoting the 1972 constitution associated with Mujibist ideology—a political doctrine named after Sheikh Mujibur Rahman, Bangladesh's founding leader and father of former Prime Minister Sheikh Hasina. Mujibism emphasizes centralized governance, one-party dominance, and state-led development, and is closely associated with the legacy of the Awami League.

Nahid also alleged ongoing conspiracies by elements of the state apparatus, including the military intelligence agency DGFI, to discredit NCP leaders through smear campaigns in both social and mainstream media. In response, he pledged to counter these efforts through mass support and grassroots mobilization. [Dhaka Tribune]

The BNP, in turn, moved to defend its leadership amid rising criticism. At a separate rally on the same day, BNP Secretary General Mirza Fakhrul Islam Alamgir insisted that the attacks on party figurehead Tarique Rahman were part of a larger conspiracy to dismantle

nationalist political forces. Fakhrul argued that efforts to smear Tarique—son of late President Ziaur Rahman and former Prime Minister Khaleda Zia—were politically motivated and aimed at weakening the BNP's democratic credentials. He noted that despite attempts to discredit the party through cyberattacks and false narratives, BNP leaders have remained united and resilient.

Fakhrul also reiterated the party's intent to contest the next general election in February 2026, emphasizing that this timeline was reaffirmed during a meeting in London between Tarique Rahman and Chief Adviser Muhammad Yunus. While dismissing the NCP's accusations, he called on younger BNP supporters to better equip themselves for the evolving digital and political battlefield, acknowledging that the party had thus far underinvested in strategic communication and political education. [The Daily Star 2] [The Daily Star 3]

Bangladesh: War crimes tribunal indicts ousted ex-prime minister over July 2024 protest crackdown

(lm) The International Crimes Tribunal-1 (ICT-1)—a special domestic tribunal originally established to try crimes against humanity committed during Bangladesh's independence war—has formally indicted deposed Prime Minister Sheikh Hasina, former Home Minister Asaduzzaman Khan Kamal, and former Inspector General of Police Chowdhury Abdullah Al-Mamun in connection with the deadly crackdown on student protests during the July 2024 uprising. This is the first time the tribunal has issued charges related to political unrest rather than the 1971 Liberation War.

The defendants face five counts of crimes against humanity, including murder, torture, and other inhumane acts. Prosecutors allege that Hasina incited violence through public remarks referring to protesters as "descendants of Razakars"—a label for wartime collaborators—and issued directives that resulted in coordinated attacks by security forces. The violence reportedly killed over 1,500 people and injured at least 25,000, many permanently. [The Daily Star 1] [The Daily Star 2]

Among the accused, Mamun—who was head of the police at the time—pleaded guilty and petitioned to become a prosecution witness. The tribunal accepted his plea and granted a conditional pardon, making it the first time a defendant has turned state witness in ICT proceedings. His clemency is contingent on providing a full and truthful account of the events and

individuals involved. The tribunal ordered his segregation in prison for safety and confirmed he will be called to testify at a later stage. [The Daily Star 3]

While Kamal remains at large, Hasina is currently in India, having fled Bangladesh on August 5, 2024. Her state-appointed defense counsel rejected the charges as politically motivated, claiming there was no documentary evidence linking her to operational decisions and emphasizing that she was abroad during the crackdown. Nonetheless, the tribunal found sufficient grounds to proceed with trial preparations. Opening statements are scheduled for August 3 and 4.

Separately, it extended investigations into related violence in Tejgaon and Chattogram by two months. [The Daily Star 1] [The Daily Star 2]

Bangladesh: High Court stays proceedings against one accused in graft case involving ousted leader's niece

(lm) The High Court has stayed for three months the trial proceedings against Shah Md Khasruzzaman, one of three individuals charged in a graft case involving the alleged illegal acquisition of a flat in Dhaka's Gulshan area. The order, issued on July 8, came in response to Khasruzzaman's petition seeking to quash the case.

The case, filed by the Anti-Corruption Commission (ACC) on April 15, also names Tulip Siddiq—a former UK anti-corruption and treasury minister and niece of ousted Prime Minister Sheikh Hasina—and Sardar Mosharraf Hossain, another former legal adviser of the capital development authority RAJUK.

The ACC alleges that all three benefited from undue privileges in securing a flat from Eastern Housing Limited. While the High Court has paused proceedings only in Khasruzzaman's case, the trial against Tulip Siddiq and Mosharraf Hossain may proceed. The ACC has announced plans to challenge the stay order in the Appellate Division. [The Daily Star]

Bangladesh: High Court seeks explanation on proposal to name interim leader 'National Reformer'

(lm) The High Court has issued a rule asking relevant government authorities to explain why interim leader

and Chief Minister Muhammad Yunus should not be officially declared the "National Reformer" for his contributions to state reforms. The rule also calls for an explanation as to why the government should not publish an official list of those who died during last year's uprising and recognize them as national martyrs.

The order was issued by the High Court bench following a public interest writ petition filed in May 2025 by a member of the Dhaka Union of Journalists. [The Daily Star]

Bangladesh: Government forces retirement of 18 lower court judges citing public interest

(lm) The Bangladeshi interim government has ordered the forced retirement of 18 lower court judges, citing provisions of the 2018 Public Service Act and invoking the "public interest" clause. The decision, taken in consultation with the Supreme Court, affects judges who have served at least 25 years and was formalized through a circular issued by the Judicial Division under the Law and Justice Division.

Among those retired are 15 district and sessions judges, two additional district and sessions judges, and one joint district and sessions judge. Many were presiding over specialized tribunals such as the Women and Children Repression Prevention Tribunals, Cyber Tribunal, and Public Safety Disrupting Crimes Prevention Tribunal.

This marks the first such action since August 2024, when the government of longtime Prime Minister Sheikh Hasina was ousted. [The Daily Star]

Bangladesh: Government advances media reforms amid criticism over press access restrictions

(lm) Bangladesh's interim government has initiated a broad package of structural media reforms intended to modernize regulatory oversight and improve institutional transparency. At the same time, new measures governing journalist access to state institutions have raised questions about political control and press freedom.

On July 13, the Ministry of Information announced the formation of an 11-member Press Accreditation Committee under the "Press Accreditation Policy 2025." The committee, comprised of government officials and journalists, will oversee accreditation procedures, resolve disputes, and recommend policy amendments. Accreditation cards—necessary for access to key government venues including the Secretariat—will now be valid for three years, with distribution capped per media outlet. The move follows the cancellation of nearly 200 press cards earlier this year and additional restrictions introduced after a fire at the Secretariat in December 2024.

More broadly, the government is acting on the recommendations of the Media Reform Commission to restructure the country's media governance framework. Twelve initial measures have been adopted to strengthen institutional capacity, improve media market transparency, and reduce systemic barriers. Among the most consequential is a forthcoming ordinance to safeguard journalists' rights, signaling a potential shift in the legal foundations of press protection in Bangladesh.

The government has also initiated a full audit overhaul of newspaper circulation metrics and announced a national audience satisfaction survey in partnership with the Bangladesh Bureau of Statistics—Bangladesh's first attempt at official media audience measurement.

In a notable liberalization step, the government has proposed eliminating the mandatory use of the state-owned Bangladesh Satellite Company Limited (BSCL) for television signal transmission, potentially opening uplink and downlink access to private operators. The Bangladesh Competition Commission has also been tasked with reviewing anti-competitive practices in the media advertising sector.

Complementing these structural reforms are institutional development efforts, including curriculum revisions for media training and the establishment of a new national academy for public communication professionals. [The Daily Star 1] [The Daily Star 2]

Bangladesh: Main opposition's student wing stages protest over campus unrest, alleged political incitement

(lm) On July 14, Jatiyatabadi Chhatra Dal (JCD), the student wing of the opposition Bangladesh Nationalist Party (BNP) staged a one-hour blockade at Shahbagh

intersection, a major traffic hub in central Dhaka, to protest what it described as politically motivated incitement and disruption of the academic environment in educational institutions. [The Daily Star]

Bangladesh: Over 250 attacks on minorities reported in first half of 2025

(lm) The Bangladesh Hindu Buddhist Christian Unity Council reported 258 incidents of violence targeting religious and ethnic minorities during the first half of 2025. The council—an advocacy organization representing religious minority communities in Bangladesh—presented its data on July 10 at a press conference in Dhaka, describing a continuation of violence that intensified after the country's 2024 political transition.

The documented cases from January to June 2025 include 27 murders, 20 incidents of violence against women, 59 attacks on places of worship, 21 arrests or instances of torture linked to blasphemy allegations, and 87 assaults on homes and businesses. Further incidents involved forced occupation of property, attacks on indigenous communities, and disruption of religious ceremonies.

According to the council, these incidents—when combined with 2,184 attacks recorded between August and December 2024—bring the total number of minority-related attacks to 2,442 within the past eleven months.

The council's acting general secretary, Manindra Kumar Nath, emphasized that the figures are based on verified reports and rejected accusations of political bias. He criticized the government for excluding religious minorities—who make up roughly 10 percent of Bangladesh's population—from its reform agenda. [The Daily Star]

Bangladesh: Government clears draft agreement to host UN Human Rights office in Dhaka

(mon) The Council of Advisers has approved the final draft of a Memorandum of Understanding (MoU) to establish an office of the United Nations High Commissioner for Human Rights (OHCHR) in Dhaka for an initial three-year term. The draft has been sent to

the OHCHR headquarters in Geneva for approval. Officials said the move signals the interim government's commitment to transparency, human rights, and international cooperation following the country's political transition. The decision was taken during a meeting chaired by Chief Adviser Muhammad Yunus.

The Council also approved several other measures, including two ordinances—one to reform sports governance and another to support development initiatives in Moheshkhali. It also cleared the opening of a new consulate in Johor Bahru, Malaysia, and approved Bangladesh's accession to the Optional Protocol to the Convention against Torture (OP-CAT). The meeting additionally reviewed emergency response to ongoing flood and waterlogging in Feni and Noakhali and discussed infrastructure plans to support long-term climate resilience. [Financial Express]

Bangladesh: 17 more private banks join Universal Pension Scheme rollout

(mon) Bangladesh's National Pension Authority (NPA) signed Memorandums of Understanding (MoUs) with 17 private banks on 14 July to strengthen implementation of the country's universal pension scheme. The agreements aim to streamline registration, contribution collection, and integration of banking APIs. With this, a total of 41 banks is now partnered with the NPA, which plans to include all domestically owned banks in the initiative.

Finance Division Secretary Dr. Md. Khairuzzaman Mozumder called on banks to promote the scheme and encourage wider participation, noting that its success depends on the banking sector's proactive involvement. The scheme includes four customised programmes—Probash, Progoti, Surakkha, and Samata—designed for expatriates, private-sector workers, self-employed individuals, and low-income earners respectively.

The pension system offers a unique pension ID for each subscriber and real-time digital tracking of contributions. Additional benefits include income tax rebates, access to loans, and government co-contributions for disadvantaged groups. The MoU signing ceremony was held at the Finance Division conference room and attended by managing directors of the participating banks. [BSS News] [The Financial Express]

Bangladesh: Government intensifies crackdown on crime but rejects claims of nationwide surge

(lm) The interim government of Bangladesh has escalated its enforcement strategy through a nationwide combing operation aimed at curbing extortion, robbery, drug trafficking, and mob violence. The campaign, announced by Home Affairs Adviser Lt. Gen. (Retd) Md Jahangir Alam Chowdhury, comes amid mounting public pressure over rising street violence, viral images of vigilante attacks, and a string of high-profile killings.

Since the interim administration assumed power in August 2024, over 420,000 individuals have been arrested, with approximately 75,000 currently in prison. In the first half of 2025, official data recorded 1,930 murders, 1,336 cases of robbery or dacoity, and 89 mob-related deaths—45 of them in Dhaka alone. In July, the pace of arrests has surged to over 1,500 per day.

Despite the numbers, the government has disputed media claims of a nationwide crime surge. On July 14, the Chief Adviser's Press Wing issued a statement citing Police Headquarters (PHQ) data showing no significant rise in major crime categories between September 2024 and June 2025. Two comparative data tables—covering the past five years and the most recent ten months—were published to support this claim. While acknowledging a rise in some crimes, the government insists the situation does not constitute a generalized crime wave. [Dhaka Tribune 1] [The Daily Star 1]

Still, several recent incidents have sparked national outrage. These include the July 9 daylight killing of a scrap metal trader in Dhaka's Mitford area, a high-profile extortion attempt in Pallabi involving BDT 50 million (USD 410,000), the murder of a former Jubo Dal—the youth wing of the Bangladesh Nationalist Party (BNP)—leader in Khulna, and a machete attack on a mosque cleric in Chandpur. Widely circulated video footage of these events has intensified calls for decisive government action.

The combing operation builds on earlier drives such as "Operation Devil Hunt", launched in February following violent unrest in Gazipur. That campaign saw mass arrests, reportedly including many affiliates of the Awami League of ousted ex-Prime Minister Sheikh Hasina, and a renewed wave of detentions followed the departure of former President Abdul Hamid in

May. Officials confirm that political affiliation will not shield suspects in the current operation. [The Daily Star 2]

At a separate press briefing on July 14 in Cox's Bazar, Home Adviser Jahangir Alam Chowdhury condemned mob violence unequivocally, stating, "No one has the right to take the law into their own hands." Speaking after a coordination meeting on border security, Rohingya repatriation, and drug control, he warned of the growing societal impact of narcotics and urged the media to actively support public awareness efforts. [Dhaka Tribune 2]

Bangladesh: Armed forces' magistracy powers extended for additional 60 days

(lm) The interim government has extended the magistracy powers of commissioned officers in the Bangladesh Armed Forces for another 60 days, effective July 14, marking the fourth such extension since the fall of the Hasina government on August 5, 2024. Officers holding the rank of captain and above—including those on deputation in the Coast Guard and Border Guard Bangladesh (BGB)—will continue to serve as special executive magistrates across the country. [The Daily Star]

Bhutan: Legislative agenda focuses on India FTA renewal, economic reforms, and global partnerships

(lm) Bhutan has outlined a comprehensive legislative agenda for the 2025–2026 fiscal year, signaling a renewed focus on economic transformation, international engagement, and regulatory modernization. A key priority is the renewal of the Free Trade Agreement (FTA) with India, first signed in 1972 and set to expire in November 2025. Talks between Thimphu and New Delhi are already underway to ensure continuity of this foundational economic arrangement.

The legislative roadmap was, for the first time, included in the government's annual State of the Nation report, marking a shift toward transparency in policy planning. Other headline initiatives include the adoption of a new Foreign Direct Investment Policy and National Education Policy, along with targeted social support programs such as a Third Child Support Policy and a Home Ownership Policy.

The national budget for the 2025–2026 fiscal year totals BTN 138.5 billion (USD 1.66 billion), reflecting a 42 percent increase from the previous year. The government plans to finance this expanded budget through targeted tax reforms, including proposed amendments to the Goods and Services Tax, Excise Tax, and Income Tax laws. These measures are intended to support Bhutan's broader strategy of economic recovery and transformation through enterprise, innovation, and equity.

On the international front, Bhutan is expanding its diplomatic and trade partnerships. It has signed a new Air Services Agreement with Kuwait and concluded a Free Trade Agreement with Thailand. Diplomatic relations have recently been established with Saudi Arabia and Lesotho, while Honorary Consuls were appointed in Queensland (Australia), Kathmandu (Nepal), and three regions in the United States. The government also aims to establish diplomatic ties with Qatar, Malaysia, and the Philippines, and is planning additional agreements on air services, free trade, and double taxation—particularly to support the Gelephu Mindfulness City project.

Domestically, several key laws are under review. Amendments have been prepared for the Water Act of 2011, Mines and Minerals Management Act of 1995, Electricity Act of 2001, and Consumer Protection Act of 2012. New legislation tabled in Parliament includes the Livestock Bill 2025 and the Cooperatives and Farmers Groups Bill 2025, both aimed at enhancing sectoral productivity and community-level enterprise. [Kuensel]

Bhutan: New Competition Bill finalized to align market oversight with international standards

(lm) Bhutan's Competition and Consumer Affairs Authority (CCAA) has finalized a draft Competition Bill designed to bring the country's market regulation framework in line with international best practices. The bill aims to prohibit market dominance, combat anti-competitive practices such as collusion, and foster a level playing field for businesses. It is currently awaiting Cabinet approval before being submitted to Parliament.

The new bill addresses long-standing gaps in Bhutan's 2012 Consumer Protection Act, which has been criticized for weak enforcement mechanisms, outdated provisions, and limited deterrents against violations. The reform effort comes amid rising public concern over consumer rights and transparency, with 158

formal complaints filed in the 2024–25 fiscal year—mainly involving defective goods, non-delivery of services, and breaches of contractual terms.

While Bhutan's economy remains relatively small and state-influenced, the proposed legislation signals growing institutional maturity and regulatory ambition. Beyond dispute resolution, the CCAA conducted over 3,200 inspections in key commercial sectors and issued fines for misleading business conduct. The authority also initiated public outreach and policy research to support regulatory enforcement and stakeholder engagement. [Kuensel]

Bhutan: National energy policy opens door to private and foreign investment amid diversification push

(lm) Bhutan's new National Energy Policy 2025 outlines a decisive shift from hydropower dominance to a diversified, climate-resilient energy system. Effective since June 2025, the policy sets an ambitious target of increasing installed capacity to over 25,000 megawatts by 2040—comprising 15,000 megawatts from hydropower and 5,000 from solar, with supplementary sources including wind, geothermal, and biomass.

Facing growing seasonal deficits and climate-related risks to hydropower reliability, Bhutan is now formally inviting private and foreign investors into its energy sector for the first time. The policy introduces concession agreements, fiscal incentives, and access to green financing instruments such as climate funds and green bonds to attract capital.

The regulatory framework has been overhauled to enable transparent power purchase agreements, dynamic tariffs, and a domestic electricity trading platform. Cross-border power trade is set to expand, with Bhutan aiming to strengthen regional energy integration and participate in emerging carbon markets.

Institutional roles have been clarified to support execution, with the Department of Energy leading planning and the Electricity Regulatory Authority managing licensing and tariffs. The policy also mandates climate impact assessments and local benefit-sharing as prerequisites for project approval.

By 2040, Bhutan aims to position itself as a carbon-neutral, high-income economy fueled by a diversified and investor-friendly energy landscape. [Kuensel]

Bhutan: Annual inflation rises to 3.84 percent in May, driven by food and utilities

(lm) Bhutan's annual inflation rate reached 3.84 percent in May 2025, up from 3.27 percent over the first five months of the year, according to the latest consumer price index data. The increase was primarily driven by higher costs in both food and non-food categories, especially food and non-alcoholic beverages, which rose by 6.75 percent year-on-year. Clothing, footwear, communication, and miscellaneous goods also recorded notable annual increases, while transport costs dropped by 4.50 percent, partly offsetting the broader inflation trend.

Despite the annual rise, the month-on-month national inflation rate in May decreased by 1.51 percent, mainly due to a 2.96 percent decline in food prices. Non-food inflation increased slightly by 0.05 percent during the same period, led by a 1.49 percent rise in housing and utilities.

Bhutan's annual average national headline inflation for 2024 to date has fallen to 2.82 percent—down from 4.23 percent in 2023—suggesting a moderation in overall inflationary pressures despite the recent spike in May. [Kuensel]

Bhutan: High-resolution poverty mapping sets stage for targeted investment and policy reform

(lm) A new poverty mapping report jointly released by Bhutan's National Statistics Bureau and the World Bank reveals deep socioeconomic disparities across Bhutan, with rural areas and specific sub-districts (gewogs) facing significantly higher levels of poverty than previously captured in national-level data. The report uses refined small-area estimation methods based on the Bhutan Living Standards Survey 2022 and the 2017 national census, allowing policymakers to identify poverty concentrations down to the gewog and town level.

While Bhutan's national poverty rate stood at 12.4 percent in 2022—and food poverty remained low at 0.4 percent—the rural-urban divide remains pronounced. Some rural gewogs such as Kengkhar in Mongar and Bardo in Zhemgang, report poverty rates exceeding 45 percent. In contrast, urbanized and

economically stronger regions like Thimphu, Bhutan's capital and largest city, and Punakha, a historic administrative center and former capital, report poverty rates well below 1 percent.

This granular data is particularly relevant as Bhutan moves forward with its 13th Five-Year Plan (2024–2029)—the country's current national development strategy, which aims to accelerate inclusive and equitable economic growth. Officials have indicated that the new poverty maps will guide resource allocation within the plan, ensuring that infrastructure investments and social interventions reach the most disadvantaged communities. [Kuensel]

Bhutan: Complaints grow over rejected stimulus loans as transparency of implementation questioned

(lm) Growing frustration has emerged among applicants to Bhutan's Economic Stimulus Programme (ESP), particularly regarding the high rejection rate of concessional loans meant to support post-pandemic recovery. The ESP, launched in May 2024 with support from the Government of India and a total funding envelope of BTN 15 billion (USD 180 million), offers two main financing channels. One provides collateral-free loans at a 4 percent interest rate, while the other subsidizes interest for distressed businesses.

As of May 2025, Bhutan Development Bank Limited (BDBL), the sole financial institution managing Window-I of the program, had approved only BTN 1.67 billion (USD 20 million) out of 3,969 applications totaling BTN 11.5 billion (USD 138 million). Nearly one-third of all applications were rejected, prompting accusations of opaque criteria, favoritism, and inconsistent enforcement of loan guidelines.

Some applicants allege that loans are awarded to newcomers linked to political elites, while long-established businesses are rejected without sufficient explanation. Others report that collateral was informally requested despite not being part of the official guidelines. Complaints also include poor communication and protracted processing times—some cases reportedly pending for up to a year.

BDBL defended its loan review process, citing financial viability and compliance with agreed technical criteria as core evaluation principles. Common rejection grounds include low credit scores, non-performing loan histories, lack of financial clarity, missing documentation, and ineligibility under ESP sector

definitions. The bank's chief executive stressed the need to safeguard public funds by directing support only to sustainable ventures. [Kuensel]

Bhutan: Key airport project launched as cornerstone of regional transformation and strategic connectivity

(lm) Bhutan has begun construction of the Gelephu International Airport (GIA), a central infrastructure project within the country's long-term strategy to position its southern Gelephu region as a hub for sustainable economic development, foreign investment, and cross-border connectivity. The airport is the first major implementation phase of the Gelephu Mindfulness City initiative, which aims to attract global interest through a development model grounded in ecological sustainability and cultural values.

Construction is scheduled to proceed in stages, with land works and river diversion starting in 2025, core infrastructure beginning in 2026, and commissioning expected in late 2029. From a geopolitical and economic perspective, the airport is expected to anchor Bhutan's transition from a landlocked Himalayan state into a more globally integrated economy. It will strengthen regional connectivity with India and Southeast Asia, enhance the feasibility of cross-border trade corridors, and support the diversification of Bhutan's hydropower-dependent economy. The project also aligns with Bhutan's broader push to develop climate-resilient infrastructure and attract green finance and foreign direct investment.

In a public address, King Jigme Khesar Namgyel Wangchuck underscored the airport's strategic and symbolic value, framing it as a generational investment in national resilience and a deliberate step toward outward engagement. [Kuensel 1] [Kuensel 2]

(lm) Fewer crimes were recorded in Bhutan in 2024, but the seriousness of those that occurred has increased, according to the Royal Bhutan Police's Statistical Yearbook. A total of 2,476 criminal incidents were reported—down 5.3 percent from 2023 and the lowest figure in five years. However, the Crime Severity Index (CSI), which measures both frequency and seriousness, indicated a worrying rise in offense gravity. While the CSI dropped slightly to 106 in 2024, it remained 6 percent higher than the 2020 baseline, reflecting more serious crimes overall.

The apparent decline in total cases is partly due to changes in statistical classification: only substance abuse cases that proceed to court are now counted as crimes, with early-stage cases diverted to counseling. Still, substance-related arrests—including drug trafficking and use by minors—made up over 57 percent of all 2024 arrests. Battery cases followed as the second most common reason for arrest, underscoring persistent interpersonal violence.

Chhukha and Paro districts recorded the most severe crimes, while Sarpang had the highest crime rate relative to population. Common offenses included battery (912 cases), larceny (255), illicit drug trafficking (248), and burglary (201). In total, 5,743 individuals were arrested, including 103 non-Bhutanese nationals. [Kuensel]

India: Supreme Court allows electoral roll revision in Bihar

(kb) India's Supreme Court has permitted the Election Commission of India (ECI) to proceed with a Special Intensive Revision (SIR) of electoral rolls in Bihar ahead of upcoming state elections. Bihar, one of India's poorest and most populous states, located in the eastern part of the country, is politically significant and often seen as a bellwether in national politics. The move—presented as a routine clean-up to remove ineligible voters and include new ones—has triggered significant legal and political debate, raising concerns over disenfranchisement, constitutional overreach, and the politicization of electoral procedures.

The ECI launched the SIR on June 24, citing powers under Article 324 of the Constitution and the Representation of the People Act. It argued the revision is necessary to maintain the integrity of voter rolls amid rapid urban migration, underreporting of deaths, and the inclusion of ineligible individuals, including undocumented immigrants. The last such revision in Bihar was in 2003.

However, civil society groups, political leaders, and rights advocates have petitioned the Supreme Court, arguing the process violates constitutional guarantees under Articles 14 (equality), 19 (freedom), and 21 (due process). They contend that the documentation demands—excluding widely used identity proofs like Aadhaar and ration cards—disproportionately burden the poor, rural migrants, and minorities. The timeline is also seen as impractical given monsoon flooding and labor migration, potentially excluding millions.

While the Court declined to stay the SIR, it emphasized that citizenship verification falls under the Ministry of Home Affairs, not the ECI. The bench questioned why the exercise is limited to Bihar, noting that such roll revisions should not appear politically timed. It also urged the ECI to accept Aadhaar (a 12-digit biometric identity number issued by the Indian government), ration cards, and voter IDs as valid documentation—covering the majority of affected voters. The ECI has confirmed that Aadhaar-linked voter ID numbers are pre-printed on enumeration forms, but maintained Aadhaar is not proof of citizenship.

The final revised electoral rolls are due on August 1. The Court has set the next hearing for July 28 and ordered both sides to submit updated arguments. [Supreme Court Observer] [The Times of India] [India Today] [News on AIR]

India: President appoints new Governors for Haryana, Goa, and Lieutenant Governor for Ladakh

(lm) On July 14, Indian President Droupadi Murmu appointed new Governors for the states of Haryana and Goa, and a new Lieutenant Governor for the union territory of Ladakh. The reshuffle comes amid renewed political agitation in Ladakh.

Kavinder Gupta was appointed as the new Lieutenant Governor of Ladakh, replacing Brigadier (Ret.) B.D. Mishra, whose resignation was accepted. The Lieutenant Governor serves as the central government's representative in a union territory and holds both executive and administrative powers, unlike state governors who primarily serve a ceremonial role under a state government led by an elected chief minister.

Gupta's appointment follows the announcement of fresh protests by the Ladakh Apex Body—a coalition of civil society groups and political representatives advocating for Ladakh's statehood and constitutional safeguards, including Sixth Schedule protections for tribal rights and land ownership.

In the same announcement, Pusapati Ashok Gajapathi Raju—a former Union Civil Aviation Minister—was named Governor of Goa, and Professor Ashim Kumar Ghosh was appointed Governor of Haryana. [The Hindu]

India: Government nominates former foreign secretary, 26/11 prosecutor, and two others to upper house

(lm) India's President has nominated four individuals to the Rajya Sabha, the upper house of Parliament, under Article 80 of the Constitution, which allows for the appointment of members with distinguished contributions in fields like literature, science, art, or social service. The nominees are former Foreign Secretary Harsh Vardhan Shringla, public prosecutor Ujjwal Nikam, historian Meenakshi Jain, and ruling Bharatiya Janata Party (BJP) leader C. Sadanandan Master.

Shringla, a former diplomat who served as India's Foreign Secretary from 2020 to 2022 and coordinated the country's G20 presidency, was also ambassador to the United States, Bangladesh, and Thailand. His nomination reflects his longstanding role in shaping Indian foreign policy and advancing strategic partnerships.

Nikam is a veteran criminal lawyer best known for prosecuting Ajmal Kasab, the lone surviving gunman from the 2008 Mumbai attacks. He has also led prosecutions in other high-profile cases, including the 1993 Bombay blasts and the 2006 Khairlanji massacre. Nikam briefly entered electoral politics in 2024 but returned to his legal role following a parliamentary defeat.

Historian Meenakshi Jain taught history for over 30 years and served on the Indian Council of Historical Research. She authored a revised NCERT textbook on medieval Indian history—part of India's standardized school curriculum—during the Vajpayee administration, led by former Prime Minister Atal Bihari Vajpayee (1998–2004), who was known for his Hindu nationalist orientation and emphasis on historical reinterpretation. Jain was awarded the Padma Shri, India's fourth-highest civilian honor, in 2020 in recognition of her contributions to historical scholarship. Her work focuses on ideological interpretations of Indian history, including the Ayodhya dispute.

Sadanandan Master, the only full-time politician among the nominees, is a senior BJP figure from Kerala and a survivor of political violence in Kannur. In 1994, he lost both legs in an attack attributed to rival party cadres. He later returned to teaching and has remained active in the Rashtriya Swayamsevak Sangh's (RSS) ideological and intellectual networks. His nomination underscores the BJP's emphasis on

ideological resilience and grassroots commitment. [The Indian Express]

India: Main opposition party convenes strategy meeting ahead of Monsoon session

(lm) Sonia Gandhi, the Parliamentary Party leader and widely recognized matriarch of the main opposition Indian National Congress (INC), has called a key strategy meeting on July 15 to finalize the party's stance for the upcoming Monsoon session of India's Parliament, which begins July 21 and now runs through August 21—a week longer than initially scheduled. The extension signals the government's intent to advance a heavy legislative agenda, including opening the nuclear sector to private investment through amendments to the Civil Liability for Nuclear Damage Act and the Atomic Energy Act.

The INC and other opposition parties plan to push for debate on several contentious issues, including the April 22 terrorist attack in Indian-administered Kashmir, the subsequent Indian military response—Operation Sindoor, a cross-border airstrike targeting militant camps in Pakistan-administered territory—and the government's diplomatic handling of these developments. They are also expected to demand clarification regarding former U.S. President Donald Trump's recent claims that he mediated between India and Pakistan to avert a nuclear conflict—claims the Indian government has firmly denied.

Additionally, the opposition is voicing concern over the Election Commission's Special Intensive Revision of electoral rolls in Bihar, warning it could raise questions of electoral fairness ahead of upcoming polls. [The Indian Express]

India: Ruling Hindu-nationalist party unlikely to elect new party chief ahead of Parliament monsoon session

(kb) India's ruling Bharatiya Janata Party (BJP) is unlikely to appoint a new party president before the Monsoon Session of Parliament begins on July 21, according to senior party officials involved in the ongoing organizational elections. The delay stems from unfinished internal polls in several key states—including Uttar Pradesh, Gujarat, Karnataka, and Haryana—where the party holds significant power.

According to BJP rules, internal elections must be held in at least 19 states before a national president can be selected. While polls have concluded in 27 states overall, some crucial regional processes remain incomplete.

The party's current president, J.P. Nadda, has already received two term extensions. Although recent weeks saw an accelerated pace of district- and booth-level elections—spanning more than 15,000 district units and 7.5 million polling booths—the final stages are still pending in politically strategic regions. The selection of a new party head ultimately depends on an electoral college made up of state and national council members, following strict internal thresholds at various organizational levels.

As the BJP prepares for the Monsoon Session, senior leaders including Union Home Minister Amit Shah convened at J.P. Nadda's residence in New Delhi for pre-session deliberations. The meeting's agenda was not disclosed. Meanwhile, the central government has scheduled an all-party meeting for July 19 to coordinate legislative priorities ahead of the session. [Deccan Herald] [ANI News]

India: Kerala seeks withdrawal of case against Governor after court ruling sets timeline for action on state bills

(lm) Kerala, a southern Indian state with a history of strong regional identity and frequent constitutional disputes with the central (union) government, has requested the Supreme Court to allow withdrawal of its earlier petitions against the state's Governor for delaying assent to legislative bills. The request, submitted on July 14, follows a recent Supreme Court ruling that Kerala argues resolves the issue.

Kerala's counsel cited the court's April 8 judgment in a case involving the Tamil Nadu Governor, which set a binding timeline of no more than three months for Governors and the President to act on pending state legislation. Kerala contends that this ruling renders its own challenge against the Governor's delay legally irrelevant, or infructuous.

The central government objected to the withdrawal, pointing to a pending Presidential Reference seeking clarification of the April 8 judgment. India's Attorney General and Solicitor General urged that Kerala's petitions be kept open until the reference is addressed by a larger bench of the court.

Justice P.S. Narasimha, who presided over the hearing, remarked that a state is entitled to withdraw its petition. However, the case was scheduled for further hearing within two weeks due to continuing disagreement between Kerala and the central government. [The Hindu]

India: Court reserves decision on alleged property transfer and money laundering case involving senior opposition leaders

(lm) A Delhi court on July 14 reserved its decision on whether to take cognizance of a charge sheet filed by the Enforcement Directorate (ED) in a high-profile money laundering case concerning the alleged fraudulent acquisition of real estate assets formerly held by the National Herald, a historic media outlet. The matter is scheduled for further hearing on July 29.

The ED has accused senior Indian National Congress (INC) leaders Sonia Gandhi and Rahul Gandhi, along with close associates, of conspiracy and money laundering in relation to the transfer of approximately INR 20 billion (USD 240 million) worth of properties owned by Associated Journals Limited (AJL). AJL published the National Herald, a legacy newspaper founded during India's independence movement as the voice of the INC.

According to the charge sheet, the accused used the company Young Indian—in which Sonia and Rahul Gandhi allegedly held a 76 percent stake—to acquire AJL's assets in return for a loan of INR 900 million (USD 10.8 million). The charge sheet also names Dotex Merchandise Pvt Ltd as being involved in the transaction. [The Hindu]

India: Kerala state demands USD 1.1 billion from Swiss shipping giant over oil spill

(lm) The government of Kerala, a southern Indian state, has filed a lawsuit seeking USD 1.1 billion in compensation from Mediterranean Shipping Company (MSC), a Switzerland-based global shipping conglomerate, following a major environmental incident in May.

The case centers on the MSC ELSA3, a Liberia-flagged container vessel that capsized while traveling from Vizhinjam to Kochi, leaking fuel and releasing cargo—

including hazardous materials—into the Arabian Sea. Kerala's High Court has ordered the arrest and detention of another MSC ship anchored at Vizhinjam Port until MSC provides securities covering the claim.

Kerala's filing states the spill caused widespread pollution, severely damaging the marine ecosystem, fisheries, and coastal public health. As a precaution, local fishing was suspended, and financial and food relief was provided to more than 100,000 affected families.

India's central government earlier confirmed that MSC had hired a marine services firm to manage cleanup operations. [Reuters]

India: Government reaches 50 percent non-fossil power capacity five years ahead of target

(kb) India has reached a major milestone in its energy transition, announcing that non-fossil fuel sources now account for 50 percent of its installed electricity capacity—five years ahead of its 2030 target under the Paris Agreement. The announcement reflects a broader acceleration in India's decarbonization trajectory, driven by recent surges in solar and wind deployment and strategic diversification into hydro, nuclear, and emerging technologies such as green hydrogen and battery storage.

As of June 2025, India's total installed capacity stands at 484.8 gigawatts (GW), with 234 GW from renewable energy—including large hydropower—and 8.7 GW from nuclear. This transformation has been underpinned by policy shifts prioritizing energy security, supply chain circularity, and infrastructure resilience, even as the country missed its earlier 2022 renewable capacity target of 175 GW.

However, the transition remains dual-tracked. While coal-fired generation fell by nearly 3 percent in the first half of 2025, fossil fuels still supplied most of the year-on-year increase in overall electricity production. The government continues to plan an expansion of coal-fired capacity by 80 GW by 2032 to meet rising demand, particularly from industry and urban centers. [The Times of India] [Reuters]

India: Starlink secures final approval to launch satellite internet services

(lm) India's space regulator has granted final approval to Elon Musk's Starlink, clearing the way for the company to launch commercial satellite internet services in one of the world's largest and underserved connectivity markets. The five-year operating license from the Indian National Space Promotion and Authorization Center (IN-SPACe) follows earlier approval from India's telecom ministry and removes the last major regulatory barrier for Starlink's entry.

Starlink becomes the third operator, alongside Eutelsat's OneWeb and Reliance Jio, to receive clearance to offer satellite-based connectivity in India. The firm must now secure spectrum, build local infrastructure, and demonstrate compliance with national security and technical regulations.

Of strategic interest is the policy shift underpinning this approval: India opted for administratively allocated spectrum rather than auctions, aligning with Starlink's stance and diverging from previous telecom models. This decision may set precedent for how India regulates satellite communications, impacting global operators eyeing expansion in emerging markets. [Reuters]

India: 23 Maoists, including senior guerrilla commanders, surrender in Chhattisgarh state

(lm) 23 Maoists surrendered to local police in India's Chhattisgarh state on July 12, including senior members of the armed wing of the Communist Party of India (Maoist), known as the People's Liberation Guerrilla Army (PLGA). Among them were eight cadres from PLGA's elite Battalion 1 and two high-ranking figures: a divisional committee member and the personal guard commander of top Maoist leader Madvi Hidma. None surrendered with weapons.

The group, collectively carrying rewards amounting to INR 11.8 million (USD 142,000), had reportedly participated in numerous attacks on security personnel and civilians in the Bastar region. The state government attributed the mass surrender to factors such as increased police presence in remote areas, the perceived disillusionment with the Maoist movement, and new rehabilitation initiatives, including monetary support and vocational training.

Chhattisgarh, located in central India, is a major center of the decades-long Maoist insurgency, also known as the Naxalite movement—a left-wing armed rebellion rooted in land, tribal, and socio-economic grievances.

Sukma district in southern Chhattisgarh is among the most conflict-affected areas. Since 2024, more than 1,450 Maoists have reportedly surrendered across the state amid intensified counter-insurgency efforts. [The Indian Express]

Maldives: Ruling party MP sparks debate by citing power to extend presidential term to 50 years

(lm) During a parliamentary debate on a proposed law to formalize public referendums, ruling People's National Congress (PNC) lawmaker Abdulla Rifau stated that the party's supermajority in the Maldives Parliament could, in theory, extend the presidential term to 50 years if it wished. Rifau framed the remark as evidence that the government is not abusing its constitutional dominance, but instead choosing to delegate authority to the public through referendum mechanisms.

The statement was made during July 9's debate on a government-backed bill sponsored by PNC parliamentary group leader Ibrahim Falah. The bill seeks to establish a legal framework for holding referendums on matters of national importance, including amendments to presidential and parliamentary terms, electoral processes, constitutional rights, and territorial changes.

Rifau emphasized that PNC's control of 75 out of 93 seats would allow for sweeping constitutional changes, but argued that President Mohamed Muizzu's administration is instead prioritizing citizen empowerment. He pointed to a provision in the bill that would prohibit changes to fundamental constitutional rights without public approval.

The bill was accepted for committee review with 64 votes in favor and none against. If enacted, it would require referendums to be held within 45 to 90 days of proposal and would expand the Elections Commission's mandate to oversee the process. [The Sun]

Maldives: Government moves to overhaul intellectual property framework

(lm) The Maldivian government has initiated a comprehensive legislative effort to establish a national framework for intellectual property (IP) protection and

enforcement. Central to this effort is the Maldives Intellectual Property Office Bill, which seeks to create a new state-run Intellectual Property Office under the Ministry of Economic Development. This office would oversee registration, awareness, international cooperation, and enforcement related to trademarks, copyrights, patents, industrial designs, and geographical indications.

However, the bill has sparked criticism from the opposition Maldivian Democratic Party (MDP), which argues that the office should be independent to avoid political interference. MDP lawmakers warned that placing the office under the full control of the Economic Minister—including authority over staffing, appointments, and resource allocation—undermines its credibility. They also questioned the ministry's capacity to implement the initiative given the Maldives' fiscal constraints and ongoing economic challenges. [The Sun 1] [The Sun 2]

The proposal coincides with the introduction of a new Trademark Bill, which outlines a regulatory regime for trademark registration and enforcement. The bill would allow trademark registration for a 10-year period, renewable once, and defines infringement as including counterfeiting, unauthorized use, sale, or possession of counterfeit goods. Violations would result in fines ranging from MVR 1 million to MVR 2 million (USD 65,000 to USD 130,000) and empower courts to issue interim protective orders.

Proponents of the trademark bill argued that while the measure is vital, it is insufficient on its own to protect local brands and products such as Kandoodhoo chili, which are being reproduced abroad without legal recourse. They called for complementary legislation on patents, industrial designs, and trade secrets to address broader gaps in the legal framework. Concerns were also raised about the lack of enforcement of existing IP-related laws, with the Consumer Protection Act cited as a key example. [The Sun 3] [The Sun 4]

Maldives: Government resumes social housing and land transfers amid legal backlash and political scrutiny

(lm) The Maldivian government is pressing ahead with the implementation of two key housing initiatives —'Gedhoruveriya' and 'Binveriya'—despite mounting legal, political, and public challenges stemming from procedural revisions and accusations of irregularities.

Under the 'Gedhoruveriya' housing scheme, the Ministry of Housing has announced that signing ceremonies for 4,000 completed flats in Hulhumalé Phase II will begin next week, with the handover scheduled within the month. These high-rise units had faced administrative delays following allegations by the Anti-Corruption Commission (ACC) that the former government manipulated the beneficiary list to favor select individuals. A revised list published by the current administration reduced the number of eligible recipients from over 4,000 to 1,820, disqualifying 53 percent of those originally approved.

The second initiative, the 'Binveriya' land distribution scheme on the artificial island of Gulhifalhu, has been even more politically fraught. Originally launched under the Maldivian Democratic Party (MDP) administration, the scheme required recipients to relinquish claims to plots under 600 square feet in the Malé region. However, the current administration introduced a revised interpretation of the law that would disqualify any recipient owning land anywhere in the Maldives. Officials claimed this change was needed to comply with Article 11 of the Land Act, which restricts multiple state-provided land benefits.

Facing mounting backlash, including legal threats from the Gulhifalhu Rayyithunge Association and public warnings from former Chief Justice Ahmed Abdulla Didi, the government reversed its decision to modify the original land contracts. It now plans to retain the original agreements and issue supplemental documents solely reflecting changes to plot allocations after a revised land-use plan. Still, critics argue that the pressure on recipients to sign updated agreements constitutes coercion. The MDP even submitted an emergency motion in Parliament accusing the government of acting unlawfully, although the motion was rejected.

Despite the legal uncertainties, the Housing Ministry resumed issuing land registries last week and continues to process documentation from a temporary facility established in a building damaged by a 2023 fire. The ministry has defended its actions by citing the urgent need to complete transfers, especially as some recipients have already begun construction on their plots. [The Sun 1] [The Sun 2] [The Sun 3] [The Sun 4] [The Sun 5]

Maldives: Eight candidates apply to represent public on Judicial Service Commission

(lm) (lm) Judicial developments in the Maldives continue to attract scrutiny amid concerns over the politicization of judicial institutions.

On July 10, the Judicial Service Commission (JSC) opened applications for two vacant judgeships at the High Court, following the appointments of Chief Judge Hussain Shaheed and Judge Mohamed Saleem to the Supreme Court. These appointments come in the wake of the controversial removal of Justices Dr. Azmiralda Zahir and Mahaz Ali Zahir, and the resignation of Justice Husnu Al-Suood, which critics have linked to efforts by the ruling People's National Congress (PNC) to consolidate influence over the judiciary.

The dismissed justices had been overseeing a constitutional case challenging PNC-driven amendments introducing anti-defection clauses. Their suspension, issued by the JSC less than an hour before a Supreme Court hearing on the matter, coincided with a legislative push by the PNC to reduce the number of Supreme Court justices from seven to five—a bill that was later withdrawn following public backlash. Justice Suood resigned in protest, while Azmiralda and Mahaz were later accused of misconduct for allegedly influencing the Criminal Court in connection with Azmiralda's husband's arrest. Testimony, however, indicated that the contact occurred after his release.

Adding to the controversy, a key witness in the case—then-assistant registrar Hussain Mohamed Haneef—was recently appointed to a senior position at the state-run Fenaka Corporation. President Mohamed Muizzu has denied claims that the reshuffle undermines judicial independence, attributing the developments to "coincidences." Nonetheless, multiple international legal bodies issued an open letter on June 4 urging the president to suspend the dismissals, citing procedural concerns.

Meanwhile, attention has also turned to the Judicial Service Commission itself, as eight individuals have applied to serve as its public representative. The term of the current public member, Dr. Aminath Ummu Kulsoom, is set to expire in August. The JSC is a constitutionally mandated body tasked with judicial appointments, promotions, and disciplinary proceedings. Its composition includes representatives from the three branches of government, the Attorney General, the legal profession, and one public member—nominated through an open call and confirmed by Parliament. [The Sun 1] [The Sun 2]

Maldives: Parliament rejects emergency motion on repeated disruptions at key health facility

(lm) Parliament has rejected an emergency motion by the opposition seeking to address repeated service disruptions at Hulhumale' Hospital, a key public healthcare facility serving the largest residential population outside Malé. The motion was defeated in a 37–10 vote, with the ruling People's National Congress (PNC), which holds a supermajority, voting against it.

The motion followed recent disruptions at the hospital, including a technical failure that halted services for an hour on July 8 and a power outage on June 27 that forced outpatient services to relocate and caused a six-hour delay in resuming normal operations.

The opposition argued that the state is failing in its duty to provide reliable and quality public healthcare, noting that Hulhumale' Hospital serves over 15,000 patients monthly, with more than 330 requiring hospitalization. Key concerns include inadequate staffing, suspension of overtime pay, lack of specialists such as interventional cardiologists and neurologists, and insufficient resources to meet rising demand. [The Sun]

Maldives: Lawmakers allege police interference in cigarette smuggling case involving major fuel importer

(lm) (lm) A high-profile cigarette smuggling case in the Maldives involving The Hawks, one of the country's leading fuel importers and distributors, has drawn intensified scrutiny after the Parliamentary Committee on National Security Services (241 Committee) accused Police Commissioner Ismail Naveen of interfering with the investigation. The committee alleges that Naveen visited the residence of the company's shareholders during the active probe, raising concerns over potential influence and political proximity.

The case centers on the discovery of 200 cartons of Manchester-brand cigarettes smuggled aboard a Hawks-operated vessel, seized by Maldives Customs at the company's boatyard in K. Thilafushi on October 25, 2024. Although The Hawks denied any corporate involvement and stated it had suspended the implicated employees, the company remains under investigation under the Maldives Customs Act and the Anti-Money Laundering and Terrorism Financing Act.

The Prosecutor General's Office (PGO) announced that, as of May 8, charges had been filed against three individuals for smuggling goods into the Maldives. Thirteen other suspects, including 11 Indian and two Bangladeshi nationals, admitted guilt and entered into plea agreements on May 4. However, the PGO refrained from charging The Hawks or shareholder Ismail Adam due to insufficient evidence, while noting that the statute of limitations remains open should new evidence arise.

During a July 9 committee session, Deputy Speaker Ahmed Nazim and other lawmakers criticized enforcement and prosecution authorities for delays in pursuing the case, particularly the lack of progress on initiating a money laundering probe. They also pointed to longstanding institutional awareness: Maldives Customs had reportedly been aware of illicit activities involving The Hawks for at least two years. Additional concerns included the vessel's deactivation of its automatic identification system (AIS) for 24 hours, as well as inaccurate investigative timelines provided to Parliament.

The committee also flagged visits by the transport minister and ministry officials to The Hawks' Thilafushi facility during the investigation period as inappropriate.

Maldives has recently experienced a rise in cigarette smuggling, attributed to the government's doubling of import duties on tobacco products. [The Sun 1] [The Sun 2]

Maldives: Anti-corruption commission seeks more funds during closed-door parliamentary session

(lm) On July 9, Maldives' Parliament held a closed-door meeting between the Public Accounts Committee and senior officials of the Anti-Corruption Commission (ACC), sparking criticism over transparency. The session, requested by the ACC to discuss challenges in completing investigations, was closed to the press following a motion by two ruling People's National Congress (PNC) lawmakers. No explanation was offered for the decision.

According to a committee member who spoke anonymously, the ACC used the meeting to request additional funding to establish a new department for investigating serious fraud. The exact amount sought remains undisclosed.

This funding request comes amid mounting pressure on the ACC for its limited performance in recovering stolen public assets, despite receiving substantial annual allocations: MVR 50 million (USD 3.25 million) in 2023, MVR 47 million (USD 3.06 million) in 2024, and MVR 50 million (USD 3.25 million) for 2025. Critics, including some within Parliament, have questioned whether the results justify the spending.

According to the ACC's 2024 annual report, it decided to recover MVR 74 million (USD 4.81 million) in 15 corruption cases, but only MVR 234,531 (USD 15,244) was actually recovered across five cases. The proposed serious fraud unit is seen as an effort to boost investigative capacity and address growing concerns about the ACC's effectiveness. [The Sun 1] [The Sun 2]

Maldives: Digital portal project by Transport Ministry faces opposition scrutiny

(lm) The Ministry of Transport has contracted a local private company to develop a new digital portal integrating all its services under a single platform, part of the government's broader 'Maldives 2.0' vision to fully digitalize public service delivery. Transport Minister Mohamed Ameen stated that the decision to outsource the project was due to the absence of a functioning IT department within the ministry. He also criticized the previous administration's portal as insecure and vulnerable to misuse, attributing past cases of corruption to its weaknesses. He emphasized that the new system includes enhanced data protection measures, including backup storage with the police.

However, the move has drawn scrutiny from the opposition, which has called for a parliamentary investigation into the contract. Critics argue that delegating control of a portal managing sensitive citizen and government data to a private company undermines state digital governance policies. They point to a cabinet-endorsed framework approved in February 2025, which mandates that core government digital services be delivered through centralized, state-operated platforms like 'OneGov' and 'e-Faas.'

Concerns also stem from the Transport Ministry's prior controversies involving digital systems, including the manipulation of backend infrastructure to issue unauthorized domain certificates under the previous administration—a practice that was halted and later resumed with new safeguards. [The Sun 1] [The Sun 2]

Maldives: Senior official at state utility dismissed over land corruption scandal

(lm) Mohamed Fazeel Rasheed, Deputy Managing Director of the state-run Male' Water and Sewerage Company (MWSC), has been dismissed following a six-month paid suspension over allegations of corruption in the allocation of land under the 'Binveriya' housing scheme.

Fazeel, the brother of former Housing Development Corporation (HDC) chief Ibrahim Fazul Rasheed, was suspended in December 2024 after leaked documents showed he received a land plot in Hulhumale' despite being listed as ineligible. The final recipient list from August 2023 showed he had already benefited from a separate public housing program. However, a land registry certificate signed by a senior Housing Ministry official in September 2023 indicated he was granted a plot nonetheless.

The Housing Ministry later confirmed that the disputed plots had not been formally allocated and that multiple individuals had laid claim to the same plots. MWSC defended the extended paid suspension by citing legal constraints on unpaid leave and said Fazeel was given time to respond to the charges. Fazul, also suspended over the case, subsequently resigned, denying wrongdoing and calling the situation a coincidence. [The Sun 1] [The Sun 2]

Maldives: Former head of state utility firm charged over irregular USD 730,000 ice plant purchase

(lm) Ahmed Saeed, the former managing director of Fenaka Corporation—a state-owned utility overseeing electricity, water, and sanitation services across the Maldives—has been charged with abuse of official authority in a high-profile corruption case involving the procurement of an ice plant on the island of Maamendhoo in Laamu Atoll.

According to the Prosecutor General's Office, Saeed authorized the purchase of an existing ice plant from private company Kaizaan Investment Pvt Ltd for MVR 11,251,946 (USD 731,377) despite Fenaka's original plan to construct the facility itself. The company's internal assessment had deemed the project financially unviable, and the purchase was reportedly approved without review by the Tender Evaluation

Committee. Saeed also failed to disclose the original development plan when the decision was formalized during a board meeting on September 7, 2023. The purchase agreement was signed the same day.

The charge, filed on May 20, carries a potential prison sentence of one year, seven months, and six days. The case is part of a broader series of anti-corruption investigations launched under the current administration targeting former officials from President Ibrahim Mohamed Solih's government. Saeed and other senior Fenaka personnel have been subject to multiple probes by the Anti-Corruption Commission. [The Sun 1] [The Sun 2]

Maldives: Parliament urges tourism promotion agency to cut costs and reduce reliance on state funding

(lm) Parliament has unanimously recommended that the Maldives Marketing and Public Relations Corporation (MMPRC), the national tourism promotion agency, take immediate steps to cut costs and boost revenue to avoid insolvency and reduce its dependency on government funding. The recommendation follows a report by the State-Owned Enterprises (SOE) Committee reviewing MMPRC and the Maldives Integrated Tourism Development Corporation (MITDC).

The committee found that MMPRC, which is responsible for promoting tourism—the Maldives' primary economic sector—has not turned a profit since 2020 and is operating without sufficient funds to sustain its campaigns. It warned that the agency is at risk of bankruptcy, largely due to MVR 203 million (USD 13.2 million) in accumulated losses under the previous administration.

The MMPRC had previously been at the center of a major corruption scandal under former President Abdulla Yameen Abdul Gayoom's administration, involving the misappropriation of state funds. Currently running 25 campaigns, MMPRC's most expensive project is a multi-year partnership with English football club Liverpool FC, costing MVR 20.6 million (USD 1.34 million) and scheduled to run until May 2028. It also spent MVR 17.6 million (USD 1.14 million) on its participation in the 2024 Arabian Travel Market in Dubai. [The Sun]

Maldives: President seeks to extend term of Children's Ombudsperson

(lm) President Mohamed Muizzu has submitted a request to Parliament to extend the term of Niumath Shafeeg as Children's Ombudsperson for another five years. The role, established under Article 113 of the Child Rights Protection Act of 2019, is responsible for monitoring children's welfare and ensuring government compliance with the Act's provisions. Niumath, whose current term expires on July 23, has held the position since 2020. Parliament has referred the matter to the Human Rights and Gender Committee for further review. [The Sun]

Maldives: Fatwa Council rules Hajj Corporation liable for Zakat on advance pilgrimage payments

(lm) The Supreme Council for Fatwa—Maldives' highest Islamic legal authority—has ruled that the Maldives Hajj Corporation is responsible for paying Zakat al-Mal (obligatory annual alms) on funds collected in advance from citizens for the Hajj pilgrimage. The Hajj is the mandatory Islamic pilgrimage to Mecca that all Muslims must undertake once in their lifetime if financially and physically able.

The ruling addresses longstanding debate over whether individuals or the Corporation must pay Zakat, since many Maldivians make substantial prepayments years in advance to enter the queue for a limited number of pilgrimage slots. Based on internal research and information from the Hajj Corporation, the Council concluded that responsibility lies with the Corporation, as it holds and manages the funds.

In the Maldives, Zakat al-Mal is calculated based on the Nisaab—a minimum wealth threshold determined by the price of silver—which currently stands at MVR 9,264.15 (USD 602.17). According to the Islamic Ministry, a record MVR 101.94 million (USD 6.63 million) in Zakat al-Mal was collected nationwide last year. [The Sun]

Maldives: Central bank criticized as black market USD rate hits MVR 20 amid rising inflation concerns

(lm) The black market rate for the U.S. dollar in the Maldives has surged to MVR 20 (USD 1.30), prompting

criticism of the Maldives Monetary Authority (MMA) and its governor, Ahmed Munawar, for remaining silent amid escalating currency pressure and inflation fears. The official rate remains fixed at MVR 15.42 (USD 1.00), but limited availability of U.S. dollars through formal banking channels has driven individuals and businesses toward informal exchange markets—even for essential imports.

The spike follows weeks of fluctuation above MVR 19 and marks a steep depreciation of the local currency. During a recent parliamentary debate, opposition lawmakers linked the dollar shortage to broader economic mismanagement, arguing that establishing new state institutions—such as the proposed Intellectual Property Office—was ill-timed given the worsening fiscal climate. The lawmakers warned that the soaring dollar rate would drive up the cost of living, particularly for basic services like electricity and water, and diminish purchasing power.

Critics have also pointed to the sharp drop in business profit tax revenues—down MVR 680 million (USD 44 million) this year—as an indicator of waning economic momentum. Former President Abdulla Yameen blamed the MMA governor, who previously served as his finance minister, for the deteriorating currency situation.

Despite earlier government pledges—including assurances from President Mohamed Muizzu and Economic Minister Mohamed Saeed that the U.S. dollar rate would stabilize within months—the crisis persists. In April, Muizzu extended the timeline for exchange rate normalization to the end of 2027. However, the continuing rise in the black market rate signals deepening strain on Maldives' foreign exchange reserves and import-dependent economy. [The Sun]

Maldives: National tourism board returns to profit amid broader push for strategic sector reform

(lm) After four years of financial losses, the Maldives' national tourism board—the Maldives Marketing and Public Relations Corporation (MMPRC)—has returned to profitability, posting a net gain of MVR 27.5 million (USD 1.79 million) for 2024. The turnaround reflects a broader shift in government strategy aimed at improving the cost-efficiency and international competitiveness of the country's most vital economic sector.

Key reforms included downsizing the board's global public relations footprint from 21 to 6 agencies, restructuring participation in international trade shows, and linking marketing campaigns more closely to performance-based co-investment models with airlines and international tour operators. These changes have significantly lowered operational costs, with trade show spending cut from 80 percent to 34 percent of the overall marketing budget.

Tourism performance has also rebounded. India, previously a declining market, posted a 4 percent year-on-year increase in 2024 after a 39 percent drop in 2023. Broader source market diversification is being reinforced through over 21 active international campaigns and a reported surge in digital interest—searches for the Maldives from Europe and Asia rose by 1,000 percent, according to Google Trends data. [The Sun]

Nepal: New law grants prime minister decisive power over constitutional appointments

(lm) Nepal's federal parliament has passed a controversial amendment to the Constitutional Council Act, effectively granting the prime minister near-unilateral authority to make appointments to key constitutional bodies. The amendment, which outlines four possible quorum scenarios, enables decisions to proceed even if only two council members—including the prime minister—are present.

Under Nepal's constitution, the Constitutional Council nominates officials for constitutional bodies such as the Election Commission and national inclusion commissions. The council is chaired by the prime minister and includes the chief justice, speaker and deputy speaker of the lower house, chair of the upper house, and the opposition leader. The law minister participates only when the council is appointing a chief justice.

The new amendment marks a significant departure from past procedures that required consensus among a broader group of members. While the bill was initially opposed by Prime Minister Oli's Communist Party of Nepal–Unified Marxist-Leninist (CPN-UML), it was ultimately endorsed by both houses of parliament, including after revisions by the National Assembly that introduced flexible quorum rules for four membership scenarios.

Critics argue that the amendment centralizes power in the executive and could politicize appointments to constitutional oversight bodies. The law was first reshaped by ordinance under Oli in 2020, leading to the appointment of 52 officials under reduced quorum conditions. Although the Supreme Court upheld those appointments, the ordinance lapsed, prompting the need for formal legislation.

Once authenticated by the president, the new law will allow the current council—comprising five active members—to convene and make decisions as long as the prime minister agrees and is supported by at least half of those present.

At least a dozen positions, including five chairmanships, remain vacant in key bodies such as the Election Commission and commissions representing women, Madheshi, Tharu, and Muslim communities. [The Kathmandu Post]

Nepal: Three new Supreme Court justices sworn in following parliamentary approval

(lm) Nepal's Chief Justice Prakash Man Singh Raut has sworn in three newly appointed justices to the Supreme Court: Meghraj Pokharel, Shreekant Paudel, and Shanti Singh Thapa. The appointments were confirmed after the Parliamentary Hearing Committee endorsed their nominations on July 7, following public hearings and a review of citizen-submitted complaints.

Pokharel is a senior advocate, while Paudel and Thapa previously served as chief judges of the Janakpur and Dipayal High Courts, respectively. Their appointments were proposed by the Judicial Council in June and formally approved by President Ramchandra Paudel after parliamentary clearance, in accordance with Article 292 of Nepal's Constitution. [The Kathmandu Post]

Nepal: Internal rift deepens in pro-monarchy party as leadership faces backlash over removals

(lm) A renewed power struggle has emerged within Nepal's pro-monarchy Rastriya Prajatantra Party (RPP) after party chairman Rajendra Lingden removed two key figures—Nawaraj Subedi and Sagun Sundar Lawoti—from their official positions.

Subedi, a leading figure in RPP's pro-monarchy mobilization, was removed as head of the disciplinary committee. His activism reportedly led to friction with Lingden and aligned him more closely with General Secretary Dhawal Sumsher Rana, another prominent pro-monarchy figure. Rana, who was previously detained in connection with a fatal protest in March, has increasingly challenged Lingden's leadership. Lawoti, a senior RPP figure and one of its most visible media representatives, was stripped of his role as party spokesperson.

The dissenting group—comprising around 50 central committee members, including 10 office bearers—convened a parallel meeting and resolved to challenge the decision before the Election Commission, with legal action to follow. They argue that under the amended party statute, the chairman lacks authority to unilaterally remove officeholders and must instead table disciplinary matters for endorsement by the central committee. [The Kathmandu Post]

Nepal: Draft law aims to address public officials' conflicts of interest and foreign influence

(lm) Nepal's government has published a draft bill for public consultation that seeks to prevent conflicts of interest among public officials and strengthen safeguards against unauthorized foreign influence. If enacted, the law would introduce comprehensive obligations for officials to recuse themselves from decision-making when personal interests conflict with their duties, and would ban unauthorized meetings or correspondence with foreign actors.

The proposed legislation would apply to a wide range of officeholders—including the president, prime minister, judges, lawmakers, ministers, and local government officials—requiring them to submit written declarations of non-conflict upon assuming office. It also mandates that if a conflict arises during service, the concerned official must recuse themselves, and responsibility be reassigned within the institution or by Cabinet decision, depending on the level of office.

The bill responds to growing criticism over the absence of an integrated legal framework on conflicts of interest. While some existing laws and parliamentary regulations contain partial provisions, Nepal has until now lacked a unified approach. The Supreme Court has previously directed the government to introduce such legislation.

Beyond domestic conflicts, the draft also contains measures to curb informal or unauthorized interactions with foreign governments, NGOs, and entities. These include bans on public officials soliciting, accepting, or negotiating foreign support or gifts without formal authorization. Any benefits received in violation of the law would be confiscated, and recipients may face fines or disqualification from public duties. The Cabinet would determine the permissible types and value of official gifts. [The Kathmandu Post]

Nepal: Government yields to pressure from doctors, agrees to amend Consumer Act

(lm) Amid growing criticism of legislative capture, the Nepali government has agreed to amend the Consumer Act following intense protests from the Nepal Medical Association. The doctors' union had launched nationwide strikes after Consumer Courts issued high-penalty verdicts against three hospitals and individual doctors for gross negligence, including in cases involving patient deaths. Yielding to pressure, the government formed a three-member panel of ministry officials to recommend revisions favorable to doctors and seek Cabinet approval by July 19.

Critics argue that this undermines parliamentary authority, as legislation should be revised based on systemic needs rather than lobbying. The case highlights a broader trend in Nepal's governance. Similar delays and derailments have occurred in laws concerning the police, education, and transportation sectors due to organized lobbying. For example, the School Education Bill remains stalled under pressure from the Nepal Teachers' Federation, while police objections have blocked progress on provincial integration of the Nepal Police. [The Kathmandu Post]

Nepal: Supreme Court orders government to pass new law ensuring CSR funds target poverty alleviation

(lm) Nepal's Supreme Court has directed the government to draft and register a comprehensive law within two months that mandates corporate social responsibility (CSR) funds be used explicitly to benefit poor and marginalized communities, not private interests or large infrastructure projects.

While current CSR obligations are governed under the Industrial Enterprises Act for general industries and Nepal Rastra Bank regulations for financial institutions, the court found this fragmented approach inadequate. It called for an integrated legal framework to regulate CSR across sectors.

The verdict—issued in December 2024 but released only recently—emphasizes that CSR spending must directly support populations living below the poverty line, which the latest survey places at 20.27 percent of the population. The ruling mandates priority for sectors such as education, healthcare, housing, and women's empowerment, especially in underdeveloped communities.

The court also specified that infrastructure projects are permissible only if they directly benefit the poor—citing examples such as household sanitation and basic living facilities. CSR funds should be channeled through social institutions working to protect the rights and interests of the poor and enhance their capacity to engage with the state.

Importantly, the court warned that misuse or redirection of CSR funds—such as spending on employee welfare—will trigger legal consequences. Until a new law is in place, the Nepal Rastra Bank and relevant ministries are instructed to enforce existing rules more stringently and ensure accountability. [The Kathmandu Post]

Nepal: Ruling party tensions deepen amid disciplinary actions and revived push for constitutional reform

(lm) The ruling Nepali Congress, Nepal's largest party in both the government and Parliament, is facing renewed internal strife after it suspended or expelled dozens of lower committee leaders for allegedly betraying official party candidates in the 2022 elections. The disciplinary committee's move has triggered a backlash from the faction led by Shekhar Koirala, a senior leader from one of Nepal's most prominent political dynasties. Koirala is the nephew of former Prime Ministers B.P. Koirala and Girija Prasad Koirala, and has positioned himself as the principal rival to party president Sher Bahadur Deuba.

Koirala and his allies denounced the measures as politically motivated and procedurally flawed, arguing that the punishments targeted leaders from the dissident camp without offering them a proper chance to defend themselves. The dispute is seen as part of a

broader struggle over the party's direction and internal balance of power. Central committee endorsement is still required for the suspensions to take effect, and the Koirala faction is lobbying to block approval at the next scheduled meeting in October. [The Kathmandu Post 1]

Amid this infighting, the Nepali Congress has moved to demonstrate its commitment to broader governance reforms by announcing the formation of a task force to revive the long-stalled constitutional amendment process. The move responds to mounting criticism over the government's failure to fulfill key legal and institutional reforms nearly a decade after the promulgation of the 2015 Constitution. The task force will engage political stakeholders, legal experts, and civil society representatives in drafting amendment proposals—reviving a 2024 seven-point agreement with coalition partner CPN-UML that prioritized constitutional review as essential for political stability.

The party also called on the government to accelerate pending legislation such as the Civil Service Bill and address pressing policy failures in agriculture, healthcare, and disaster response. It criticized provincial governments for budget delays and sent central representatives to coordinate with provincial chapters, promising a full report within a month. While the recent passage of the Citizenship Act and Anti-Corruption Act was welcomed, party leaders warned that continued inaction on other core laws risks weakening Nepal's federal structure and public trust in democratic governance. [The Kathmandu Post 2]

Nepal: Rift deepens among Madhesh-based parties ahead of Rupandehi by-election

(lm) Nepal's alliance of Madhesh-based parties is showing renewed fragmentation ahead of a key by-election in Rupandehi-3, scheduled for November 3. The Janamat Party has decided to field its own candidate, rejecting a joint decision by other alliance members to support a candidate from the Nagarik Unmukti Party. The dispute reflects ongoing tensions within the bloc and comes shortly after the collapse of a planned unification between the two parties.

Madhesh refers to Nepal's southern plains bordering India, home to the Madheshi community—an ethnolinguistically distinct population that has long demanded greater political inclusion and autonomy. Madhesh-based parties advocate for constitutional

reform, federalism, and representation of Madheshi interests in national politics.

The Janamat Party, led by former secessionist CK Raut, holds six seats in Nepal's federal parliament and campaigns for Madheshi rights within a federal framework. The Nagarik Unmukti Party, a populist regional force with four federal seats, is known for its base among the Tharu community, a marginalized indigenous group in the western Terai. Their planned unification earlier this year collapsed after the arrest of Nagarik Unmukti patron Resham Chaudhary on the day the merger was to be announced.

The current rift emerged after the death of a sitting lawmaker triggered the Rupandehi by-election. While a coalition of four other Madhesh-based parties—the Janata Samajbadi Party (led by Upendra Yadav), Loktantrik Samajbadi Party (led by Mahantha Thakur), Janata Pragatisheel Party (led by Hridayesh Tripathi), and Rastriya Mukti Kranti (led by Rajendra Mahato)—agreed to support Nagarik Unmukti's candidate, the Janamat Party insisted on nominating its own.

Leaders from the coalition attempted to persuade CK Raut to reconsider, but he refused, citing the Janamat Party's autonomy in non-constitutional matters. According to Janamat vice-chair Abdul Khan, the alliance was formed primarily for constitutional amendment, not electoral coordination. [The Kathmandu Post]

Nepal: Madhesh assembly passes budget after week-long deadlock, amid boycott and internal dissent

(lm) The Madhesh Provincial Assembly passed its NPR 46.98 billion (USD 343.95 million) budget for fiscal year 2025/26 on July 14, following a week-long political deadlock and a boycott by six opposition parties. The crisis was rooted in procedural disputes and allegations of manipulation in budget allocations.

Deliberations had been stalled for six consecutive days due to controversy over a government-appointed task force investigating budget discrepancies. The opposition rejected the inclusion of Physical Infrastructure Minister Saroj Kumar Yadav—a ruling coalition member—citing compromised neutrality. Speaker Ramchandra Mandal was forced to resign as coordinator, and a new 14-member task force was formed under Deputy Speaker Babita Raut Ishar, with a more balanced composition. Despite this, the task force was later dissolved amid internal disagreements,

preventing the submission of its findings before the budget vote.

On July 14, the budget was fast-tracked and passed without detailed deliberation. Opposition parties accused the government of bypassing legislative norms and criticized the insertion of nearly NPR 3 billion (USD 21.96 million) worth of off-book projects—amounting to around 8,000 plans—allegedly added without legal approval. Lawmakers also discovered discrepancies between the printed "red book" (461 pages) and the digital version (755 pages), further fueling suspicion.

Criticism came from within the ruling coalition as well. Legislators condemned the opaque and politically skewed allocation of resources, with allegations that ministers diverted disproportionate funds to their own constituencies. In one example, the education minister was said to have directed NPR 410 million (USD 3 million) toward 117 projects in her district, many tied to non-governmental organizations. [The Kathmandu Post 1] [The Kathmandu Post 2]

Nepal: Government withdraws controversial land bill amid internal opposition and legal concerns

(lm) The Nepalese government has withdrawn its controversial land bill from the parliamentary agenda following strong objections from senior lawmakers within the ruling Nepali Congress, the single largest party both the coalition and Parliament's lower house. The draft legislation, officially titled the Bill to Amend Some Nepal Acts Related to Land, 2025, aimed to reform land ownership, certification, and redistribution, but drew criticism over ambiguities and potential for misuse.

Lawmakers from the ruling coalition—including Nepali Congress General Secretaries and members of parliament—voiced concerns that the bill lacked safeguards against land misuse, particularly by real estate interests. Specific objections targeted provisions that would allow land granted for agriculture, education, or health purposes to be diverted for commercial development. Lawmakers also demanded the removal of vague categories such as "unmanaged settlers," warning of legal loopholes and abuse by land mafias.

The controversy follows a constitutional ruling last year that declared a 2021 ordinance by the previous government, which liberalized land sales above legal

limits, as unlawful. Critics now argue that the current bill is even more permissive and lacks adequate oversight.

Though the bill aimed to simplify land ownership for marginalized groups such as landless Dalits and squatters, lawmakers emphasized that such reforms must be transparent and conditional on clear criteria—such as settlement duration, financial need, and existing property ownership.

Multiple parties, including the Janata Samajbadi Party Nepal and the Rastriya Swatantra Party, had submitted their own amendment proposals. In total, around 55 lawmakers across party lines have formally registered objections, indicating that a redraft will be necessary to move forward. [The Kathmandu Post]

Nepal: School education bill faces further delay amid political pressure and union demands

(lm) The Nepali government has once again missed its own deadline to finalize the long-stalled School Education Bill, after Education Minister Raghuji Pant requested an additional week to hold further consultations with the Nepal Teachers' Federation. This marks the fourth delay since March 2025 in endorsing the bill, which is widely seen as a key step toward implementing Nepal's constitutional commitment to decentralized governance in education.

Originally scheduled for endorsement by the parliamentary Education Committee on July 6, the process was postponed when the minister, supported by senior lawmakers, sought five more days to resolve outstanding disagreements with the teachers' union. That period expired without resolution, prompting another extension request. Committee Chair Ammar Bahadur Thapa has expressed frustration over repeated deferrals, warning that further delays risk undermining the legislative process and the autonomy of the committee.

The School Education Bill is among the most politically sensitive pieces of legislation tied to Nepal's 2015 constitution, as it defines the authority of federal, provincial, and local governments over education. A subcommittee had already resolved over 1,700 proposed amendments, including compromise provisions on teacher promotions. However, continued pressure from the teachers' federation—particularly over performance evaluation criteria—has led the

government to modify several agreed clauses. [The Kathmandu Post]

Nepal: Butwal cooperative scandal deepens as over USD 1.6 million allegedly embezzled

(lm) A major financial scandal has shaken the western Nepali city of Butwal after over NPR 220 million (USD 1.6 million) in member deposits were reportedly embezzled from the Dingarnagar Duragami Multipurpose Cooperative. The cooperative's chairperson, secretary, and manager have absconded, leaving around 1,900 depositors in limbo. This is the twelfth such case of cooperative fraud in Rupandehi district in recent years.

The cooperative had long operated in the dairy sector and had distributed annual bonuses to project profitability. However, a recent audit uncovered severe financial misconduct, prompting an internal investigation. Manager Basanta Parajuli allegedly misappropriated over NPR 90 million (USD 660,000), with additional sums attributed to Chairperson Ghanashyam Tiwari and Secretary Ram Bahadur Thapa. The three fled shortly after the mismanagement was acknowledged in board meetings.

Further investigations suggest Tiwari used cooperative funds to purchase a hotel and invest in real estate and mining ventures. Thapa is accused of misappropriating over NPR 30 million (USD 220,000) and engaging in unauthorized cash transactions exceeding NPR 140 million (USD 1 million). CCTV footage reportedly shows him destroying board meeting records prior to fleeing.

Despite mounting evidence and public protests, police have yet to take decisive action. Officers claim they are awaiting the final audit report from the provincial registrar before proceeding. Victims have accused local authorities of protecting the absconding officials, who are affiliated with the Nepali Congress party. [The Kathmandu Post]

Nepal: Citizenship bill eases procedures but preserves legal gender bias, experts warn

(lm) Nepal's recently passed amendment to the 2006 Citizenship Act has been promoted by the government

as a step toward gender equality. However, legal experts argue the law still entrenches patriarchal structures by preserving legal asymmetries in how mothers and fathers can confer citizenship to their children.

The amendment clarifies administrative procedures for children born to Nepali mothers and unidentified fathers, allowing a joint declaration by mother and child. This was intended to resolve longstanding implementation issues under Article 11(5) of the Constitution. Yet experts emphasize that the legal threshold for maternal transmission of citizenship remains significantly higher than for paternal transmission.

Mothers must formally declare the father to be unidentified and may face legal penalties—including up to three years' imprisonment and revocation of the child's citizenship—if this claim is later disputed. No equivalent burden or penalty applies to fathers. Critics note this imbalance criminalizes motherhood in certain circumstances and reinforces systemic distrust of women seeking to assert legal parenthood.

The amendment retains the underlying provision that citizenship by descent depends on the father's status: a child born to a Nepali father automatically qualifies, while a child of a Nepali mother only qualifies if the father is unknown. If the father is a foreigner, the child must apply for naturalized citizenship, not descent-based.

Legal scholars argue that only a constitutional amendment—introducing gender-neutral language and equal legal standing for both parents—can eliminate these disparities. Until then, the law's implementation will depend heavily on discretionary practices by local officials, which have historically reflected deep-rooted gender biases. Experts urge the National Assembly to remove the punitive clauses and call on the Home Ministry to issue clear instructions ensuring fair and uniform application across districts. [The Kathmandu Post]

Nepal: USD 29 million investment targets broadband expansion and data infrastructure growth

(lm) Nepal is set to receive a USD 29 million investment package to accelerate broadband expansion and digital infrastructure development, through a partnership involving the International Finance Corporation (IFC), Standard Chartered Bank Nepal

(SCBNL), WorldLink Communications, and its subsidiary Data World Ltd. The initiative is backed by the International Development Association's Private Sector Window, which supports private sector-led growth in low-income countries.

The project aligns with Nepal's 16th National Plan and the Digital Nepal Framework, which aim to promote inclusive digital access and economic transformation. It also incorporates job creation, rural connectivity expansion, and gender inclusion components. [The Kathmandu Post]

Nepal: Monsoon flood destroys bridge on key trade route with China

(as) A monsoon-triggered flood in the Bhote Koshi River has destroyed the "Friendship Bridge" at Rasuwagadhi, one of Nepal's main trade gateways to China. The collapse has brought cross-border commerce along the Rasuwagadhi–Kerung corridor to a halt, prompting fears of supply disruptions and price increases ahead of Nepal's major festival season.

Nepal's monsoon season, typically spanning June to September, regularly causes severe flooding and landslides. This year, the rains arrived earlier than expected, with at least 38 people killed or missing since late May. [Everest Chronicle] [Xinhua] [The Kathmandu Post 1] [The Kathmandu Post 2]

Pakistan: Main opposition party launches protest campaign

(lm) Pakistan Tehreek-e-Insaf (PTI), the main opposition party of jailed former Prime Minister Imran Khan, has launched a 90-day nationwide protest campaign to challenge the current government, demand Khan's release, and mobilize public support ahead of August 5—the anniversary of Khan's 2023 arrest. The campaign, which senior PTI leaders describe as a "do-or-die" movement, reflects growing internal pressure and external constraints on the party's influence. [Arab News 1]

The decision was finalized during a closed-door strategy session held in Lahore—a major political, cultural, and economic center in eastern Pakistan—on July 12. The meeting was attended by senior party leaders, including Khyber Pakhtunkhwa (KP) Chief Minister Ali Amin Gandapur, and followed the

suspension of 26 PTI lawmakers from the Punjab Assembly. The lawmakers had disrupted a speech by Punjab Chief Minister Maryam Nawaz Sharif, a leading figure in the ruling Pakistan Muslim League (Nawaz) and niece of Prime Minister Shehbaz Sharif.

The protest campaign follows two major institutional setbacks: a Supreme Court ruling on June 27 that rejected PTI's bid for reserved parliamentary seats for women and minorities, and earlier decisions disqualifying the party from using its electoral symbol in the 2024 general elections. PTI has framed these rulings as part of a broader political campaign against Khan, who has been in prison since 2023 and faces multiple charges that he and his party claim are politically motivated. [Arab News 2]

Federal officials have warned that any unrest resulting from PTI's protest drive will be dealt with under the law. The government insists that the elections were transparent and accuses PTI of seeking to disrupt democratic processes by bypassing dialogue and attempting to engage directly with the military—commonly referred to as "the establishment." The military denies any role in Khan's ouster or current legal troubles. [Arab News 3]

Simultaneously, a new Gallup Pakistan opinion survey —part of a national public polling organisation— reveals deepening public dissatisfaction in KP, PTI's long-standing provincial stronghold. Despite the wide approval of the flagship Sehat Card health scheme, residents express sharp concerns over infrastructure, job shortages, and service delivery. Alarmingly, 60 percent believe the provincial government prioritizes protests over governance, and 71 percent—including 62 percent of PTI supporters—support investigations into alleged corruption in major development projects. Only 38 percent back Gandapur's leadership, while 47 percent expressed a desire to see Imran Khan in that role. Interest is also rising in stronger coordination with the federal government, as 85 percent support more collaborative governance. [Arab News 4]

Pakistan: Military highlights army chief's U.S. and regional visits as key diplomatic outreach

(lm) Pakistan's military leadership has characterized recent high-level visits by Army Chief Field Marshal Syed Asim Munir to the United States, Gulf states, and Central Asia as a "successful diplomatic maneuver," marking a rare public acknowledgment of the military's

direct role in shaping the country's foreign policy trajectory.

In a closed-door briefing at the 271st Corps Commanders' Conference held on July 10, Munir outlined the substance and objectives of engagements that included a two-hour private lunch with U.S. President Donald Trump—an unprecedented civilian-free meeting—and multilateral talks in Iran, Turkiye, Azerbaijan, Saudi Arabia, and the UAE. These visits occurred amid mounting regional tensions following Pakistan's four-day military confrontation with India in May and wider instability in the Middle East.

According to the official readout, the meetings allowed the army chief to convey Islamabad's position on critical geopolitical issues including the India–Pakistan standoff, the Israel–Iran dynamic, and areas such as trade, cryptocurrency regulation, critical minerals, and digital innovation. The briefings also emphasized Pakistan's commitment to self-reliance, regional cooperation, and balancing military readiness with diplomatic engagement.

The statement affirms the military's continued centrality in Pakistan's strategic decision-making—even under a formally civilian government—and signals an attempt to reposition Pakistan diplomatically amid shifting global alliances. Of particular note was the military's renewed accusation that Indian intelligence continues to support anti-Pakistan proxies, with commanders calling for a "decisive and holistic response" to external security threats. [Arab News]

Pakistan: Prime Minister advances structural reforms and tariff overhaul

(lm) Prime Minister Shehbaz Sharif has reaffirmed his government's commitment to deep structural reforms aimed at stabilizing Pakistan's fragile economy, modernizing institutions, and restoring investor confidence. The coordinated agenda, which includes a sweeping overhaul of the National Tariff Commission (NTC) and the digitization of the Federal Board of Revenue (FBR), is designed to align with IMF-backed fiscal targets and support an export-led growth strategy.

Speaking at a youth engagement event in Islamabad on July 12, Sharif described the reforms as a necessary departure from "business as usual." He explicitly linked the reforms to the country's narrow escape from sovereign default in mid-2023 and the conditions of the USD 7 billion IMF program approved last year.

Pakistan, he said, could no longer afford short-term fixes or political expediency.

At the heart of this transformation is the digitization of the FBR, moving from paper-based operations to AI-driven systems. Sharif highlighted a sharp increase in tax collection, citing a sectoral rise from PKR 12 billion to over PKR 50 billion (approximately USD 42 million to USD 145 million) in one year as evidence of enhanced compliance and enforcement. The government has also removed corrupt officials and prioritized merit-based appointments to reinforce institutional accountability.

Complementing these internal reforms, Sharif has ordered a rapid reorganization of the NTC, Pakistan's primary body for regulating import and export duties. The NTC will be restructured to operate with greater legal authority, improved research capacity, and streamlined decision-making. A third-party audit will identify performance gaps, and the long-dormant Appellate Tribunal will be activated to improve transparency.

These institutional changes are aligned with Pakistan's new National Tariff Policy 2025–30, which envisions eliminating additional and regulatory duties and reducing customs slabs to four, with a maximum duty rate of 15 percent. This policy aims not only to boost exports and protect local industry, but also to fulfill Pakistan's obligations under international trade agreements. [Arab News 1] [Arab News 2]

Pakistan: Top judicial body forms committee on enforced disappearances, weighs ethical AI use

(lm) Pakistan's highest judicial policy forum, the National Judicial (Policy Making) Committee (NJPMC), has established a dedicated committee to examine enforced disappearances, aiming to formulate an institutional response that reflects judicial independence while coordinating with the executive branch. The move was announced following the NJPMC's 53rd meeting on July 11, chaired by Chief Justice Yahya Afridi and attended by senior judges and the additional attorney general.

The issue of enforced disappearances has long drawn criticism in Pakistan, especially in Balochistan and other conflict-prone regions. Families of missing persons and rights groups have accused state institutions of unlawful detentions and killings. The judiciary's resolution stated it "would not compromise

on its constitutional duty to safeguard fundamental rights," calling the problem a serious concern. While a state commission was established in 2011 to trace missing persons, rights groups say meaningful progress has been lacking.

Alongside this, the NJPMC also addressed the growing role of artificial intelligence in judicial functions. The National Judicial Automation Committee (NJAC) was tasked with drafting a charter on the ethical and responsible use of generative AI in court operations. This includes assessing the potential impact on transparency, fairness, and human judgment, amid global debates on how AI may transform judicial decision-making. [Arab News]

Pakistan: Court suspends YouTube ban on opposition and journalists

(lm) A sessions court in Islamabad has suspended a controversial order issued by a lower court seeking to block the YouTube channels of 27 individuals and entities, including jailed former Prime Minister Imran Khan, his political party Pakistan Tehreek-e-Insaf (PTI), and several independent journalists. The initial directive, dated June 24, cited alleged violations of Pakistan's Prevention of Electronic Crimes Act and other penal provisions, and was issued without prior notice or an opportunity for the accused to be heard.

The original ban order was based on a report from the National Cyber Crime Investigation Agency, which claimed the targeted YouTube channels shared "highly intimidating, provocative and derogatory content" against state institutions. In response, Alphabet-owned YouTube notified affected content creators that their channels could be blocked unless they complied with the judicial order. Several journalists also reported that their bank accounts had been frozen as part of the broader crackdown.

Lawyers representing the content creators argued that the magistrate court had acted beyond its jurisdiction and failed to follow due process. The sessions court agreed to suspend the implementation of the ban until a full hearing scheduled for July 21. [Arab News 1] [Arab News 2]

Pakistan: Teenage girl killed by father over refusal to delete TikTok account

(lm) A 16-year-old girl was shot dead by her father in Rawalpindi, near Islamabad, after she reportedly refused to delete her TikTok account, according to Pakistani police. The murder, which occurred on July 9, was described by investigators as an “honor killing.” The father was arrested after initially attempting to stage the crime as a suicide.

The incident comes amid rising concerns over gender-based violence in Pakistan, particularly in relation to online behavior. Social media platforms like TikTok are immensely popular across the country, including among women and girls, due to their accessibility and low literacy barriers. However, female content creators frequently face social backlash and threats from family members or community actors for defying conservative norms.

This killing follows another high-profile case in June, when 17-year-old influencer Sana Yousaf—who had over a million followers on TikTok and other platforms—was murdered by a man whose romantic advances she had rejected. Her death sparked public protests in Islamabad demanding better protection for women. [Arab News]

Pakistan: Targeted polio campaign to begin in northern districts amid resurgence concerns

(lm) Pakistan will launch a five-day polio vaccination campaign from July 14 to 18 in four high-risk districts of Gilgit-Baltistan and Khyber Pakhtunkhwa, aiming to immunize over 158,000 children. The campaign will focus on Diamer (Gilgit-Baltistan), and Upper Kohistan, Lower Kohistan, and Kolai-Palas (Khyber Pakhtunkhwa), areas identified by health officials as having limited access and low vaccine acceptance.

The initiative comes in response to a troubling rise in new cases. As of July 2025, Pakistan has confirmed 14 polio cases—eight in Khyber Pakhtunkhwa, four in Sindh, and one each in Punjab and Gilgit-Baltistan. This follows a total of 74 cases in 2024, compared to just six in 2023 and one in 2021, marking a significant setback in the country’s long-running eradication efforts.

Pakistan remains one of only two countries where polio is still endemic, alongside Afghanistan. The campaign is overseen by the National Emergency Operations Center (NEOC), which has emphasized the need for focused strategies in resistant communities.

This targeted campaign follows smaller drives in other high-transmission zones, including Bannu and North Waziristan. Nationwide efforts earlier this year mobilized over 400,000 workers to vaccinate 45 million children. [Arab News]

Pakistan: IMF financing bolsters economic stability and supports return to international bond markets

(lm) Pakistan's performance under its ongoing USD 7 billion loan program with the International Monetary Fund (IMF) has been described as "strong so far," as the country navigates a challenging path to recovery following years of macroeconomic instability. According to IMF country representative Mahir Binici, the successful completion of the first review—approved by the IMF Executive Board in May 2025—marked a key milestone in restoring investor confidence and stabilizing the economy. These remarks were made during a lecture at the Sustainable Development Policy Institute (SDPI) in Islamabad.

The 37-month arrangement includes USD 5.2 billion under the Extended Fund Facility (EFF) and an additional USD 1.4 billion through the Resilience and Sustainability Facility (RSF), the latter focused on bolstering climate resilience. Pakistan is expected to receive approximately USD 2.5 billion in disbursements during the 2025–26 fiscal year. If performance targets are met, USD 1.04 billion would be released under the EFF and USD 211 million under the RSF during the next program review scheduled for September 2025.

The RSF component reflects international recognition of Pakistan's acute climate vulnerability, especially in light of the catastrophic 2022 floods, which caused over USD 30 billion in damage. The IMF's continued engagement is widely viewed as essential, given Pakistan's external debt obligations—amounting to nearly USD 17 billion in fiscal year 2025–26—and the government's plans to re-enter global debt markets through new sukuk and panda bond issuances.

Binici reiterated that long-term sustainability will depend on structural reforms, particularly those aimed at tax equity, a more competitive business environment, and private-sector-led growth. Prime Minister Shehbaz Sharif echoed these views in recent remarks, defending unpopular but necessary reforms in tax administration, digitalization, and anti-corruption efforts. He emphasized that the transition away from short-term fixes is essential for Pakistan's recovery and institutional renewal. [Arab News 1] [Arab News 2]

Pakistan: Government prequalifies four investor groups and approves overseas hotel joint venture

(lm) Pakistan has moved forward with key elements of its privatization agenda by prequalifying four investor groups for the sale of its national airline and approving a joint venture model for one of its most prominent overseas assets, the Roosevelt Hotel in New York. These measures form part of broader economic reforms tied to the country's USD 7 billion agreement with the International Monetary Fund (IMF), aimed at reducing the financial burden of state-owned enterprises and attracting private investment.

The investor shortlist targets the privatization of Pakistan International Airlines (PIA), the heavily indebted national flag carrier. PIA, once a respected airline in the region, has suffered over USD 2.5 billion in losses in recent years due to chronic mismanagement and political interference. The government is offering a 51 to 100 percent stake in the airline, following balance sheet restructuring and legal incentives to encourage bids. Prequalified groups include consortia led by major domestic players such as Lucky Cement, Arif Habib Corporation, Fauji Fertilizer Company (a military-affiliated conglomerate), and the private airline Airblue.

In a parallel development, the Cabinet Committee on Privatization approved a joint venture framework for the Roosevelt Hotel, an historic property in Midtown Manhattan owned by Pakistan through a state enterprise since 1979. Operations at the hotel were suspended in 2020 following pandemic-related losses, though a temporary lease to New York City in 2023 generated over USD 220 million in rental income. The new joint venture model is intended to allow private-sector participation while maintaining flexibility for the government and maximizing long-term returns.

Both steps are part of the government's broader effort to reduce annual losses from state enterprises, which exceed PKR 1 trillion (USD 3.59 billion), and to raise PKR 86 billion (USD 306 million) in privatization proceeds during the 2025–26 fiscal year. [Arab News]

Pakistan: New digital remittance system aims to strengthen Gulf inflows and financial inclusion

(lm) Pakistan is preparing to roll out a new digital remittance system to better serve its overseas workforce—particularly in the Gulf—by offering secure, cost-effective alternatives to traditional money transfer channels. The effort is part of a broader government strategy to enhance financial inclusion and reduce reliance on foreign payment intermediaries.

The initiative is anchored in PayPak, Pakistan's first and only domestic payment scheme, launched in 2016 and operated by the 1Link payment gateway. PayPak allows for electronic transactions without dependence on international card networks and is currently being expanded to support remittances, Hajj and Umrah-related payments, and utility services such as 1Bill.

In the 2024–25 fiscal year, Pakistan received over USD 38.3 billion in remittances, with Pakistani workers in Saudi Arabia, the United Arab Emirates, and other Gulf countries contributing the bulk. Officials say the new system will provide structured and accessible digital channels tailored to these overseas communities, especially for freelancers and low- to mid-income workers who often face limited access to reliable financial platforms. [Arab News]

Pakistan: Central bank aims to complete digital currency pilot by June 2026

(lm) Pakistan is preparing to complete its first central bank digital currency (CBDC) pilot by June 2026, signaling a cautious but strategic push toward blockchain-based financial infrastructure. The initiative, led by the State Bank of Pakistan (SBP), follows the establishment of the Pakistan Virtual Assets Regulatory Authority (PVARA) under a newly enacted presidential ordinance.

The creation of PVARA introduces a supervisory framework for the country's rapidly growing virtual asset sector, which analysts estimate holds up to USD 25 billion in untaxed digital assets. The regulatory framework is also intended to align Pakistan's financial governance with global anti-money laundering (AML) standards, following its removal from the Financial Action Task Force (FATF) "grey list" in 2022. While the pilot's technical details and private-sector partnerships have yet to be announced, authorities say the digital currency will be backed by the central bank and integrated with existing digital payment channels.

The move is part of Pakistan's broader financial modernization agenda and complements recent IMF-backed reforms aimed at expanding the tax base and

formalizing sectors of the economy that have traditionally remained outside the regulatory perimeter. Officials also aim to unlock participation in the digital asset space by providing legal certainty for investors and institutions. Until now, Pakistan's crypto sector operated in a legal grey zone, with users at risk of account freezes and inconsistent enforcement by agencies like the Federal Investigation Agency (FIA).

Pakistan's trajectory echoes regional models, such as India's phased introduction of the e-rupee, and is likely to influence future negotiations with multilateral institutions. However, potential frictions remain. Any attempt to subsidize crypto mining or data infrastructure will require IMF approval, and Pakistan's institutional capacity to monitor real-time digital transactions is still developing. Analysts note that regulatory and infrastructure gaps—rather than demand—pose the greatest hurdles to adoption.

International stakeholders—including telecom-backed fintech firms like Jazz and easypaisa Digital Bank, which collectively serve tens of millions of users—have expressed interest in collaborating on secure implementation and scaling. Meanwhile, the appointment of Binance founder Changpeng Zhao as a strategic adviser to the Pakistan Crypto Council suggests Islamabad is courting global expertise while signaling openness to regulated private-sector participation. [Arab News]

Pakistan: New fisheries policy aims to unlock USD 10 billion potential in blue economy

(lm) Pakistan has launched a ten-year National Fisheries and Aquaculture Policy (2025–2035) aimed at transforming its underperforming fisheries sector into a USD 10 billion value-generating component of its blue economy. Despite possessing over 1,050 kilometers of coastline and significant inland water resources, the sector currently contributes just 0.5 percent to gross domestic product (GDP), constrained by overfishing, weak regulation, and limited investment.

The new policy, introduced by the Ministry of Maritime Affairs, emphasizes modernizing the sector through climate-resilient practices, environmental protection, labor rights, child safety, gender inclusion, and the adoption of advanced technologies. The government views the policy as a long-term strategy to drive export-oriented growth and sustainable development.

The framework envisions coordinated implementation among federal and provincial agencies, private stakeholders, and local fishing communities. Pakistan's seafood exports rose by over 20 percent in the last fiscal year, signaling both international market interest and the need for improved governance and value-chain development. Officials hope the new policy will enable the country to scale up value-added fisheries exports and align the sector with global environmental and trade standards. [Arab News]

Pakistan: Government waives all import taxes on sugar, launches major international tender

(lm) In response to a sharp rise in domestic sugar prices—now reaching PKR 200 (USD 0.70) per kilogram—the Pakistani government has launched a dual-track intervention by waiving all import duties and taxes on sugar and initiating a large-scale international tender to import between 300,000 and 500,000 metric tons of white refined sugar.

The state-owned Trading Corporation of Pakistan (TCP) issued the tender with a deadline for global price submissions set for July 18. Shipments are expected to begin in August and must be completed by September 30. Bids are invited for a minimum of 25,000 tons, with flexibility on total procurement volumes.

The Ministry of National Food Security also confirmed that 350,000 tons will be imported in two phases under the new tax exemption scheme, which is designed to curb inflation, ensure supply-chain stability, and prevent market manipulation ahead of peak seasonal demand. [Arab News 1] [Arab News 2]

Pakistan: Government pushes Gulf-bound transshipment via strategic port to boost trade and investment

(lm) Pakistan has announced plans to initiate transshipment operations between its strategically located Gwadar Port and the Gulf region, as part of broader efforts to reposition the country as a regional trade hub and attract foreign investment amid ongoing economic recovery.

The initiative was discussed during a high-level meeting of the Cabinet Committee on Gwadar Port operationalization, chaired by Planning Minister Ahsan

Iqbal on July 12. Officials stated that the government is engaging private shipping companies to facilitate the first wave of cargo shipments, which will include minerals, seafood, dates, and cement—targeting key regional sectors such as mining, fisheries, and food processing.

Gwadar's location on the Arabian Sea, near the Strait of Hormuz, positions it as the shortest trade route between Central Asia and the Gulf, and the port plays a central role in the China–Pakistan Economic Corridor (CPEC)—a flagship Belt and Road Initiative project involving extensive Chinese infrastructure investment.

Planning authorities stressed Gwadar's untapped potential for regional transshipment, with Minister Iqbal calling for international roadshows to promote its cost advantages and business incentives. The port's revitalization is part of Pakistan's broader strategy to stimulate export-led growth and ease pressure on foreign reserves.

Complementing the Gwadar initiative, Islamabad aims to reduce container dwell times at seaports by up to 70 percent and has halved port charges for exporters at Port Qasim, the country's second-largest port. [Arab News]

Pakistan: Punjab establishes first dedicated riot control force to modernize crowd management

(lm) The provincial government of Punjab has launched Pakistan's first specialized riot management police force, aiming to modernize law enforcement responses to civil unrest. The new unit—formed under the provincial police framework—marks a strategic shift in domestic security, focusing on proactive, trained, and specialized handling of mass protest scenarios.

The first 3,000 officers of the newly created 5,000-member force have completed an intensive eight-week training program modeled on international crowd control standards from the United States, Turkiye, and Europe. Equipped with advanced gear, surveillance drones, tactical response units, and negotiation teams, the force is designed to ensure rapid deployment and professional engagement during volatile situations. [Arab News]

Pakistan: Government to establish centralized federal force in response to rising militant threats

(lm) Pakistan's federal government has approved the transformation of the Frontier Constabulary (FC)—a historically provincial paramilitary unit—into a nationwide federal force with extended jurisdiction across all provinces and territories, including Islamabad, Azad Jammu and Kashmir, and Gilgit-Baltistan. The new entity, to be renamed the Federal Constabulary, will be empowered through amendments to the Frontier Constabulary Act of 1915, which are expected to pass by presidential ordinance following cabinet approval.

Originally tasked with policing the border between the settled districts of Khyber Pakhtunkhwa (KP) and the tribal frontier, the FC's new federal mandate reflects Islamabad's broader push to centralize internal security governance in response to escalating militant activity. The restructured force will recruit nationwide, be commanded by officers from the Police Service of Pakistan, and establish offices across the country to support deployment flexibility.

The reform comes amid a significant uptick in attacks by Tehreek-e-Taliban Pakistan (TTP) militants, particularly in KP and Balochistan, following the collapse of a ceasefire in late 2022. The government continues to accuse the Afghan Taliban of providing safe haven to TTP fighters—a charge that Kabul denies. [Arab News]

Pakistan: Senior secular politician killed as drone violence escalates in militant-hit northwest

(lm) A senior figure from Pakistan's Awami National Party (ANP), Maulana Zeb Khan, was shot dead on July 10 in Bajaur, part of the country's restive Khyber Pakhtunkhwa (KP) province, underscoring the growing threat of militant violence in the tribal northwest. Khan, who served as the ANP's central secretary for religious affairs, was reportedly preparing for a peace march when unidentified gunmen opened fire, killing him and another person.

The ANP is a secular Pashtun nationalist party known for opposing Taliban-linked militancy and advocating for democratic governance. Khan was publicly critical of extremist groups, a position that likely made him a target in a region where such stances are often met

with violence. His killing occurred in Bajaur, one of the former Federally Administered Tribal Areas (FATA), where renewed insurgent activity continues despite past military campaigns aimed at restoring order. [Arab News 1]

In a separate development, police in the Bannu district of KP reported two quadcopter attacks blamed on local militant groups, which killed one woman and injured three others, including two children. Authorities attributed the drone strikes to factions locally referred to as Khawarij, a term often used for groups like Tehreek-i-Taliban Pakistan (TTP), although no group has claimed responsibility.

The incidents mark a troubling escalation in the use of drones by non-state actors. Similar attacks occurred in May in North and South Waziristan, killing or injuring dozens of civilians. Pakistani security officials have accused banned outfits with alleged links to Indian intelligence of orchestrating the strikes—an allegation both New Delhi and Kabul deny. [Arab News 2]

Pakistan: Surge in separatist violence in Balochistan raises risks for infrastructure and investment corridors

(lm) Nine passengers from Punjab province were abducted and killed by unidentified gunmen in Balochistan's Zhob district on July 11, intensifying concerns over separatist violence in one of Pakistan's most strategically sensitive regions. While no group has claimed responsibility, the pattern is consistent with operations carried out by the Baloch Liberation Army (BLA), a separatist group active in the province.

Balochistan is central to the China–Pakistan Economic Corridor (CPEC), a flagship component of China's Belt and Road Initiative. The province hosts critical infrastructure projects, including the Gwadar deep-sea port. However, the region remains volatile due to an entrenched insurgency fueled by claims of resource exploitation and political marginalization. [Arab News]

Pakistan: Military dismisses fears of Iran-style nuclear strikes

(lm) Pakistan's military has rejected concerns that its nuclear facilities could become targets following last month's Israeli and U.S. strikes on Iran's nuclear infrastructure. Speaking to Al Jazeera, the Pakistani

military's official spokesperson emphasized there was "absolutely no concern whatsoever" within the armed forces about such a scenario, calling any potential attack on Pakistan's nuclear assets inconceivable.

The statement follows heightened regional anxiety after Israel, with U.S. support, attacked Iranian nuclear sites in June, claiming Tehran was nearing weapons capability—an allegation Iran denies. Pakistan condemned the strikes as violations of international law and reiterated that its own nuclear arsenal is secure and solely intended for deterrence.

The military spokesperson warned that any misadventure against a nuclear-armed state like Pakistan would have "horrific consequences," underscoring the country's status as a declared nuclear power and cautioning against the escalation of conflict dynamics in South Asia or beyond.

The remarks come amid continued tensions with India, following armed clashes in May triggered by a deadly attack in Indian-administered Kashmir. Although a U.S.-brokered ceasefire ended the hostilities, strategic risks persist, with India recently suspending a longstanding water-sharing agreement. Islamabad has since warned that any diversion of its water resources would be treated as an act of war. [Arab News]

Seychelles: Parliament distances itself from claims of pro-Israel group affiliation

(lm) The National Assembly of Seychelles has officially refuted claims made in a foreign news article alleging the establishment of a parliamentary group to support Israel. In a statement issued on July 13, Speaker Roger Mancienne clarified that no such group exists under the National Assembly's authority, and that any individual participation was conducted in a personal capacity.

The clarification follows the circulation of a report online, which identified Seychelles among six countries said to have created pro-Israel parliamentary groups. While a Seychellois Member of Parliament was pictured and reportedly attended an overseas meeting, the Assembly emphasized that this engagement was not sanctioned by the legislative body.

Speaker Mancienne reiterated that the National Assembly adheres to Seychelles' official foreign policy, as formulated by the Ministry of Foreign Affairs. That policy calls for a lasting ceasefire in Gaza and other

conflict zones, the release of hostages, and broader regional peace and stability. [Seychelles Nation]

Seychelles: Electoral preparations intensify ahead of 2025 general elections

(lm) As Seychelles prepares for general elections in September 2025, both the Electoral Commission of Seychelles (ECS) and the Association for Rights, Information and Democracy (ARID), a local civic group, have launched parallel capacity-building initiatives to bolster electoral integrity, transparency, and public confidence in the voting process.

On July 12, the ECS commenced the first of three intensive training sessions for Electoral Officers (EOs) and their deputies, aiming to standardize polling procedures and reinforce technical competencies in vote management. In parallel, ARID held a workshop on the same day to train 24 election observers on electoral law, media conduct, observer roles, and recent legislative changes. This initiative is part of ARID's ongoing pre-election observation effort, which began in March and evaluates five key areas: use of state resources, hate speech on social media, the legal framework, ECS engagement, and law enforcement conduct. [Seychelles Nation 1] [Seychelles Nation 1]

Sri Lanka: Parliament committee approves four new ministry secretary appointments

(lm) Sri Lanka's Committee on High Posts has approved the appointments of four new secretaries to key ministries. The newly endorsed officials include Prof. K. T. M. Udayanga Hemapala as Secretary to the Ministry of Energy and K. M. G. S. N. Kaluwewa as Secretary to the Ministry of Education, Higher Education, and Vocational Education. Also appointed are S. M. Piyatissa as Secretary to the Ministry of Labour and K. D. R. Olga as Secretary to the Ministry of Women and Child Affairs. [Daily Mirror]

Sri Lanka: New chair appointed to key parliamentary committee

(lm) Opposition legislator S.M. Marikkar has been appointed as the new chair of Sri Lanka's Sectoral Oversight Committee on Infrastructure and Strategic

Development, replacing Ajith P. Perera, who recently stepped down. While the change in leadership is routine, it comes at a time of heightened scrutiny over public investment priorities and foreign infrastructure partnerships, particularly amid Sri Lanka's ongoing post-crisis economic recovery and restructuring efforts. [Daily Mirror]

Sri Lanka: Opposition leader warns of data risks over Indian firm's role in national digital ID project

(lm) Opposition politician Wimal Weerawansa has raised serious concerns about Sri Lanka's decision to hand over development of its electronic national identity card (e-NIC) system to an Indian non-profit firm, warning of significant national data security and sovereignty risks. The e-NIC system is a digital identification platform designed to store citizens' biometric and personal data, including fingerprints, retinal scans, and residential details.

Weerawansa, who leads the National Freedom Front (NFF), claimed that Sri Lanka's Department of Persons Registration had already completed nearly 99 percent of the technical infrastructure for the e-NIC project using local resources and an investment of LKR 5 billion (USD 17 million). However, he alleged that the previous administration under ex-President Ranil Wickremesinghe had sidelined the domestic system and revived a 2021 Memorandum of Understanding with India, awarding the project to the National Institute for Smart Government (NISG) in 2023.

According to Weerawansa, the tender process was conducted exclusively in India, effectively excluding Sri Lankan firms from participating. He also warned that under the terms of the agreement, the Indian firm would bear only 10 percent responsibility in the event of a data breach, raising questions about liability and oversight.

The opposition figure contended that this arrangement not only compromises citizens' privacy but could also give external actors access to sensitive data such as health records, accommodation history, and movement tracking. [Daily Mirror]

Sri Lanka: Former leaders face possible charges over controversial privatization of state-linked IT institute

A government minister has told Parliament that former Presidents Maithripala Sirisena and Ranil Wickremesinghe, along with the full Cabinet of the Yahapalana government (2015–2019), may face legal action over the alleged unlawful transfer of the Sri Lanka Institute of Information Technology (SLIIT) out of public ownership. SLIIT is a prominent higher education institution originally established under the Mahapola Scholarship Fund, a government program supporting university students.

According to the minister, the Cabinet is accused of converting SLIIT into a private limited company, effectively removing it from the oversight of the Mahapola Fund. Current opposition leader Sajith Premadasa, who served in the Cabinet during the Yahapalana period, was also named. The minister announced that complaints would be filed with both the Criminal Investigation Department (CID) and the Bribery Commission. [Daily Mirror]

Sri Lanka: Transport minister denies container release allegations, challenges opposition to file formal complaint

(lm) Sri Lanka's Minister of Transport, Highways, Ports and Civil Aviation, Bimal Rathnayake, firmly denied allegations made by the opposition linking him to the unauthorized release of shipping containers. Speaking in Parliament on July 11, Rathnayake asserted that he holds no authority to release containers and has not been involved in any such activity.

He stated that earlier efforts to implicate the Western Province Governor in the matter had failed, prompting the opposition to shift focus toward him. [Daily Mirror]

Sri Lanka: Former minister seeks anticipatory bail ahead of possible bribery arrest

(lm) Former Sri Lankan Minister Rajitha Senaratne has filed an anticipatory bail application with the Colombo Magistrate's Court, seeking to avoid arrest by the Commission to Investigate Allegations of Bribery or Corruption (CIABOC). On July 14, the court issued notice to the Commission to present its submissions on July 18.

Senaratne, who served as Minister of Fisheries from 2015 to 2019 under the Yahapalana coalition

government led by President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe, is under investigation for allegedly facilitating the unlawful transfer of a state project to a foreign firm. The move is believed to have caused financial losses exceeding LKR 26.3 million (USD 89,000). [Daily Mirror 1] [Daily Mirror 2]

Sri Lanka: Former minister granted bail in gold-plated firearm case

(lm) On July 14, the Colombo High Court granted bail to former Minister Duminda Dissanayake, who was arrested and remanded in connection with the alleged possession of a gold-plated firearm. The court set bail at LKR 250,000 (USD 850) in cash, along with two sureties of LKR 5 million (USD 17,000) each. Both sureties must reside in the Colombo District. A travel ban was also imposed on Dissanayake as part of the bail conditions. [Daily Mirror]

Sri Lanka: Supreme Court upholds conviction of fugitive in record-breaking VAT fraud case

(lm) Sri Lanka's Supreme Court has upheld the conviction and sentence against Mohammed Kamil Kuthubdeen, the key figure in what is widely considered South Asia's largest Value Added Tax (VAT) fraud. The decision followed Kuthubdeen's withdrawal of his Special Leave to Appeal application, which had challenged the 2023 majority ruling by the Court of Appeal affirming his conviction.

The court also dismissed a separate petition filed on Kuthubdeen's behalf to revisit the original judgment, labeling it an abuse of legal process. Kuthubdeen has been evading arrest for over two decades, with an international red notice still active against him. He was convicted in absentia in 2018 along with 13 others for orchestrating a fraudulent VAT refund scheme that defrauded the Sri Lankan state of approximately LKR 3.9 billion (USD 13.3 million).

The scam involved fake claims submitted to the Department of Inland Revenue and led to a protracted trial featuring more than 200 witnesses and 3,000 documents. Kuthubdeen's appeal process became controversial after a third-party attempted to reopen the case while his original appeal was still pending, prompting concerns from the Attorney General's

Department over potential violations of due process. The Supreme Court has now definitively closed this chapter, subjecting Kuthubdeen to a LKR 500,000 (USD 1,700) cost order for misuse of court proceedings. [Daily Mirror]

Sri Lanka: Supreme Court accepts case challenging gender restriction in railway hiring

(lm) The Supreme Court of Sri Lanka has granted leave to proceed in a case challenging the Sri Lanka Railway Department's policy of restricting applications for station master posts to male candidates only. The case was brought by two women who argue that the policy, announced in a June 2025 government Gazette calling for 106 new station masters, violates constitutional protections against gender-based discrimination.

A three-judge bench accepted the petition under Articles 12(1), 12(2), and 14(1)(g) of the Constitution, which ensure equality before the law, prohibit discrimination, and guarantee the right to engage in lawful employment. The case is scheduled for argument on August 27. [Daily Mirror]

Sri Lanka: Excavation at suspected mass grave site paused after 65 skeletons recovered

(lm) Excavation work at the Chemmani site in northern Sri Lanka—a location long suspected to contain mass graves linked to the country's civil conflict—has been temporarily suspended following the recovery of 65 human skeletons. Authorities confirmed that the second phase of the forensic excavation, which had run continuously for 15 days, will resume on July 21.

The Chemmani site has been under scrutiny since allegations in the late 1990s suggested it may contain remains of individuals who disappeared during military operations in the Jaffna region. To date, a total of 24 days of excavation have been completed across two designated forensic sites. [Daily Mirror]

Sri Lanka: Fuel procurement setback with Nigeria, new opportunity opens with South Sudan

(lm) Sri Lanka's effort to secure fuel supplies from Nigeria has stalled due to that country's restrictions on crude oil exports and delays linked to mandatory registration for refined product transactions. The Ceylon Petroleum Corporation (CPC)—Sri Lanka's state-owned oil importer and distributor—had approached both Nigeria and South Sudan as part of its search for more affordable petroleum sources.

However, Nigerian authorities have halted crude exports, and any deal for refined products now requires prior registration with designated suppliers—a process described by CPC officials as time-consuming and currently unfeasible.

In contrast, South Sudan has responded positively. The South Sudanese government has invited Sri Lanka's Energy Minister to visit for negotiations on potential fuel purchases. While this presents a new opportunity, no final decision has been taken yet by Sri Lankan authorities regarding the visit. [Daily Mirror]

Sri Lanka: Experts warn of relapse risk, call for independent growth commission to guide recovery

(lm) A new report by economic experts warns that Sri Lanka risks a relapse into economic instability without bold structural reforms and the establishment of an independent national growth commission. The report, titled "Sustaining transformative growth in Sri Lanka 2025–2030", was jointly issued by London-based ODI Global and the Centre for Poverty Analysis (CEPA) in Colombo.

It proposes creating a non-partisan commission to shape long-term economic planning, citing persistent cycles of partial and inconsistent policy implementation. Drawing on examples from South Korea, Malaysia, India, and Vietnam, the report argues that national consensus is crucial to sustain growth and prevent backsliding.

Despite a GDP rebound of 5 percent in 2024, following the severe 2022 crisis, the study projects that growth may fall below 3 percent without reforms. It also highlights worsening poverty: 24.5 percent of the population was estimated to be living on less than USD 3.65 a day in 2024—more than double the 2019 figure.

To address immediate risks, the report proposes liberalizing food imports as an emergency measure to curb shortages and lower high food prices. It also recommends boosting tourism branding with a global

campaign akin to “Incredible India” or “Malaysia Truly Asia,” developing under-visited regions, and enforcing global standards for quality and hygiene.

Further short-term proposals include upgrading cold storage and logistics using public buses to reduce food waste and improve food security.

The authors emphasize that sustained reforms are needed to maintain economic momentum, lift people out of poverty, and avoid further debt restructuring when financial arrangements come under review in 2027–28. The report outlines a pragmatic roadmap for achieving inclusive growth by 2030. [Daily Mirror]

Sri Lanka: Overseas worker remittances surge 22 percent in June 2025

(lm) Sri Lanka received USD 635.7 million in worker remittances in June 2025, marking a 22 percent year-on-year increase compared to USD 519.6 million in June 2024, according to new figures from the Central Bank of Sri Lanka. [Daily Mirror]

Sri Lanka: President criticizes underuse of development funds in southern key district

(lm) Sri Lankan President Anura Kumara Dissanayake has raised alarm over the slow implementation of development initiatives in Hambantota District, where only LKR 23 million (USD 78,200) of the allocated LKR 574 million (USD 1.95 million) under the Southern Province Development Programme has been spent so far in 2025. At a district coordination meeting on July 11, he urged officials to ensure full disbursement of the remaining funds before the end of the year and called for stronger coordination between politicians and public servants.

Hambantota, located in southern Sri Lanka, is known for major foreign-funded infrastructure ventures, notably Chinese investments in the Hambantota Port and the Mattala Rajapaksa International Airport. These developments have been central to geopolitical discussions on debt dependency and foreign control of strategic assets. [Daily Mirror]

Sri Lanka: Environmental group calls for commission to investigate 2021 marine disaster

(lm) The Centre for Environmental Justice (CEJ) has urged Sri Lankan President Anura Kumara Dissanayake to appoint a Presidential Commission to investigate the 2021 environmental disaster caused by the fire aboard the container vessel MV X-Press Pearl. The ship caught fire off the western coast of Sri Lanka in May 2021, releasing large quantities of hazardous chemicals and plastic pellets into the sea, severely affecting marine ecosystems and coastal communities.

In its July 12 statement, the CEJ cited serious concerns over the lack of transparency in the response from previous officials and called for the commission to be established under the Presidential Commissions of Inquiry Law No. 7 of 1978. [Daily Mirror]

Constitutional Law and –Politics, Human Rights and National Security in Southeast Asia

Brunei: Government vows continued healthcare support amid funding challenges

(ga) Brunei's government reaffirmed its commitment to sustaining healthcare services despite rising costs and an ageing population. Speaking at a news conference, Minister of Health Haji Mohd Isham bin Haji Jaafar acknowledged that the current healthcare funding system, largely unchanged since 2002, no longer fully meets the country's growing needs. While funding remains substantial, it falls short of covering all

medical services, with national healthcare costs averaging BND 200 million (USD 148 million) annually.

He emphasized that support is available for vulnerable groups through insurance and social welfare mechanisms, confirming that emergency medical care will be provided without delay, regardless of patient status. Updated policies now require social worker assessments to prioritize support for those in genuine need.

The minister also noted the implications of an ageing population, with the number of pension recipients—currently about 42,000—expected to rise by at least 20 percent by 2030. This trend will increase pressure on the healthcare system and national budget. [Borneo Bulletin 1] [Borneo Bulletin 2]

Meanwhile, as of July 1, a significant policy change by Brunei's Ministry of Health requires foreign permanent residents and foreign spouses of Bruneian citizens to cover their own medical expenses. This shift ends free healthcare for thousands, who must now obtain private health insurance to cover costs previously funded by the government. Stateless permanent residents are exempt from the new rules and will continue to receive free healthcare on par with Bruneian citizens. [The Scoop]

Brunei: Marine conservation efforts intensify

(tl) In his World Ocean Day 2025 remarks, Brunei's Minister of Primary Resources and Tourism highlighted Brunei's marine conservation efforts with a range of long-term initiatives aimed at protecting ocean biodiversity and promoting sustainable fisheries. Over 20 percent of the nation's fisheries area, spanning more than 1,200 square kilometers, has been designated as a 'No Take Zone' under a Marine Protected Area (MPA) policy to safeguard overfishing and marine diversity.

Further efforts include restoring seagrass ecosystems and promoting marine science education for youth. The minister warned of ongoing threats from plastic pollution, ghost nets, overfishing, and climate change, emphasizing the need for effective solutions and urgent action to safeguard marine life and livelihoods. [Borneo Bulletin]

Cambodia: Legal reform framework to unify fragmented legal system

(gm) Prime Minister Hun Manet has launched Cambodia's first formal framework to direct and coordinate legal reform, marking a significant step toward overhauling the country's fragmented and overlapping legal system. The new strategic framework, unveiled on July 10, is intended to serve as the central guide for building a unified and coherent legal order aligned with Cambodia's constitutional framework, social development goals, and international obligations. [Khmer Times 1] [Cambodianess] [Khmer Times 2]

Legal reform has been separated from judicial reform under the current 7th legislature, with the Council of Ministers now overseeing legal system changes and the Ministry of Justice and Supreme Court handling judicial matters. The newly established Legal Reform Steering Committee will coordinate the implementation of the strategy.

Officials say the reform aims to address systemic weaknesses, including inconsistent laws, legal duplication, and outdated regulations. Hun Manet noted that Cambodia's hybrid legal system, comprising customary law, French civil law, and elements of English common law, has contributed to interpretative confusion and institutional overlap.

The framework outlines four core strategies: harmonizing and disseminating laws; improving legal drafting processes; evaluating legislative effectiveness; and standardizing dispute resolution mechanisms. It also proposes the creation of a National Commission for Legality Protection and a National Commission for Legal Terminology to ensure consistency in legal language.

Cambodia: Senate passes constitutional amendment on citizenship revocation

(gm/dql) The Senate has unanimously approved an amendment to Article 33 of the Constitution, allowing for the revocation of Khmer citizenship under specific circumstances, such as treason or collusion with foreign powers that harm national interests. The measure had previously passed unanimously in the National Assembly on July 11. [Khmer Times 1] [Khmer Times 2]

The amended Article 33 now states that “receiving, losing and revoking Khmer nationality shall be determined by law,” replacing previous language that prohibited deprivation of citizenship except through mutual agreement.

The two-article amendment is intended to reinforce national sovereignty and security, complementing Article 49 of the Constitution, which obligates citizens to protect and develop the country. Cambodia has a legal precedent for citizenship revocation, dating back to the Civil Code of 1920 and the 1968 Law on the Loss of Khmer Citizenship.

In his address, Hun Sen reassured the public that law-abiding citizens have nothing to fear, emphasizing that only those who betray the nation would be affected. He also rejected human rights criticisms, noting that citizenship revocation laws exist in over 150 countries, including nine of the ten ASEAN members.

The measure is being debated in the context of recent diplomatic tensions, particularly a border dispute with Thailand. Officials including Senate President Hun Sen and Hun Manet have linked the amendment to the need to deter foreign-backed subversion during such conflicts. The Constitutional Council previously confirmed the legal viability of the amendment. If approved by the Senate, it will be promulgated by the King.

Government critics, including some exiled opposition figures, have questioned the timing and intent of the proposal (see AiR No. 27, July/2025, 2). Others, including Amnesty International, have raised concerns that the measure could be used to target political dissent and may risk rendering individuals stateless. [Amnesty International] [Al Jazeera][Associated Press]

Government representatives said the change aims to strengthen national sovereignty and protect against foreign interference. Justice Minister Koeut Rith said the amendment would serve as a foundation for forthcoming legislation targeting individuals convicted of acts such as treason or conspiring with foreign entities to undermine the state.

Cambodia: Mandatory military service for men to be enforced from next year on

(dql) Prime Minister Hun Manet announced on July 14 that Cambodia will begin enforcing compulsory military service for men starting next year in response to rising border tensions with Thailand. The move follows cross-

border clashes in May that resulted in the death of a Cambodian soldier amid a long-standing territorial dispute. [Anadolu Ajansı]

The prime minister called the incident as a wake-up call to reform the military. Under the previously unenforced 2006 Military Conscription Law, Cambodian men aged 18 to 30 are now required to serve for 24 months—an increase from the original 18 months—to allow for more thorough training and administrative preparation. Military service remains voluntary for women.

Conscripts will return to civilian life after their term but will remain in the military reserve. The Prime Minister also signaled plans to increase the national defense budget, emphasizing that Cambodia's military build-up is strictly for territorial defense, not aggression. [ABC News]

Cambodia: Local investment surges

(gm) Domestic investment has become an increasingly significant driver of Cambodia's economic diversification and industrial expansion, with local capital accounting for nearly 30 percent of total project value approved in the first half of 2025, second only to China.

According to the Council for the Development of Cambodia (CDC), 373 development projects worth USD 5.8 billion were approved between January and June, marking a 77 percent year-on-year increase. Local investment represented 29.76 percent of the total, behind China's 56.23 percent, and ahead of Singapore at 7.72 percent. In June, Cambodian investors accounted for nearly half of all approved capital.

CDC officials said this surge reflects investor confidence in the country's macroeconomic stability and a more predictable business environment under the 7th mandate government. The bulk of local investment has gone into infrastructure, energy, and logistics, with USD 1.6 billion committed to projects such as dams, dry ports, and power stations. Industry projects, ranging from light manufacturing to electric vehicle components, received over USD 100 million, while tourism drew USD 20 million.

The trend aligns with broader state goals to reduce dependency on imports and enhance domestic production capacity. Economist Hong Vanak said increased local investment supports self-sufficiency and workforce engagement, particularly as Cambodia

seeks to narrow its trade deficit. In the first five months of 2025, Cambodia imported USD 13.48 billion worth of goods versus USD 11.8 billion in exports.

Authorities have also moved to improve logistics and regional connectivity through public-private infrastructure projects, including the Funan Techo Canal, deep-sea port in Preah Sihanouk, Techo International Airport, and rail modernization. The government continues to expand special economic zones (SEZs) to support regional supply chains and diversify its export base.

From January to June, industry attracted USD 4.2 billion in investment, infrastructure USD 1.5 billion, agriculture and agro-industry USD 130 million, and tourism USD 20 million.

CDC officials underscored that human capital, trade agreements, and climate-friendly energy strategies remain central to Cambodia's investment appeal. Renewable sources now supply 60 percent of domestic energy, and the government continues to promote green industry alongside carbon neutrality goals. [Cambodianess] [CDC]

Indonesia: Ministry of State-Owned Enterprises affirms tighter oversight of sovereign wealth fund Danantara

(ms) Indonesia's Ministry of State-Owned Enterprises (SOEs) has confirmed that it will formally maintain oversight of the country's sovereign wealth fund, Danantara Indonesia Investment Management Agency, under a new law that expands the ministry's regulatory powers.

The announcement, made by SOEs Minister Erick Thohir on July 8, follows the recent enactment of Law No. 1 of 2025, which clarifies the government's role in supervising Danantara's growing control over hundreds of state-owned enterprises (SOEs).

Thohir explained that while Danantara will manage investments, the ministry will continue to approve appointments of directors and commissioners, shareholder meetings, and other key corporate decisions for state companies. "We are supervisors. Danantara can propose, but we hold the final say," Thohir said after a parliamentary meeting.

The new law comes as Danantara expands its reach, consolidating nearly 900 SOEs into fewer than 200 core entities and attracting major foreign investment —

including a USD 4 billion pledge from the Qatar Investment Authority for infrastructure. It has also provided large loans to domestic firms like Garuda Indonesia to support national restructuring efforts (see AiR No. 26, July/2025, 1; AiR No. 27, July/2025, 2). [Antara 1]

Finance Minister Sri Mulyani Indrawati reinforced this oversight message on July 10, saying Danantara's investments must serve public interests and strategic goals, not just profit. She recently met Danantara's Chief Investment Officer Pandu Sjahrir to review priorities in energy, minerals, and job creation.

Analysts say the expanded oversight is essential, given Indonesia's past challenges with SOE governance and corruption. To back up this role, Thohir has requested a bigger 2026 ministry budget of USD 37 million or Rp604 billion to strengthen supervision and ensure Danantara's decisions align with national development plans. [Antara 2] [Indonesian Business Post]

Indonesia: Finance ministry seeks USD 3.21 billion budget for 2026 despite earlier cuts

Indonesia's Finance Ministry has requested a budget of USD 3.21 billion (Rp52.02 trillion) for 2026, up USD 301.2 million (Rp4.88 trillion) from its earlier ceiling. The proposal, presented to the House of Representatives' Finance Commission on July 14, comes just months after the ministry's own 2025 budget was cut by USD 548 million (Rp8.9 trillion) under a nationwide cost-saving directive.

Deputy Finance Minister Suahasil Nazara said the additional funds are needed to support strategic areas like revenue target implementation, Information and Communication Technology spending, and the setup of new organizational units. Excluding seven public service agencies (BLUs), the ministry's core request is USD 2.57 billion (Rp41.64 trillion).

The proposal includes funding for BLUs such as the education endowment fund (LPDP), the Palm Oil Fund (BPDP), and the Environmental Fund Agency. Officials argue the increase is essential to maintain operational capacity and meet policy objectives, despite past austerity efforts that reportedly saved USD 173.7 million (Rp2.82 trillion) between 2020 and 2024. [Indonesia Business Post]

Indonesia: Government to raise 2026 microloan cap to USD 26.4 billion to support housing

(ms) The Indonesian government plans to raise the ceiling of its microcredit program (KUR) to USD 26.4 billion (Rp 430 trillion) in 2026, with USD 8 billion (Rp 130 trillion) earmarked for the housing sector. The move is part of President Prabowo Subianto's initiative to build 3 million homes per year.

Minister of Micro, Small and Medium Enterprises (MSMEs) Maman Abdurrahman stated that the housing allocation of USD 8 billion (Rp 130 trillion) would not reduce the existing USD 18.4 billion (Rp 300 trillion) ceiling already dedicated to other MSME sectors. "We are expanding the overall KUR budget to accommodate both MSMEs and housing needs," he told reporters in Jakarta.

The housing-focused microloan scheme is being coordinated with the Public Housing and Settlements Ministry, which is finalizing implementing regulations expected by the end of July.

Housing Minister Maruarar Sirait confirmed the framework is under review and will be completed this month. The plan is intended to improve access to affordable housing without compromising MSME financing. [The Jakarta Post]

Indonesia: Former Gojek CEO questioned in USD 600 million Chromebook corruption probe

(ms) The Attorney General's Office (AGO) has questioned several prominent figures, including former Gojek CEO Andre Soelistyo, former Tokopedia President Melissa Siska Juminto, and former Education Minister Nadiem Makarim, in connection with an ongoing investigation into the USD 600 million (Rp 9.9 trillion) Chromebook procurement project.

The project, implemented by the Ministry of Education and Culture between 2019 and 2022, is being investigated for alleged irregularities and possible collusion. Prosecutors allege that an initial technical study recommended Windows-based laptops, but was replaced with a new assessment favoring Chromebooks—despite earlier trials indicating poor performance.

The procurement was part of a national digitalization initiative aimed at expanding access to online education during and after the COVID-19 pandemic. The laptops were distributed to schools across the country. However, concerns emerged over the procurement process, including alleged political interference, inflated pricing, and the forced adoption of technology not aligned with local infrastructure needs. Investigators believe key decisions may have been influenced by external interests.

Soelistyo was questioned over his role as director of PT Aplikasi Karya Anak Bangsa (Gojek's legal entity, where *PT* stands for *Perseroan Terbatas*, or *limited liability company*) in 2020, while Juminto was asked about her involvement with PT Gojek Indonesia, another company within the group. Nadiem, who founded Gojek before joining the cabinet, appeared for the second time on July 15 to clarify his oversight of the project.

The AGO also searched the Jakarta office of GoTo, the publicly listed parent company of Gojek and Tokopedia, on July 8, seizing documents and electronic devices. Investigators are reviewing procurement decisions, budget allocations, and technical assessments to determine possible losses to the state. No suspects have been formally named. [Antara] [Jakarta Global] [TechinAsia]

Indonesia: Government expands efforts to address drug abuse in youth and villages

(ms) Indonesia is tightening its stance against drug abuse as new data from the National Narcotics Agency (BNN) shows 3.3 million people nationwide are using illegal drugs. While overall numbers have dropped slightly, drug use among young people is on the rise, with more than 300,000 teenagers affected.

The spread of drugs has also reached villages. To counter this, the government will require all village heads and officials to undergo urine tests starting in 2026. The Ministry of Villages will also set up local Anti-Drug Task Forces to keep rural areas clean from narcotics.

Peer pressure and lack of awareness remain key factors behind youth drug abuse. President Prabowo Subianto has made drug eradication part of his Asta Cita program, stressing that tackling narcotics is a national priority. The government is calling for stronger law enforcement, better community awareness, and family support to protect Indonesia's future from the

threat of drugs. [Antara 1] [Antara 2] [Kompas] [Tempo]

Indonesia: Government to cut social aid for online gambling besides terrorism links

(ms) Indonesia will revoke social aid from recipients found to have used the funds for online gambling, officials announced Friday, expanding existing measures that already target terrorism financing.

The move follows a report by the Financial Transaction Reports and Analysis Center (PPATK), which identified 571,410 aid recipients involved in online gambling. These individuals conducted 7.5 million transactions worth Rp957 billion (USD57.2 million) in 2024 alone. The data was cross-checked using national ID numbers from 28.4 million aid recipients and 9.7 million suspected gamblers. The PPATK called the findings alarming and said investigations are ongoing.

State Secretary Prasetyo Hadi confirmed the government is using updated socioeconomic data to verify identities and bank accounts. “We will remove them from the list if misuse is confirmed,” he said. [Jakarta Global] [The Jakarta Post]

Indonesia: USD 7.3 billion boost sought for Prabowo’s free meals program as food reform ambition grows

(ms) Indonesia’s National Nutrition Agency (BGN) has requested an additional USD 7.3 billion (Rp118 trillion) to fund President Prabowo Subianto’s free school meals initiative through 2026, raising the total estimated budget to USD 21 billion (Rp336 trillion).

Launched in January, the program aims to fight malnutrition by providing daily nutritious meals to schoolchildren and pregnant women. It currently reaches around 5 million beneficiaries and is set to scale up to 82.9 million by November. However, BGN head Dadan Hindayana warned on July 10 that existing funding would only last until August 2026.

While the program is a cornerstone of Prabowo’s welfare agenda, lawmakers have raised concerns over its long-term impact and fiscal sustainability. House Commission IX deputy chair Yahya Zaini said the proposed budget increase must be tied to broader

goals such as improving dietary habits, local food supply chains, and health outcomes – particularly in underserved regions. [Jakarta Globe] [The Jakarta Post]

Indonesia: Anti-graft body warns officials it can monitor their phones

(ms) Indonesia's Corruption Eradication Commission (KPK) has reminded public officials that it has the capability to monitor their phone activity, including detecting inappropriate content such as pornography. The warning was issued during a corruption prevention meeting in North Jakarta on July 11, attended by governors from across the country.

The anti-graft agency emphasized that its surveillance technology surpasses what many regional officials use. The reminder serves as a deterrent amid ongoing concerns about digital misconduct and signals that the KPK is expanding its oversight beyond financial transactions into digital communications.

The timing of the message may reflect broader concerns over governance following the 2024 regional elections, as newly installed leaders settle into office. It also comes against a backdrop of public criticism that the KPK has become less aggressive in tackling corruption after recent reforms diluted its powers.

By underscoring its ability to track digital behavior, the KPK appears to be reasserting its relevance and authority. The move may be interpreted as an effort to discourage early signs of misconduct and remind officials that the agency remains a presence, even as its formal powers have been reduced. The warning adds a modern layer to traditional anti-corruption efforts in an increasingly digital political environment. [Jakarta Globe]

Indonesia: Government plans 4-Year vocational schools to tackle youth unemployment

(ms) Indonesia's education ministry is planning to introduce four-year vocational high schools to better prepare students for the workforce and reduce youth unemployment. The final year would focus on job readiness through internships, industry partnerships, and skills certification.

The initiative comes as unemployment among young Indonesians remains high — 22.34 percent for those aged 15–19 and 15.34 percent for ages 20–24 in 2024.

In addition to targeting regular students, the program will open 1,000 seats for school dropouts in its initial phase. The ministry also aims to link vocational schools with job training centers and employers, allowing students to secure employment pathways before graduation.

Officials say the program is designed to address long-standing gaps between education and labor market

Indonesia: New strategies launched to strengthen long-term energy security

(ms) Indonesia's Ministry of Energy and Mineral Resources is advancing an integrated plan to strengthen long-term energy independence, Deputy Minister Yuliot said on July 10, 2025.

Key targets include raising oil production to 1 million barrels per day and gas output to 12 billion cubic feet per day by 2030. This will be supported by the development of major pipelines, such as the 325-kilometer Cirebon–Semarang (Cisem) pipeline in Central Java and the 555-kilometer Dumai–Sei Mangke (Dusem) pipeline in Sumatra. Both pipelines are intended to connect gas fields to industrial centers and power plants, improving domestic gas distribution and reducing dependence on imports of fuel oil.

To meet rising electricity demand, the government has approved PLN's 2025–2034 Business Plan, which aims to add 69.5 GW of power generation capacity, build nearly 48,000 circuit-kilometers of new transmission lines, and expand renewable energy capacity to 42.6 GW by 2034.

Yuliot also noted that Indonesia will raise its biodiesel blending requirements — increasing the mandatory mix to B40 in 2025 and B50 in 2026. This means that 40–50 percent of diesel fuel sold must come from bio-based sources, mainly palm oil. The goal is to cut fossil fuel use, boost domestic palm oil demand, and create more jobs in rural areas. [Antara]

Indonesia: Government offers 75 oil and gas blocks to attract investment

(ms) Indonesia will offer 75 oil and gas blocks to investors this year as part of efforts to strengthen national energy security and raise domestic output. Deputy Minister of Energy and Mineral Resources Yuliot Tanjung confirmed on July 8 that most of the blocks are located in the eastern regions, including Papua, Sulawesi, and Maluku.

Twenty blocks are situated in the Maluku–Papua region, covering areas such as Seram-Aru and Cendrawasih Bay II and III. The blocks will be offered under production sharing contracts (PSC) to attract companies to explore and develop Indonesia's untapped reserves.

Of the total, 61 blocks are currently up for auction. The government has also identified 14 additional areas for potential future auctions. The push aligns with President Prabowo Subianto's target of raising Indonesia's crude oil production to one million barrels per day, up from about 630,000 barrels today (see article above). Increasing gas output and expanding domestic pipeline infrastructure are also part of the plan to reduce dependence on imports. [Antara] [Jakarta Global]

Indonesia: Bali confirms no full foreign ownership of islands

(ms) The Bali National Land Agency (BPN) has confirmed that no island in the province is fully owned by foreign nationals, in response to recent concerns about foreign ownership of Indonesian islands.

According to BPN, foreigners may legally hold land through *hak pakai* (usage rights) or investment schemes, but this does not equate to full ownership of any island. .

In Bali, islands remain under Indonesian control. Foreign nationals typically use usage rights to build residential or commercial properties. As of March 2025, BPN recorded 463 land lots under foreign usage rights, mostly for villas or houses. By regulation, *hak pakai* requires a minimum investment of Rp3 billion or USD 185,000–190,000 and is valid for an initial 30 years, with extensions possible for up to 80 years.

The Home Affairs Minister Bima Arya Sugiarto has also emphasized that Indonesian law prohibits full private ownership of any island. Ownership is restricted to no more than 70 percent of an island's total area, and all transactions must follow legal requirements. [Antara] [The Bali Sun]

Indonesia: USD 197 million fertilizer fraud and USD 17 billion oil corruption uncovered

Indonesia's Agriculture Ministry has uncovered a fertilizer fraud scheme valued at USD 197 million (Rp3.2 trillion), involving five counterfeit products sold across the country. Agriculture Minister Andi Amran Sulaiman said the fake fertilizers have heavily impacted farmers, many of whom purchased them using loans from the state-supported People's Business Credit (KUR) scheme. He warned that this could lead to widespread crop failures and farmer debt. The ministry has pledged legal action against the perpetrators but has not yet disclosed specific product names or distribution networks. [Antara 1]

In a separate case, the Attorney General's Office (AGO) announced that financial and economic losses from a major corruption probe involving Pertamina's crude oil and fuel operations have reached USD 17 billion (Rp285 trillion). The case, spanning 2018 to 2023, centers on mismanagement and fraud in oil procurement and trading involving Pertamina Subholding and upstream contractors (KKKS).

Nine more suspects, including former Pertamina executives and private sector figures, were named last week. One suspect, businessman M. Riza Chalid, remains at large overseas. The others have been detained for further investigation.

The two cases underscore deep-rooted accountability issues in Indonesia's strategic sectors, with authorities vowing stronger enforcement and institutional reforms. [Antara 2]

Laos: 35,000 unexploded ordnance cleared in 2025, but contamination still widespread

(ms) Laos cleared more than 35,000 unexploded ordnance (UXO) items in the first half of 2025, including over 16,000 cluster munitions, according to the National Regulatory Authority (NRA). Despite steady progress, the country remains one of the world's most UXO-contaminated nations, decades after heavy bombing during the Vietnam War era.

At a UXO Sector Working Group meeting on 8 July in Vientiane, the NRA reported that clearance teams

surveyed over 9,400 hectares and confirmed nearly 7,000 hectares as hazardous. Of this, about 2,700 hectares were cleared and made safe for farming, construction, and community use.

While this annual progress is significant, it represents a small fraction of the estimated 87,000 square kilometres — nearly 37 percent of Laos's total land area — that is believed to be contaminated with UXO.

UXO accidents remain a serious risk, especially for children. From January to June, seven incidents caused four deaths and four serious injuries. Officials say continued international support and reliable funding are vital to sustain clearance operations. The United States, the main source of ordnance dropped on Laos, has contributed over 427 million dollars since clearance began.

Authorities aim to clear all confirmed high-risk areas by 2030. [The Laotian Times]

Laos: Vientiane approves first tap water price hike in a decade

(ms) Vientiane Capital will raise tap water prices for the first time since 2014 to cover rising costs and expand access. Approved by the Vientiane People's Council on 9 July, the increase will be phased in from 2025 to 2028.

Officials say higher prices for imported chemicals, fuel, and equipment — combined with a weaker kip (LAK), Laos' national currency — have left the city's water utility operating at a loss while tariffs stayed frozen since 2014. Because many essential materials are priced in foreign currency, the declining value of the kip has sharply increased operating costs, forcing the utility to rely on state subsidies and foreign aid to keep services running.

Currently, only about 70 percent of Vientiane's villages have piped water. Revenue from the hike will help double treatment plants, upgrade old pipes, and connect 137 unserved villages, as Laos works to keep basic services financially sustainable amid rapid urban growth. [The Laotian Times]

Malaysia: Abdul Hadi confirms bid to defend Malaysian Islamic Party Presidency

(ga) Abdul Hadi Awang has confirmed that he will defend his position as Malaysian Islamic Party (*Parti Islam Se-Malaysia*, PAS) President at the party's 71st Congress in Kedah this September. Hadi, who has held the presidency since 2003, stated he has no plans to step down despite recent health issues.

His remarks follow earlier speculation suggesting he might relinquish the position due to declining health. Reports had indicated that Hadi had expressed such intentions during a recent retreat in Terengganu, leading to internal party discussions.

PAS has not seen any contest for its top two positions since the 2015 elections. On the issue of the main opposition Perikatan Nasional (PN) coalition chairmanship, Hadi said any decisions would be made in consultation with all coalition component parties. PAS has been a significant component of PN, contributing a substantial number of seats in the House of Representatives. In the 2022 general election, PAS secured 49 out of the coalition's 73 seats, making it the largest party within PN. [The Malaysian Reserve] [Malay Mail]

Hadi's announcement comes a Malaysia's political landscape has shifted significantly with the rise of Islamic-oriented parties, particularly PN. PN made major gains in the 2023 state elections, winning 146 of 245 seats and consolidating power in northern and east coast states. PAS has since pushed conservative Islamic policies, including hudud laws, dress codes, and gender segregation, fueling what is often called the "green wave."

This trend reflects growing discontent among conservative Malay voters, especially youth, with the ruling coalition's perceived liberalism and failure to deliver economic reforms. Prime Minister Anwar Ibrahim's administration, while promoting "Madani" or moderate Islam, has also strengthened Islamic institutions in response to the opposition's influence. While Anwar retains a parliamentary majority, PAS' growing popularity presents a long-term challenge to his leadership and the country's pluralistic foundations.

Meanwhile, observers warn the growing Islamization risks marginalizing Malaysia's multiethnic identity. A 2023 Pew survey found 86 percent of Muslim Malaysians support making Sharia official law. Critics argue political parties exploit religious rhetoric to gain support, especially during elections. Experts also highlight weak counter-radicalism policies, noting Malaysia's appeal to foreign Islamist groups. [DW]

Malaysia: Study of foreign models highlights controversy over domestic judicial appointment uncertainty

(tl/dql) Malaysia is exploring reforms to its judicial appointments system by conducting a comparative study of models from four countries, the United Kingdom, India, Australia, and Singapore. The initiative was announced by the Legal Affairs Division (BHEUU) under the Prime Minister's Department (Law and Institutional Reform) following a high-level meeting involving Minister Azalina Othman Said and the chairs of two parliamentary select committees.

This initial comparative study aims to provide Malaysia with a comprehensive view of how judicial appointments are handled in countries with comparable systems. The goal is to support evidence-based decisions on potential reforms and to evaluate global best practices and recommend changes suitable for Malaysia's constitutional monarchy. The government emphasized that this inclusive and transparent approach will include public input before findings are presented to the Cabinet.

Currently, Malaysia's judges are selected through the Judicial Appointments Commission (JAC), which proposes names to the prime minister. The final appointment is made by the King, based on the prime minister's advice and after consultation with the Conference of Rulers. [Malay Mail 1]

The announcement of the study comes amid a broader controversy of a looming leadership vacuum in the judiciary. [The Edge Malaysia] [The Star]

Chief Judge of Malaya Hasnah Mohammed Hashim, Malaysia's third-ranked judge, assumed the responsibilities of Chief Justice following the retirement of Tengku Maimun Tuan Mat on July 2. According to the Federal Court's Chief Registrar, Hasnah will temporarily carry out the duties of Chief Justice until a permanent appointment is made. Although she reached the mandatory retirement age of 66 in May, her term was extended by six months until mid-November by Malaysia's King.

Before her retirement, Tengku Maimun advocated reforms to remove the prime minister's role in judicial appointments, stating that such changes would help safeguard judicial independence and prevent perceptions of political interference.

Tengku Maimun retired upon turning 66, followed a day later by Abang Iskandar Abang Hashim, who also reached the age limit. The Chief Judge of Sabah and Sarawak, Abdul Rahman Sebli, is expected to retire this month when his extension ends, adding to the growing number of vacancies at the Federal Court.

The lack of clear decisions on top judicial appointments has raised concern within legal and political circles. The Malaysian Bar criticized the government's "silence and indecision," warning that it undermines public confidence and opens the door to speculation (see AiR No. 27, July/2025, 2).

Lawyers march to defend independence of judiciary

In the latest development, the Malaysian Bar organized a peaceful march on July 14 to defend judicial independence and push for urgent institutional reforms. Around 400 lawyers walked from the Palace of Justice (PoJ) to the Prime Minister's Office in Putrajaya, amid growing concerns over alleged interference with the judiciary, and prolonged top-level judicial vacancies.

Malaysian Bar President Mohamad Ezri Abdul Wahab led the march and later submitted a memorandum to the Prime Minister's Office (PMO). The document reiterated key demands, including the establishment of a Royal Commission of Inquiry (RCI) to prevent any interference with judiciary and the immediate appointment of qualified judges to leadership roles. Some vacant positions have reportedly delayed court cases until 2030. [Malay Mail 2]

Malaysia: Population projected to peak at 42.38 million in 2059, then decline

(ga) Malaysia's population is projected to reach a peak of 42.38 million in 2059 before gradually declining to 41.43 million by 2070, according to the Department of Statistics Malaysia (DOSM). The population growth rate is expected to slow from 1.7 percent in 2020 to 0.1 percent by 2060. Selangor is forecasted to remain the most populous state with 8.10 million residents in 2060, followed by Johor (4.99 million) and Sabah (4.89 million).

States of Kelantan, Pahang, Perak, Terengganu, and Putrajaya are expected to experience continued population growth until 2060. Nine other states, including Kuala Lumpur, Penang, and Labuan, are projected to reach their population peaks before 2059.

Ethnic composition projections show the Malay population rising from 69.4 percent in 2020 to 79.4 percent in 2060, while the Chinese and Indian populations are expected to decline to 14.8 percent and 4.7 percent, respectively. The male population will continue to outnumber females, with the sex ratio increasing from 110 males per 100 females in 2020 to 114 by 2060. [Department of Statistics Malaysia]

Malaysia: Agrofood sector adds MYR 45.5 billion to GDP in Q1 202

(ga) The agrofood sector contributed MYR 45.5 billion (USD 9.56 billion), or 11 percent of Malaysia's GDP in the first quarter of 2025, according to Agriculture and Food Security Minister Mohamad Sabu.

The food services subsector led with MYR 22.1 billion (USD 4.64 billion), followed by crops, livestock, and fisheries with MYR 13.9 billion (USD 2.92 billion), and food and beverages with MYR 9.7 billion (USD 2.04 billion).

Malaysia's rice self-sufficiency ratio (SSR) currently stands at 65 percent, with efforts underway to increase it through the revival of idle padi lands across several states and yield optimization. Malaysia lost approximately 20,000 hectares of padi land to non-agricultural development.

The minister also highlighted that nearly half of Malaysian farmers are aged 60 and above, although youth participation in padi farming is increasing, especially in areas like Negeri Sembilan, Johor, and Sabak Bernam. The ministry plans to continue promoting youth involvement in agriculture, particularly through the use of modern technologies such as drones. [Bernama]

Malaysia: Stricter regulations against illegal ship-to-ship oil transfers to be introduced

(tl) Malaysia is set to implement a new regulation by the end of July to combat illegal ship-to-ship (STS) oil transfers within its territorial waters. Foreign Minister Mohamad Hasan announced the upcoming rule as part of the country's efforts to strengthen maritime sovereignty and counter international allegations that Malaysia allows such activities.

Under the new enforcement policy, vessels caught carrying out unauthorized oil transfers will be detained. The move aims to ensure stricter control over maritime activities and to protect Malaysia's image as a responsible coastal nation.

During a press conference held at the close of the Asean Foreign Ministers' Meeting (AMM) and related meetings on July 11, the minister emphasized that the government is prepared to take firm action despite potential objections from affected parties, reaffirming Malaysia's commitment to maritime security and national sovereignty. [Malay Mail]

Myanmar: Junta completes nationwide electronic voting machine training

(nf) Myanmar's ruling military has finished training election personnel across the country in the use of new electronic voting machines introduced for its planned general election, which is set for December or January.

Since June, the junta has conducted demonstrations and mock votes across all 14 states and regions, including conflict zones like Sagaing, Magwe, Karenni and Rakhine State, where it does not have full control. The Union Election Commission (UEC) says 55,000 locally made machines will be used in place of paper ballots for the first time, with a claimed 99.99 percent accuracy rate.

The regime states that voting will go ahead in 267 of Myanmar's 330 townships, though resistance forces continue to hold large swathes of territory.

Critics say the planned vote is an effort to legitimize military rule, with western governments, the civilian National Unity Government and regional monitors condemning the poll as a sham election amid continued fighting and extensive displacement. China, Russia and Belarus have supported the election plan, while ASEAN chair Malaysia has urged the junta to prioritize an end to violence over forging ahead with contentious polls. [The Irrawaddy] [Nikkei Asia]

Myanmar: Two Yangon activists sentenced to 20 years in prison

(anl) On 9 July, the Universities Students' Union Alumni Force (USUAF) reported that Yangon-based anti-coup activists Paing Phyo Min (aka De Yay) and Shein Wai

Aung were each sentenced to 20 years in prison by junta-controlled courts.

Both activists were arrested in October 2024 during late-night guest list inspections by junta forces. Paing Phyo Min is the leader of the Anti-Junta Alliance of Yangon (AJAY) and a USUAF member, while Shein Wai Aung is a former executive of the Dagon University Students' Union.

USUAF condemned the rulings, calling the sentences "a cruel tool of oppression" and accusing the junta of weaponizing the legal system to silence dissent

Earlier this year, in January, Insein Prison Court sentenced USUAF co-founder and photojournalist Zaw Lin Htut (aka Po Thar), Youth Strike Committee leader Aung Min Khaing, member Mya Myint Su, and former political prisoner Hnin Ei Khaing to three years of hard labor. [Mizzima]

Myanmar: 70,000 troops conscripted since reactivation of military service law in February last year

(dql) Myanmar's military regime has conscripted nearly 70,000 recruits since activating the People's Military Service Law in February 2024, using them to support counteroffensives aimed at retaking territory from ethnic armed organizations (EAOs) and resistance forces. According to army defectors and resistance fighters, most conscripts are deployed directly to frontline combat with minimal training.

The regime has reportedly drafted 14 batches of 5,000 individuals each, vastly exceeding pre-coup recruitment levels. The newly conscripted troops played a significant role in the recapture of Mobye in southern Shan State, according to resistance forces.

The Defense Ministry confirmed that 11 batches have completed training and three more are in camps. A total of 18 training centers have been set up nationwide. [The Irrawaddy]

Myanmar: Intensified infighting erupts among Chin resistance forces

(nf/anl) Intense fighting has broken out between rival Chin resistance forces, escalating into full-scale battles. Over the weekend, the Chin National Army (CNA)

captured the Chin National Defense Force (CNDF) headquarters at Camp Rihli, despite ongoing negotiations over border disputes.

The clashes mark the culmination of months of rising tensions between the Chin Brotherhood—which includes the CNDF—and the Chinland Council, which is dominated by the CNA's political wing, the Chin National Front (CNF).

According to the CNDF, the CNA's seizure of Camp Rihli was a retaliatory move for the CNDF's earlier takeover of Rikhawdar town from CDF-Hualngoram, a CNA-aligned group. The CNDF claims its forces were ambushed while engaged in negotiations when CNA troops launched their offensive and took control of the camp.

Peace activists and members of the local community have urged both sides to immediately resume dialogue, warning that the internal conflict is undermining the broader resistance movement against Myanmar's military regime.

Efforts at mediation, led by the Chin Advocacy Group for Peace, collapsed on July 13. Further clashes appear likely, with CNA forces reportedly advancing on other Chin Brotherhood-held positions. [The Irrawaddy]

Myanmar: Latest junta airstrikes kill more than 30 civilians

(dql/anl) According to sources including the civilian National Unity Government (NUG) and local monitoring groups, at least 25 civilians were killed across Myanmar on July 11 in a series of junta airstrikes.

The deadliest attack occurred at Linn Ta Luu village monastery in the northwestern Sagaing Township, where around 200 displaced people were sheltering. An airstrike killed 22 civilians, including three children, and injured over 50 others. A nearby village, Kyaw Zayar, was also bombed, destroying homes.

In Wetlet Township, a junta jet from Tada-U airbase dropped six bombs on Yay Lal Maw village, killing two civilians and wounding five. Later that day, a Mi-35 helicopter opened fire on the same area.

Additional strikes were reported in eastern Madaya Township, Mandalay Region; a school in Myaing Township, Magwe Region, and Kyaume town in northern Shan State, where the Ta'ang National

Liberation Army (TNLA) reported one civilian death and five injuries.

The TNLA said the attacks follow its refusal to return territory to the junta during China-brokered peace talks in Kunming.

Since the 2021 coup, the junta has launched over 3,000 airstrikes, killing at least 3,242 people, including 478 children, according to the NUG Human Rights Ministry. [The Irrawaddy]

Earlier last week, on 9 July, local sources reported that a Myanmar junta airstrike killed two young brothers and injured eight others, including three children in Pan Ma Htate ward, Mogok Township, Mandalay Region.

The TNLA stated that a junta jet targeted eastern Mogok near the Pyin Oo Lwin entrance, destroying six houses and killing seven cattle. The strike followed an earlier air assault on 8 July in western Mogok, near a private high school, which killed three civilians and injured several children.

The TNLA reported a rise in junta air and drone strikes on its territory. In a July 2 statement, it said attacks in June across Mogok, Kyaukme, Nawnghkio, Hispaw, and Namtu destroyed 75 homes, four monasteries, and four schools, killing at least five people, including two children and injuring 32 others. [Mizzima]

Myanmar: Kachin Army rejects rumors of arrest of top leader by China

(nj) The Kachin Independence Army (KIA), has denied rumors that China placed General N'Ban La—head of the Kachin Independence Organization (KIO), the KIA's political wing—under house arrest to pressure the group into halting its offensive against Myanmar's military regime. It also rejected reports that Beijing threatened to stop purchasing rare earth minerals from KIA-controlled areas if the group continues its push to seize the junta-held town of Bhamo in Kachin State, near the Chinese border.

The KIA said fighting around Bhamo involves daily artillery exchanges and junta drone attacks, but no new ground offensives. It reported ongoing clashes in Hpakant, Kachin's jade mining center, where junta troops are attempting to regain control. China is the primary importer of both jade and rare earths from Myanmar. [The Irrawaddy]

In recent months, reports have emerged that China is pressuring ethnic armed groups to halt offensives against the military regime, particularly in areas tied to Chinese economic interests. In April 2025, China pushed the Myanmar National Democratic Alliance Army and the T'ang National Liberation Army to return Lashio Township to junta control. It has also reportedly urged the Arakan Army to cease attacks in Rakhine State, where the multi-billion-dollar Kyaukphyu deep-sea port, key to China's Belt and Road Initiative, is under development (see AiR No. 23, June/2025, 2).

Myanmar: Three People's Defense Force members caught trafficking drugs in Chin State

(nj) Three members of the People's Defense Force (PDF), the armed wing of the civilian-led National Unity Government (NUG), were arrested by the Salingyi Special Task Force for transporting three million stimulant tablets and 110 kilograms of heroin. The suspects are reportedly part of the Yinmabin PDF Battalion 15, which falls under the command of the Salingyi Special Task Force. They were carrying a permit from their battalion commander, Phoe Tuang, to deliver explosives to the Bar Bridge in Falam Town; however, no explosives were found.

The Chinland Defense Force–Hakha released a video statement in which the suspects confessed that they were tasked with transporting the drugs from northern Shan State. Two individuals suspected of being the masterminds of the operation have fled, one of whom is Ko Pa Te, a battalion commander in the PDF.

While the Salingyi Special Task Force verified the authenticity of the permit, it claimed the members had exploited the letter to transport drugs. The task force claimed full responsibility for resolving the issue and promised to hand the individuals over to the NUG for further investigation. [Chindwin News Agency] [Mizzima] [CDF–Hakha]

Philippines: Ex-President Duterte learns identities of ICC witnesses as charges confirmation nears

(lm) Former Philippine President Rodrigo Duterte has been formally presented with the identities of key witnesses in the International Criminal Court (ICC) case against him, as required under court rules ahead of

the September 23 confirmation of charges hearing. This procedural step marks a shift in the prosecution phase, raising concerns over witness safety despite ICC safeguards. The disclosed evidence reportedly links Duterte to three killings: one during his time as Davao mayor, and two during his presidency, including high-profile cases such as the deaths of Mayors Rolando Espinosa Sr. and Reynaldo Parojinog.

The prosecution has been gradually disclosing its case file since early 2024 and continues to gather evidence while preparing for the upcoming hearing. Defense counsel Nicholas Kaufman has challenged the court on several fronts, including Duterte's request for interim release, which was strongly opposed by the prosecution. Tensions escalated over conflicting interpretations of whether the prosecution had previously consented to release in a third country. The ICC chamber has so far sided with the prosecution on key procedural issues.

The defense also faces a looming jurisdictional challenge. For charges to proceed, the prosecution must meet the higher legal threshold of proving "substantial grounds to believe" that Duterte committed crimes against humanity between 2011 and 2019 and exercised control over systematic extrajudicial killings.

Meanwhile, Vice President Sara Duterte – Duterte's daughter – has claimed that some of the prosecution's evidence was obtained through harassment or coercion, a charge that has yet to be substantiated. [Rappler]

Philippines: Supreme Court demands procedural details in vice president's impeachment, but Senate urged to proceed with trial

(dnb/lm) President Sara Duterte and has directed both chambers of Congress to submit detailed procedural information related to the case. The petitions—one filed by Duterte herself and another by lawyer Israelito Torreon and other supporters—allege violations of constitutional safeguards, particularly around the so-called "one-year bar rule" and due process in the handling of the impeachment complaints.

The Supreme Court has not issued a temporary restraining order, allowing the Senate to proceed with the trial. Legislators backing the impeachment, including Representatives Joel Chua and Terry Ridon,

argue that this absence of a TRO supports the presumption of legality and regularity, and that any jurisdictional objections can be addressed during the trial itself. They also point to precedents such as Francisco v. House of Representatives and Gutierrez v. House of Representatives, which clarify that impeachment proceedings begin only upon referral to the House Committee on Justice—not upon initial filing or endorsement.

The Supreme Court's directive includes a request for the House to clarify the handling of the first three impeachment complaints filed by civil society groups and endorsed by lawmakers between December 2024 and early 2025. These complaints—centered around allegations of misuse of confidential funds and betrayal of public trust—were never forwarded to the justice committee, reportedly due to decisions by House Secretary-General Reginald Velasco. Duterte's petition argues that the delayed transmittal circumvented the constitutional one-year bar on initiating multiple impeachment proceedings against the same official. The fourth complaint, which passed the one-third threshold in the House, served as the formal basis for the impeachment.

The High Court also asked whether House members had time to examine the charges and evidence before voting, whether Vice President Duterte was given a chance to respond, and when the impeachment articles were included in the official Order of Business. Similarly, the Senate was asked to clarify the drafting process of the Articles of Impeachment and the role of its committees.

In her formal response, Duterte outlined a three-part defense. First, she reiterated that the House intentionally delayed referring the first three complaints to circumvent the constitutional one-year bar—a move she claims effectively initiated multiple impeachment attempts. Second, she argued the charges lacked “ultimate facts” required for impeachment, asserting that even her controversial remarks—such as suggesting harm to President Marcos Jr. in hypothetical retaliation—did not rise to impeachable offenses. Lastly, she contended that the impeachment process cannot continue into the new Congress, though this is likely to fail, as the Senate is a continuing body under the 1987 Constitution.

Despite these legal questions, the House has reaffirmed its position that the impeachment was constitutionally valid. The Senate, preparing its formal reply, stated that it will respect judicial procedure but will refrain from public comment while the legal process is ongoing. The impeachment trial is expected

to resume following the opening of the 20th Congress' first plenary session on July 28. [Rappler] [PhilStar] [The Manila Times 1]

The Senate is increasingly divided over whether to proceed with the trial. Pro-Duterte senators are expected to challenge the jurisdiction of the newly seated chamber. Senate leadership has indicated that all motions—including a possible dismissal by simple majority—will be permitted during deliberations. However, a member of the 1987 Constitutional Commission warned that senators cannot dismiss the case without first hearing evidence from both prosecution and defense. [ABS-CBN] [GMA-News] [Manila Standard] [The Diplomat]

However, the timing of the impeachment trial remains uncertain. According to Representative Joel Chua, the accumulation of delays—both procedural and political—may push the Senate trial as late as December 2025. This would coincide with the one-year anniversary of the first impeachment complaint filed in December 2024, a critical point under the Constitution's "one-year bar" rule, which prohibits multiple impeachment proceedings against the same official within a 12-month period. Chua noted that even without a temporary restraining order, the ongoing review by the Supreme Court could still delay the process. If the Court ultimately finds that the constitutional requirement to refer complaints within ten session days was violated, it could declare the current impeachment void.

This interpretation is supported by retired Supreme Court justice Antonio Carpio, who pointed to precedent from the 2003 *Francisco v. House of Representatives* case, where the Court invalidated an impeachment due to procedural lapses. Should the Court issue a similar ruling, the House could refile a new impeachment complaint once the one-year bar expires. For now, pro-impeachment lawmakers maintain that the existing process is valid and assert that any procedural concerns raised by the Supreme Court should not prevent the Senate from proceeding with the trial. They are also exploring possible legal remedies should the Court issue an adverse ruling. [Inquirer] [The Manila Times 2]

Philippines: Defense chief under scrutiny for past Maltese citizenship tied to 'golden passport' scheme

(lm) Philippine Defense Secretary Gilberto Teodoro Jr. is facing scrutiny after reports revealed he once held

citizenship in Malta, acquired through the country's controversial "golden passport" program—a citizenship-by-investment scheme widely condemned by the European Union and declared illegal by the European Court of Justice in 2024. The revelation has raised constitutional and legal concerns in the Philippines, where dual allegiance is prohibited for high-ranking public officials, particularly those in security-related positions.

Documents show that Teodoro was issued a Maltese passport in December 2016. Legal analysts highlighted that under Philippine law—particularly Republic Act 9225 and relevant Supreme Court jurisprudence—public officials must formally renounce any foreign citizenship acquired through naturalization before assuming office. Failure to do so could render a cabinet appointment legally void and expose the official to constitutional and administrative liability. Experts further warned that, beyond legal technicalities, the case touches on national security vulnerabilities given the defense secretary's access to sensitive intelligence and military strategy.

In response to the mounting attention, Teodoro confirmed that he had indeed held a Maltese passport but insisted he renounced his foreign citizenship before filing his 2022 Senate candidacy. According to a statement from the Department of National Defense (DND), Teodoro disclosed the existence of the passport to the Commission on Elections, Bureau of Immigration, and the Commission on Appointments. Legal experts noted that if this renunciation was formally executed and properly documented, then his current position does not violate existing laws.

Teodoro, who re-assumed the defense post in 2023 under President Ferdinand Marcos Jr., had previously held the same position from 2007 to 2009. He has since been an outspoken critic of Chinese aggression in the South China Sea, calling out Beijing's disinformation tactics at the 2025 Shangri-La Dialogue in Singapore. [The Manila Times] [Rappler]

Philippines: Office of the Vice President omits confidential funds in 2026 budget proposal

(lm) The Office of the Vice President (OVP) of the Philippines has submitted a proposed budget of PHP 903 million (USD 15.4 million) for 2026, which notably excludes any request for confidential or intelligence funds. This marks a significant shift following public

scrutiny and legislative probes into Vice President Sara Duterte's use of such funds in previous years.

According to OVP officials, the initial proposal was PHP 733 million (USD 12.5 million)—the same level as the 2025 allocation—but the Department of Budget and Management (DBM) later increased it to PHP 903 million (USD 15.4 million) to cover staffing and IT-related needs.

The decision not to seek confidential funds follows controversy from 2023, when it was revealed that Duterte's office spent PHP 125 million (USD 2.1 million) in confidential funds in just 11 days during 2022. This triggered broader legislative scrutiny, particularly regarding the Department of Education, where Duterte concurrently served as secretary. Alleged irregularities involving PHP 612.5 million (USD 10.5 million) in confidential expenditures formed part of the impeachment articles filed against her earlier in 2025. [Rappler]

Philippines: Brother of ex-President Duterte adviser arrested for identity and corporate fraud

(dnb) Tony Yang, the brother of Michael Yang—an ex-economic adviser to former President Rodrigo Duterte—has been arrested on charges related to falsified documents, perjury, and illegal use of aliases, according to the Presidential Anti-Organized Crime Commission (PAOCC). The arrest stems from a warrant issued in November 2024 by a municipal court in Cagayan de Oro.

Yang had previously been apprehended at Manila's international airport in September 2024, where he was allegedly found with falsified identification documents, firearm licenses, nearly PHP 1.4 million (USD 23,800), and other contraband. Authorities claim he operated at least 12 companies across Cebu, Davao, and Cagayan de Oro under the alias "Antonio Maestrado Lim," including malls, rice mills, and a steel plant.

His arrest follows broader investigations into identity manipulation schemes in the Philippines. PAOCC noted that Yang's operations resembled those of Alice Guo, the former mayor of Bamban, Tarlac, who was also linked to forged civil documents. Yang had admitted in a 2024 Senate hearing to falsifying a Filipino birth certificate. [ABS-CBN] [Rappler] [The Manila Times]

Philippines: Energy regulatory chief resigns amid past misconduct probe

(lm) Energy Regulatory Commission (ERC) Chairperson Monalisa Dimalanta has submitted her irrevocable resignation; no official reason was provided. Her departure comes less than a year after she was reinstated following a preventive suspension by the Ombudsman – the Philippines' independent anti-corruption body responsible for investigating and prosecuting government officials accused of wrongdoing – in August 2024 over allegations of grave misconduct, abuse of authority, and behavior detrimental to public service.

Dimalanta had been accused by the National Association of Electricity Consumers for Reforms—a civil society group advocating against power rate manipulation—of failing to recalculate electricity charges by the Manila Electric Company (Meralco), allegedly harming public interests. Though suspended, she was reinstated in October 2024 with Malacañang—the presidential office and seat of executive power in the Philippines—citing the need for institutional stability in the power sector.

Dimalanta was appointed in August 2022 and was serving a seven-year term as mandated under the Electric Power Industry Reform Act (EPIRA), the Philippine law regulating the electricity sector. The ERC plays a central role in overseeing power pricing and regulation across the country. [Rappler]

Philippines: President Marcos abolishes Office of Presidential Adviser on Military and Police Affairs

(ms) President Ferdinand Marcos Jr. has signed Executive Order No. 89, formally abolishing the Office of the Presidential Adviser on Military and Police Affairs (OPAMPA) as part of the administration's streamlining and rightsizing efforts.

The executive order, signed on July 11, 2025, states that it is necessary to revisit the role of a separate office handling military and police affairs within the Office of the President, in line with broader efforts to improve efficiency in government operations.

Under the order, OPAMPA's responsibilities will be assumed by agencies including the Office of the Executive Secretary, Department of National Defense, National Security Council, Philippine National Police,

and National Police Commission, subject to existing laws and regulations.

All records, documents, and resources managed by OPAMPA will be transferred to the Office of the Deputy Executive Secretary for Support Services and Auxiliaries.

OPAMPA was created in 2022 but traces its origins to earlier offices established in the 1990s to support coordination on national security and internal affairs. The Palace also confirmed the acceptance of the courtesy resignation of Roman Felix, who previously held the advisory post. [Presidential Communications Office; Philippines] [The Manila Times]

Philippines: Government and financial technology industry collaborate on e-gambling regulation

(dnb) In response to growing concerns over the impact of online gambling, the Fintech Alliance Philippines has announced plans to adopt stricter due diligence measures aimed at regulating access to digital gambling and the use of e-wallets for betting.

Online gambling platforms, particularly those operated by Philippine Offshore Gaming Operators (POGOs), have expanded significantly in recent years. However, the sector has also faced criticism due to its association with issues such as human trafficking, money laundering, and other criminal activities. These concerns prompted a government crackdown on offshore licenses and a shift toward a more tightly regulated domestic model.

Financial technology companies have indicated that they are working to align their practices with forthcoming regulations from the Bangko Sentral ng Pilipinas (BSP). The Fintech Alliance identified several key risks in its statement, including gambling addiction, financial instability, access by minors, and the spread of unauthorized online gambling platforms.

As the 20th Congress prepares to convene, lawmakers have filed proposed legislation that would either impose a total ban on e-gambling or limit access by regulating the use of digital payment systems for gambling transactions.

The Philippine Amusement and Gaming Corporation (Pagcor) has expressed support for increased regulation but cautioned against a complete ban, citing the industry's economic contributions—approximately

₱100 billion (USD 1.7 billion) in annual government revenue and an estimated 32,000 jobs. [ABS-CBN] [Inquirer 1] [Inquirer 2] [Inquirer 3]

Philippines: Criminal investigation deepens as whistleblower implicates police in disappearance of over 30 cockfighting enthusiasts

(lm/dnb) The Philippine government has expanded its investigation into the disappearance of more than 30 sabungeros (cockfighting enthusiasts) in 2021–2022, following testimony from a key suspect alleging police involvement in a coordinated abduction and murder scheme. The case is increasingly seen as a test of institutional integrity, given its overlap with suspected state-linked criminality, impunity, and regulatory gaps in the now-banned online cockfighting industry (e-sabong).

On July 14, whistleblower Julie "Dondon" Patidongan—himself charged in connection with the case—filed an administrative complaint with the National Police Commission against over ten police officials. He claims that officers, particularly from the Highway Patrol Group, were paid to abduct and kill the victims, and that the bodies were dumped in Taal Lake, a volcanic lake south of Manila. Patidongan also accused prominent gambling businessman Charlie "Atong" Ang, formerly his employer and operator of one of the largest e-sabong platforms, of masterminding the operation. Ang denies all allegations and has filed countersuits. [Rappler 1] [Rappler 2] [The Manila Times 3]

Authorities launched a large-scale underwater search operation on July 10, deploying divers, sonar, and drones, and have since recovered sacks—two of which reportedly contain human remains—for forensic analysis. The Philippine Coast Guard has rejected claims that the evidence was staged and maintains the operation's integrity. Meanwhile, the Department of Justice is preparing to investigate properties linked to suspects that may have served as execution and disposal sites. Although the official number of missing persons remains at 34, Patidongan alleges the actual number of victims could exceed 100. [The Manila Times 1] [The Manila Times 2]

Singapore: Opposition leader to appeal conviction for lying to Parliament

(nl) Workers' Party (WP) chief and Leader of the Opposition Pritam Singh will appeal his conviction on November 4, challenging both his sentence and the court's finding that he gave false testimony under oath to the Parliamentary Committee of Privileges. He was fined SGD 14,000 (USD 10,000) in February after being found guilty on two charges. Despite the conviction, he remains the MP for Aljunied GRC and continues to lead the opposition team.

The case arose from a 2021 incident involving former WP MP Raeesah Khan, who admitted to lying in Parliament. A subsequent probe by the Committee of Privileges concluded that Singh had provided false evidence during the investigation. He was charged in 2024 and convicted earlier this year. [The Straits Times] [Malay Mail]

Singapore: Four law firms sanctioned over role in USD 3 billion money laundering case

(ms) Four law firms and one lawyer have come under regulatory action for their involvement in the conveyancing of properties linked to a massive USD 3 billion money laundering case, the largest in Singapore's history.

The Ministry of Law (MinLaw), supporting the Director of Legal Services (DLS), revealed that investigations into 11 out of 24 law practices have concluded. Two firms were ordered to pay financial penalties of USD 22,000 (SGD 30,000) and USD 73,000 (SGD 100,000) respectively. A third firm may face a USD 51,000 (SGD 70,000) fine, pending its written response. Another firm received a private reprimand, while one lawyer has been referred to the Law Society for possible disciplinary proceedings.

The case stems from a 2023 police operation that dismantled a transnational crime ring with links to illegal online gambling targeting Chinese nationals. Authorities seized more than 150 high-end properties, luxury vehicles, designer goods, and cryptocurrency. All ten foreign suspects were convicted, jailed, and deported.

Under Singapore's Legal Profession Act, law firms are legally required to assess money laundering risks, conduct client due diligence, and file suspicious transaction reports when necessary. Breaches can result in financial penalties, licence suspensions, or disbarment.

MinLaw stated that the remaining 13 law firms are still under review and may also face enforcement. It stressed that the legal sector must remain vigilant as new money laundering tactics continue to emerge, reinforcing Singapore's commitment to a strong anti-money laundering regime. [Channel News Asia] [The Business Times] [The Strait Times]

Singapore: Prime Minister defends media funding, but press freedom remains low

(ms) Prime Minister Lawrence Wong on July 11 defended state funding for Singapore's public service media, saying trusted journalism is vital amid global misinformation and weakening business models. Speaking at The Straits Times' 180th anniversary, Wong said the country must avoid media being "owned by billionaires with narrow or partisan agendas" and stressed the need for "viable, independent and accountable" journalism supported by the state.

The government has committed up to SGD 900 million (USD 702 million) to SPH Media Trust (SMT) from 2022 to 2027, tied to performance metrics. Wong argued this ensures quality reporting remains sustainable and credible. [Channel News Asia]

However, Singapore consistently ranks near the bottom in global press freedom assessments. In Reporters Without Borders' 2024 World Press Freedom Index, the country was ranked 126 out of 180—behind most developed nations and regional peers. Critics have pointed to tight government regulation, self-censorship, and a lack of independent media ownership as limiting journalistic freedom.

While the government promotes media trust and national cohesion, observers argue that genuine independence and a freer press environment are essential for building long-term public confidence.

Singapore: Economy grows 4.3 percent in second quarter, avoids recession but faces tariff headwinds

(ms) Singapore's economy expanded by 4.3 percent year-on-year in the second quarter of 2025, beating expectations and averting a technical recession, according to advance estimates released on July 14. The growth was led by strong performances in manufacturing and construction, as well as a surge in

export activity ahead of new US tariffs expected in August.

On a quarter-on-quarter, seasonally adjusted basis, GDP grew by 1.4 percent, reversing the 0.5 percent contraction recorded in the first quarter. The manufacturing sector rose 5.5 percent compared to a year earlier, supported by front-loaded exports to the US during a temporary pause in tariffs.

Despite the positive figures, Singapore's Ministry of Trade and Industry maintained a cautious outlook, citing uncertainty over global trade conditions. In April, it downgraded the full-year GDP forecast to between 0 and 2 percent. While Singapore has not yet received a new US tariff notice, its exports remain subject to a baseline 10 percent levy imposed in April.

Analysts noted that Singapore's open economy remains vulnerable to escalating trade tensions, particularly if new tariffs target electronics or pharmaceuticals. The central bank is expected to keep monetary policy steady at its upcoming review, as inflation remains low and growth, while resilient, faces headwinds. [CNBC] [Reuters] [South China Morning Post]

Singapore: New property curbs fail to deter buyers as mass-market launch nearly sells out

(ms) Just days after Singapore tightened property rules to curb speculation, buyers snapped up 94 percent of units at the first major private housing launch under the new curbs, highlighting persistent demand despite government efforts to cool the market.

CapitaLand Development sold 324 out of 343 units at its LyndenWoods project on launch day, with apartments averaging S$2,450 (USD 1,914) per square foot. The strong showing came shortly after the government raised the Seller's Stamp Duty (SSD) and extended the minimum holding period from three to four years in a bid to curb speculative "flipping" of homes.

Under the revised rules, introduced on July 4, sellers now face a 20 percent tax if they offload property within the first year of purchase, with rates tapering to 12 percent by year four. The move was aimed at addressing a surge in short-term resales, which policymakers say has helped drive up prices in an already expensive housing market, limiting

affordability for owner-occupiers. [Bloomberg] [South China Morning Post]

Singapore: Temasek net portfolio climbs to USD 288 billion, outlook wary on Europe

(nl) Temasek's net portfolio value rose by SGD 45 billion (USD 35 billion) to reach SGD 434 billion (USD 288 billion) as of March 2025. The rebound was led by gains in its Singapore-listed holdings and direct investments across China, India, and the US [The Straits Times]

The firm noted that key US economic risks—including tariffs, fiscal tightening, and immigration policy—have likely peaked, while promising signs of recovery are emerging following Federal Reserve rate cuts and regulatory easing. Temasek's Asia-focused allocations remain robust, with Singapore accounting for 27 percent, the Americas 24 percent, and China 18 percent of its portfolio. [Reuters]

Meanwhile, the firm also turned cautious on Europe, citing elevated trade uncertainty and tighter credit conditions. This comes a year after it opened its Paris office, with some of its targeted companies now seen as more vulnerable to global trade headwinds. [Financial Times]

Singapore: Business Adaptation Grant to help local firms brace for US tariff fallout

(nl) Singapore will introduce a new Business Adaptation Grant in October 2025, providing up to SGD 100,000 (USD 78,000) per company to help firms manage supply chain disruptions and rising trade compliance costs amid ongoing tariff uncertainty. The co-funded scheme will offer higher support for Small to Medium-sized Enterprise (SMEs), while larger firms will receive smaller grants.

The grant targets two main groups: exporters and manufacturers. Exporters can tap it for advisory services on free trade agreements, legal and compliance matters, and market diversification. Manufacturers – both local and overseas – can offset costs related to logistics changes and inventory-holding.

Trade and Industry Minister Tan See Leng said the scheme is calibrated to reflect SMEs' outsized role in the economy, employing around two-thirds of the workforce – many of whom are Singaporeans. While not all firms or cost areas can be covered, the support is structured to prioritize those most exposed.

Singapore has yet to receive formal notification from the US on its new tariff structure. [The Straits Times] [Channel News Asia]

Singapore: Biggest stock listing in years as real estate investment trust makes debut

(ms) Singapore is seeing its biggest stock market listing in eight years with the launch of NTT DC Reit, a real estate investment trust focused on data centres. The company raised about USD 773 million and will start trading on the Singapore Exchange on July 14.

NTT DC Reit owns six data centres – four in the US, one in Austria, and one in Singapore. These centres store digital information and support technologies like cloud computing and artificial intelligence (AI). The trust is backed by Japan's NTT Group and Singapore's sovereign wealth fund GIC, showing strong investor confidence.

Demand for the shares was high – nearly 10 times more people applied than there were shares available in the public offer. [Channel News Asia] [The Business Times] [The Strait Times]

Singapore enhances global capacity-building in aviation and maritime sectors

(nl) Singapore is solidifying its role as a global aviation and maritime hub with new joint training programs for international officials in both sectors, announced during the Global Aviation and Maritime Symposium held on July 14.

The initiatives, in collaboration with the International Civil Aviation Organisation (ICAO) and the International Maritime Organisation (IMO), aim to build capacity in areas such as safety, sustainability, and digitalization. Acting Transport Minister Jeffrey Siow highlighted the increasing interdependence of the two sectors and the need for cross-disciplinary solutions to shared challenges including climate change, cybersecurity, and geopolitical instability.

Singapore committed an additional USD 3 million to the IMO's Enhanced Technical Co-operation and Training Package, and extended the Singapore–ICAO Developing Countries Training Programme with USD 1.8 million in new support for 330 fellowships and 10 scholarships over the next three years.

Since inception, over 4,200 officials have received training under Singapore's aviation and maritime programs. Siow reiterated Singapore's longstanding support for multilateral frameworks and emphasized the Republic's strategic position, with air links to 170 cities and maritime connections to over 600 ports in 120 countries. [The Straits Times] [The Business Times]

Thailand: Legal probe into suspended prime minister fuels succession talk and coalition strain

(lm/acs/msz) Thailand's political landscape continues to face a period of heightened instability, with mounting legal, institutional, and public pressure converging on the embattled Pheu Thai Party-led government. At the center of this unfolding crisis is suspended Prime Minister Paetongtarn Shinawatra, who is now under formal investigation by the National Anti-Corruption Commission (NACC) for alleged ethical misconduct related to a leaked phone call with Cambodian strongman and incumbent Senate President Hun Sen.

The Constitutional Court suspended Paetongtarn from her post on July 1 while it considers whether the conversation—recorded during a private discussion on managing border tensions—violated constitutional ethics clauses. In the audio, Paetongtarn appeared conciliatory toward Hun Sen and critical of Thailand's Second Army Region commander, triggering backlash from conservative groups and prompting Thailand's largest protest in years. Senators subsequently petitioned both the Constitutional Court and the NACC, citing violations of Sections 160 and 170 of the Constitution.

After a 10-day preliminary review, the NACC escalated the matter into a full investigation. The inquiry panel, chaired by NACC President Suchart Trakulkasemsuk, will translate the transcript, gather evidence, and assess precedents—including the 2024 ruling that removed Paetongtarn's predecessor, former Prime Minister Srettha Thavisin. If sufficient grounds are found, the case could be referred to the Supreme Court's Criminal Division for Holders of Political Positions. A conviction may lead to Paetongtarn's

removal and a permanent ban from politics. Although suspended as prime minister, she remains Minister of Culture and may seek an extension to submit her defense. [Bangkok Post 1] [Bangkok Post 2]

Paetongtarn's potential removal has amplified succession questions. Attention has turned to Chaikasem Nitisiri, Pheu Thai's remaining prime ministerial nominee and a 77-year-old former Attorney-General, Justice Minister (2013–14), senior prosecutor, and adjunct law professor. While he has declared his readiness to serve, he emphasized that discussions remain premature and confirmed no formal engagement with Thaksin Shinawatra—Paetongtarn's father and Pheu Thai's de facto leader—who recently floated either Chaikasem's nomination or dissolution of the House as potential solutions. [Bangkok Post 3]

Crucially, the legal drama unfolds against a backdrop of deepening coalition instability. A recent cabinet reshuffle, including the removal of senior Interior Ministry officials perceived as aligned with the Bhumjaithai Party (BJT), until its recent exit the second-largest party in the coalition, has been criticized as politically motivated retaliation after BJT withdrew from the ruling coalition. Interior Minister and acting Prime Minister Phumtham Wechayachai defended the reshuffle, citing underperformance, such as the ID card shortage in Buri Ram, a BJT stronghold. Nevertheless, critics view the changes as efforts to consolidate bureaucratic control rather than implement genuine governance reform. [Bangkok Post 4]

Internally, the ruling coalition is showing signs of stress. Former Defense Minister Sutin Klungsang acknowledged that the current government is less stable than its predecessor, citing the coalition's reduced majority and growing public disillusionment. Though Pheu Thai claims support from 263 MPs, a recent parliamentary vote showed backing from only 253—below the threshold required to govern securely. [Bangkok Post 5]

Captain Thammanat Prompao, chief adviser to the Klatham Party and an influential coalition vote manager, has sought to project calm. Drawing on his experience under the Prayut administration, he emphasized that a slim majority can function if discipline and dialogue are maintained. He downplayed speculation of a looming breakdown, stating that political alliances in Thailand are fluid and grounded in shared interests, not permanence. Still, he acknowledged that the situation would be reviewed in upcoming coalition meetings. [Bangkok Post 6]

Public skepticism remains high. A recent national poll conducted by the National Institute of Development Administration (NIDA) revealed that over 80 percent of respondents want Paetongtarn to either resign or dissolve the House. Thirty-nine percent favored early elections. The same survey showed former military ruler General Prayut Chan-o-cha as the most preferred candidate for prime minister (32.82 percent), well ahead of Anutin Charnvirakul (11.53 percent) and Chaikasem Nitisiri (10.92 percent).

The administration has tried to shift the narrative by highlighting key policy achievements, including dismantling call center scams, cracking down on drug trafficking and illegal e-cigarettes, and implementing a THB 20 flat-rate electric train fare. Programs like the "You Fight, We Help" scheme are being used to position the government as responsive to public hardship. Yet many voters remain unconvinced, citing stagnant incomes, rising debt, and frustration over elite power plays disconnected from everyday concerns. [Bangkok Post 7] [Bangkok Post 8] [Bangkok Post 9]

Thailand: Parliament opens debate on political amnesty bills amid rift over lese-majeste provisions

(msz/lm) Thailand's political landscape is entering a new phase of volatility and strategic repositioning as the Pheu Thai-led coalition, weakened by the recent departure of its second-largest partner, the Bhumjaithai Party (BJT), seeks to consolidate power through a shift from contested economic reform toward high-stakes political reconciliation. At the center of this recalibration is the parliamentary debate on five competing amnesty bills addressing longstanding political divisions and the prosecution of dissent.

Formal deliberations began last week on five competing amnesty proposals, submitted by various political parties and a citizen initiative. All aim to address long-standing political divisions stemming from over two decades of mass protests, crackdowns, and the expansive use of laws—especially the lèse-majesté provision under Section 112 of the Criminal Code—against dissenters. The bills differ in scope, eligibility criteria, and especially in how they treat Section 112 offenses.

The main opposition People's Party (PP) advocates for a broad, open-ended amnesty framework with no fixed cut-off date and no offense-based exclusions. The proposed mechanism would empower a screening

committee composed of representatives from the judiciary, executive, and legislature to determine case eligibility. PP lawmakers argue that laws such as Section 112 and lesser infractions like ID violations and cleanliness ordinances have been routinely weaponized to suppress political participation, especially among grassroots activists. The bill aims to dismantle this legacy of state harassment.

In contrast, the Bhumjaithai Party (BJT)—once a key coalition partner but now aligned with the opposition—has introduced a selective amnesty proposal that explicitly excludes lèse-majesté cases. BJT leaders argue that pardoning royal defamation charges could reignite unrest and derail reconciliation. Their approach includes the possibility of revisiting excluded categories in the future, based on evolving public sentiment and individual expressions of remorse. [Bangkok Post]

The amnesty debate comes amid a broader strategic pivot by the Pheu Thai-led government. Following BJT's exit and increasing parliamentary headwinds, the coalition abruptly withdrew its flagship Entertainment Complex Bill, which had aimed to legalize casino operations. The project was expected to attract at least THB 100 billion (USD 2.9 billion) in investment and boost tourism by 10 percent, but encountered mounting opposition and insufficient legislative support.

In place of the casino bill, Pheu Thai has repositioned itself around a "soft power" agenda. This was prominently showcased at the recent SPLASH – Soft Power Forum 2025, where suspended Prime Minister Paetongtarn Shinawatra, now serving as Minister of Culture, outlined a vision for promoting Thai culture, food, film, and wellness as tools of global engagement. Her father, former Prime Minister Thaksin Shinawatra—widely regarded as Pheu Thai's de facto leader—used the occasion to unveil "ThaiWORKS," a reboot of his earlier One Tambon One Product (OTOP) program aimed at integrating local industries into global markets. [Bangkok Post] [Bangkok Post]

The SPLASH forum, while forward-looking in tone, was met with skepticism. Critics saw it as politically choreographed, intended to reframe Pheu Thai's public image and rally support at a moment of institutional vulnerability. BJT accused the party of political gamesmanship, while prominent activist and former red-shirt leader Jatuporn Prompan dismissed the amnesty initiative as a "political trap" designed to divide the opposition and deflect attention from looming censure motions. Jatuporn linked the coordinated timing of the casino bill withdrawal,

Thaksin's soft power rebranding, and his public break with Cambodian Senate President Hun Sen to what he suspects may be part of a behind-the-scenes deal aimed at stabilizing Pheu Thai's domestic base and mitigating regional friction. [Bangkok Post] [Bangkok Post]

Academics and political analysts warn that while amnesty legislation presents an opportunity to resolve deep political grievances, it also risks further fragmentation—especially if no compromise is found on Section 112.[Bangkok Post]

Thailand: Ruling party escalates pressure over land scandal tied to family behind ex-coalition partner

(bk) Thailand's Interior Minister Phumtham Wechayachai is intensifying pressure over the long-running and politically sensitive Khao Kradong land dispute in Buri Ram province. On July 14, the minister ordered the formation of a formal investigative committee and gave the Department of Lands (DoL)—a key agency under his ministry—seven days to explain its failure to enforce multiple court rulings involving more than 5,000 rai (approximately 8.1 square kilometers) of protected forest land.

The dispute centers on overlapping land claims between the State Railway of Thailand (SRT) and private individuals and companies linked to the powerful Chidchob family, which serves as the political backbone of the Bhumjaithai Party—a prominent party that previously controlled the Interior Ministry and recently exited the governing coalition. The Supreme Court and Central Administrative Court have both ruled in favor of the SRT, ordering the revocation of nearly 1,000 title deeds that were unlawfully issued by the DoL. However, the department has failed to act, including on 20 deeds covering 288 rai tied directly to the Chidchob family.

Among the contested properties are plots registered under Silachai Buriram (1991), which includes the residence of former Interior Minister Saksayam Chidchob, brother of Bhumjaithai co-founder Newin Chidchob. Other family members, including Newin's wife and son, control or lease land in the area for commercial projects such as the Chang Arena football stadium and associated hotels. K Motorsport, a company with Chidchob family members on its board, also holds land used for sports facilities.

The Department of Lands' inaction under former Interior Minister Anutin Charnvirakul—also formal Bhumjaithai's leader—has been the target of renewed criticism. Senior Pheu Thai MP Adisorn Piengkes has publicly condemned the delay, accusing officials of allowing unlawful private occupation to persist "in plain sight" for decades. He emphasized that nine individuals, including local officials and businesspeople, have already been identified as suspects in the illegal land acquisition.

Phumtham, who assumed office on July 2, has pledged full enforcement of the court rulings and warned of disciplinary consequences for noncompliance. The newly formed committee will review previous decisions, examine legal documentation, and determine whether the title deeds should be formally revoked. While the outcome of the review remains open, Phumtham has stated that land disputes—along with drug suppression—are among his top ministerial priorities. He also signaled that other controversial land cases, such as the Alpine Golf Course dispute involving the family of suspended Prime Minister Paetongtarn Shinawatra, will be handled with equal determination. [Thai Enquirer] [Bangkok Post 1] [Bangkok Post 2]

Thailand: Scrutiny deepens over ex-prime minister's informal influence as legal and ethical probes converge

(lm) Allegations of undue influence by former Prime Minister Thaksin Shinawatra—widely regarded as the de facto leader behind the ruling Pheu Thai Party—are intensifying, with both political and legal scrutiny mounting over his informal involvement in state affairs and the privileged conditions of his post-conviction hospital stay.

Controversy erupted after Thaksin was invited to a closed-door policy meeting at Government House to advise on Thailand's response to a looming 36 percent U.S. tariff on Thai exports, set to take effect August 1. While Finance Minister and Deputy Prime Minister Pichai Chunhavajira defended Thaksin's presence on the basis of his economic experience, the move triggered public backlash and a formal complaint to the National Anti-Corruption Commission (NACC). Critics argue that involving a convicted private individual in confidential state deliberations undermines cabinet integrity and may breach ethical conduct rules for officials. [Bangkok Post 1] [Bangkok Post 2] [Bangkok Post 3]

In parallel, political activist Srisuwan Janya—known for filing high-profile legal complaints against politicians and public officials—submitted a petition to the Election Commission. He alleged that Thaksin's involvement in key political decisions, including cabinet appointments, constitutes interference prohibited by Thai law, which bars convicted individuals from engaging in political activity. In response, Pheu Thai leaders have sought to downplay the matter. Chief government whip Wisut Chainarun asserted that Thaksin merely provides informal advice and has not issued directives, describing the allegations as politically motivated.

Amid this backdrop, legal proceedings concerning Thaksin's extended stay at Police General Hospital (PGH) are ongoing. On July 15, the Supreme Court's Criminal Division for Holders of Political Positions summoned senior officials from the Corrections Department and PGH to testify on whether proper procedures were followed in allowing Thaksin to remain hospitalized for months after returning to Thailand to serve his sentence. Witnesses include top prison and medical officials involved in authorizing or overseeing his transfer and continued treatment outside the prison system.

The investigation—now in its third round of hearings—follows earlier testimony from prison guards, medical staff, and wardens, and aims to determine whether Thaksin received unlawful preferential treatment. The court has permitted limited public observation but banned any reporting or documentation of witness testimony. Additional witnesses from PGH and the Medical Council of Thailand are scheduled to appear later in July, with a final hearing set for July 30. [Bangkok Post 4]

Thailand: Sex, corruption scandal in monastic institutions prompts legal reform, multi-agency investigation

(lm) Thailand's Buddhist monastic order is under unprecedented scrutiny following a sex and corruption scandal that has implicated at least 15 senior monks in alleged financial misconduct and inappropriate relationships with a laywoman known as Wilawan "Golf" Emsawat. The scandal—widely referred to as the "Sika Golf" affair—has prompted sweeping legal and institutional responses aimed at protecting the credibility of monastic institutions and addressing broader governance gaps in Thailand's religious administration.

Police arrested Wilawan on July 15 at her home in Nonthaburi on charges of money laundering, receiving stolen assets, and enabling malfeasance. The arrest followed revelations that she received at least THB 380,000 (approx. USD 10,800) from temple funds transferred by Phra Theppatcharaporn, the abbot of Wat Chujit Dhammaram, who has since disrobed. He also admitted to transferring an additional THB 12.8 million (approx. USD 364,000) to her from his personal account, which was allegedly co-mingled with temple finances.

The case first drew public attention in late June when the abbot of a major Bangkok temple abruptly vanished and later left the monkhood, allegedly due to blackmail. Subsequent investigations uncovered five mobile phones in Wilawan's possession containing over 80,000 images and videos showing her with monks from temples across the country. At least nine monks have since voluntarily disrobed, while others face ongoing criminal inquiries. Since senior monks receive monthly stipends from the state, they are legally classified as public officials and can be prosecuted under Thailand's anti-corruption laws.

As the scandal grows, the Central Investigation Bureau (CIB) has been tasked with leading the inquiry, supported by the Department of Special Investigation (DSI)—a government agency responsible for handling complex and politically sensitive criminal cases. Investigators are also examining whether the misappropriated temple funds were linked to broader illicit networks, including online gambling.

Institutionally, the scandal has triggered calls for urgent reform. The Sangha Supreme Council—the highest governing body of the monastic order—has proposed amending the Sangha Act, last substantively revised in 2018, to improve transparency and strengthen internal discipline. A special committee has been appointed to review the legal framework and recommend structural reforms.

In parallel, the Council has urged a restructuring of the National Office of Buddhism, the state agency tasked with overseeing monastic affairs. Long criticized for its passivity and reactive posture, the office is now under pressure to implement stronger oversight mechanisms, detect early warning signs of misconduct, and work more proactively with local communities to safeguard religious integrity. [Bangkok Post 1] [Bangkok Post 2] [Bangkok Post 3] [Bangkok Post 4]

Thailand: Senator faces renewed scrutiny over fatal crash theft case and misconduct allegation

(lm) An unnamed sitting Thai senator, previously accused of sexual misconduct, remains under criminal investigation for allegedly stealing valuables worth over THB 1.5 million (USD 43,500) from a deceased road accident victim in 2021. The case concerns items taken by two rescue volunteers at the crash scene—one of whom became a senator in June 2024.

Police confirmed that the suspects admitted to stealing and returned some items, including phones and a luxury handbag. However, high-value items, including THB 220,000 (USD 6,400) in cash and a gold-framed religious amulet valued at THB 1.2 million (USD 34,800), remain missing. Charges were filed in 2021, but progress has stalled due to repeated court deferral requests by the main suspect, citing Senate duties. The next witness hearing is scheduled for August 6.

The senator's vetting process by the Election Commission has come under public scrutiny, as criminal charges were unresolved at the time of appointment. Public interest has surged again after a former news anchor and Senate adviser filed a sexual misconduct complaint in July. The senator denies wrongdoing and has countersued for defamation. [Bangkok Post]

Thailand: Coalition MP suspended over embezzlement case

(msz) The Supreme Court's Criminal Division for Political Office Holders has suspended Kla Tham Party lawmaker Ekkarat Changlao from parliamentary duties following a petition by the National Anti-Corruption Commission (NACC).

Ekkarat, a former member of the Bhumjaithai Party (BJT) who later joined Kla Tham, was convicted in April by the Khon Kaen Provincial Court for embezzling approximately THB 405 million (USD 11.5 million) from local teachers' cooperatives. He received a prison sentence of 12 years and 9 months and is currently free on bail, under a travel ban. His first Supreme Court hearing is scheduled for August 29. [Thai PBS World]

Thailand: Senate approves new 'superboard' to oversee telecom regulator

(lm) Thailand's Senate has approved five new members to the Oversight and Performance Evaluation Committee—commonly referred to as the "superboard"—tasked with supervising the National Broadcasting and Telecommunications Commission (NBTC), the country's regulatory authority for broadcast, telecom, and digital services.

The appointments were finalized in a closed session chaired by Senate Speaker Mongkol Surasajja and span the NBTC's five operational sectors: broadcasting, television, telecommunications, consumer protection, and the promotion of rights and freedoms.

In the broadcasting sector, the Senate chose Pol Maj Gen Ekthanat Limsangkas, deputy secretary-general of the Anti-Money Laundering Office, over a civil litigation officer. For the television sector, NBTC staffer Phansak Chanpanya was selected. The telecom sector seat went to Uruya Weesakul, an engineering academic from Thammasat University. Gen Sithichai Makkunchorn, formerly with the NBTC Chairman's Office, will represent consumer protection, while Issararat Krueahong, assistant secretary to the NBTC, was elected to oversee rights and freedoms. [Bangkok Post]

Thailand: UN urges repeal of lèse-majesté law as criminal proceedings against rights defenders continue

(bk) United Nations human rights experts have called on the Thai government to immediately drop criminal charges against Pimsiri Petchnamrob and other human rights defenders prosecuted for participating in pro-democracy protests. The case has renewed international scrutiny of Thailand's sweeping lèse-majesté law (Section 112 of the Criminal Code), which carries penalties of up to 15 years per count and has drawn increasing criticism for its broad application and chilling effect on civil society.

Petchnamrob, an equality and rights advocate, is on trial in Bangkok for ten charges—including lèse-majesté, sedition, and illegal assembly—stemming from a peaceful speech delivered in 2020. Her trial, which began in June 2025, is ongoing. She is among hundreds of protest participants facing similar charges in what observers describe as a pattern of judicial repression against civic space.

UN experts warned that the continued use of such laws violates Thailand's obligations under the International Covenant on Civil and Political Rights (ICCPR). A recent UN report highlighted that at least 470 women human rights defenders have been charged under Sections 112 and 116 since 2020. At least 280 individuals have been prosecuted under lèse-majesté alone, with many already convicted or awaiting trial. Critics argue the legal framework enables selective enforcement and judicial harassment, undermining Thailand's international credibility on human rights and rule of law. [Thai Enquirer] [JURISTnews] [OHCHR]

Thailand: Government clarifies nationality policy, stresses exclusion of foreign migrants

(msz) Thailand's government has clarified that a new nationality policy—effective from June 30—applies exclusively to stateless ethnic minorities long residing in the country, not to foreign migrants or displaced persons in shelters. The policy, based on an October 2024 Cabinet resolution, targets roughly 140,000 individuals whose biometric and demographic data are already in Thailand's civil registry.

Two groups are eligible: those born in Thailand to parents from officially recognized ethnic minorities registered in national databases, and those born to parents classified as stateless under a 2005 resolution, such as sea nomad communities like the Moken. Eligible individuals are identifiable by specific national ID number codes. Officials emphasized the policy is grounded in legal identity verification and aims to address long-standing statelessness without enabling immigration loopholes. [The Nation]

Thailand: Nuclear cooperation with U.S. boosts reactor ambitions but triggers public and expert concerns

(lm) Thailand's nuclear energy ambitions have gained new momentum following the entry into force of the U.S.–Thailand 123 Agreement on July 9, 2025. The agreement establishes a framework for peaceful nuclear cooperation, enabling the transfer of reactors, nuclear materials, and technical data from the United States to Thailand, and is grounded in shared commitments to nonproliferation. It also aims to

deepen bilateral energy, economic, and technological ties.

The deal is widely seen as clearing the way for Thailand to begin developing small modular reactors (SMRs)—a new generation of compact nuclear facilities with up to 300 megawatts capacity—intended to support long-term decarbonization and reduce reliance on fossil fuels. Thailand's Power Development Plan (2024–2037) envisions two SMRs entering service near the end of the plan period. These are likely to be developed by the state-owned Electricity Generating Authority of Thailand (EGAT) and its affiliated companies.

However, the move has sparked opposition from environmental watchdogs and energy analysts. Critics warn that the technology is still commercially unproven and highlight that only China and Russia currently have operational SMRs. Others—such as Thailand Nuclear Watchdog—question whether nuclear energy is necessary at all, citing the lower cost and faster deployment of wind and solar energy. They also raise concerns about the financial burden on taxpayers and consumers, particularly given the extended timeline for SMR deployment and the absence of operational examples in the United States.

Some observers also suggest that the nuclear agreement may be linked to broader U.S.–Thailand trade negotiations and could place undue pressure on Thailand to adopt American technology without fully considering domestic needs or readiness. [Bangkok Post 1] [Bangkok Post 2] [The Nation]

Thailand: Government prepares economic relief as U.S. tariffs, weak growth, and deflation fears converge

(lm) Thailand is bracing for a deteriorating economic outlook as it confronts the combined challenges of a sharp U.S. tariff hike, weakening domestic growth, low inflation, and investor uncertainty. The government has announced over THB 40 billion (USD 1.22 billion) in relief measures to counter the impact of the U.S. decision to impose a 36 percent tariff on Thai goods beginning August 1. The move targets Thai exports more severely than those of regional peers—Vietnam (20 percent), Malaysia (25 percent), and Indonesia (32 percent)—and threatens to erode Thailand's competitiveness in key sectors. [Reuters]

The Federation of Thai Industries (FTI) estimates export losses of up to THB 900 billion (USD 28 billion), particularly in machinery, electronics, auto parts,

furniture, steel, rubber, leather, and ceramics. The Joint Standing Committee on Commerce, Industry, and Banking (JSCCIB) warns the tariff could cause a more than 10 percent export decline, flattening overall growth for 2025 despite a recent year-on-year increase in May.

In response, FTI has proposed a sweeping set of support measures including soft loans, debt moratoriums, reduced corporate income tax, subsidies for export-related costs, and triple tax deductions for legal expenses linked to U.S. trade proceedings. It also advocates for trade diversification through fast-tracking new free trade agreements, expanding overseas trade missions, and promoting domestic demand via the "Made in Thailand" (MiT) scheme, which incentivizes local procurement and production. Additional proposals include tax incentives for firms using over 90 percent local content and managing the baht's exchange rate to prevent currency volatility. [Thai Enquirer]

Macroeconomic concerns have deepened. Economists warn that Thailand risks entering temporary deflation in the third quarter of 2025. Although the Bank of Thailand (BoT) maintains that current conditions do not technically meet the deflation threshold—core goods prices continue to rise—headline inflation is expected to average just 0.5 percent this year and 0.8 percent in 2026, driven by falling energy and fresh food prices.

Concurrently, the BoT has downgraded Thailand's GDP growth forecast to 2.3 percent in 2025 and 1.7 percent in 2026. Growth is expected to slow to just 1.6 percent in the second half of 2025 and to average only 0.6 percent per quarter next year—well below potential. The key drags are weakening private investment and declining domestic consumption. [Bangkok Post 1] [Bangkok Post 2]

Under a worst-case scenario where U.S. tariffs rise to 36 percent—up from an earlier 15 percent assumption—GDP growth could turn negative, falling to between negative 0.1 and negative 1.1 percent. Sectors like auto parts, textiles, and electronics face acute competitiveness risks compared to neighboring economies with more favorable trade terms.

Amid these pressures, economists expect the BoT to cut interest rates at least twice before the end of the year, possibly three times. The central bank, however, remains cautious, questioning the effectiveness of further monetary easing in an environment of sluggish credit demand. Nonetheless, most analysts agree that a combination of interest rate reductions, targeted

fiscal relief, and liquidity support is critical to restoring investor confidence and cushioning the economy against external shocks. [Bangkok Post 3]

Thailand: Finance minister nominates state bank chief for central bank governor amid economic headwinds

(lm) Thailand's Deputy Prime Minister and Finance Minister Pichai Chunhavajira has formally nominated Vitai Ratanakorn, president and CEO of the state-owned Government Savings Bank, to become the next governor of the Bank of Thailand. The nomination, submitted to the cabinet on July 16, still requires cabinet endorsement and royal approval. If confirmed, Vitai would succeed current governor Sethaput Suthiwartnarueput, who is stepping down due to mandatory retirement, and begin a five-year term starting October 1.

Vitai was selected from a shortlist of two candidates recommended by the Bank of Thailand's Governor Selection Committee. The other finalist was Roong Mallikamas, a veteran deputy governor recognized for her expertise in monetary policy and financial stability.

The incoming governor will face a difficult economic landscape, with Thailand grappling with weak domestic consumption, high household debt, and increased external pressure from looming U.S. tariffs. The central bank's limited room for monetary easing further complicates efforts to sustain growth and maintain financial stability. [Bangkok Post 1] [Bangkok Post 2] [Bangkok Post 3]

Thailand: Government to launch housing lottery for affordable urban housing scheme

(bk) Thailand's Transport Ministry is preparing to seek Cabinet approval for a lottery-based allocation system under the Home for Thais scheme, a state-backed affordable housing initiative aimed at easing mounting urban housing pressures and household debt. The first phase will allocate 5,000 housing units, with construction set to begin by the end of 2025 and initial occupancy expected in late 2026.

The scheme is being developed by SRT Asset (the asset management arm of the State Railway of Thailand) in cooperation with the Government Lottery Office, which

will oversee the lottery process to ensure transparency. A memorandum of understanding between the two agencies has already been signed, and preliminary screening of applicants by the Government Housing Bank has narrowed the eligible pool to 130,000 individuals.

A second phase involving 12,000 additional units is under preparation, with applicants from the first round automatically rolled over into future draws. [The Nation]

Thailand: Cabinet approves USD 9.9 million land mapping budget to enhance spatial governance

(lm) Thailand's Cabinet has approved a budget of THB 342.93 million (USD 9.9 million) from the 2025 central fund to support two key national land management initiatives led by the Royal Thai Armed Forces Headquarters.

The primary allocation—THB 312.93 million (USD 9.1 million)—will fund the creation of high-resolution aerial photo maps at a 1:4,000 scale across 11 strategically important provinces, including Bangkok, Nonthaburi, Pathum Thani, and Samut Prakan. The initiative aims to improve spatial accuracy in land use planning, environmental management, and urban development. Equipment procurement includes drone-based survey systems, 3D mapping tools, and regional data collection technology.

A second allocation of THB 30 million (USD 880,000) will support the upgrade of Thailand's integrated land boundary mapping platform, known as the "One Map System." The funding is expected to improve inter-agency coordination on land tenure and cadastral data, a longstanding issue in Thailand's natural resource governance. [Bangkok Post]

Thailand: Health authorities reject arsenic poisoning claims in children near Kok River

(lm) Thailand's Department of Health has rejected reports that two children living near the Kok River in Chiang Mai province were found with toxic levels of arsenic, amid growing concerns over transboundary contamination linked to rare-earth and gold mining operations in neighboring Myanmar.

In response to local and international scrutiny, the department stated that laboratory tests conducted in May on urine samples from 15 residents—including children and elderly individuals—did not show arsenic levels exceeding the World Health Organization's safety threshold of 100 micrograms per liter. The highest level recorded was below 70 micrograms.

The denial follows official findings from the Pollution Control Department confirming excessive heavy metal concentrations in water and sediment samples from both the Kok and Sai rivers. A study by Thailand Science Research and Innovation (TSRI) estimates that 70 percent of the contamination in the Kok River originates from rare-earth mining activities in Myanmar, with the remaining 30 percent attributed to gold mining.[Bangkok Post]

Thailand: Logistics megaproject faces industry skepticism and uncertain political backing

(lm) Thailand's proposed overland logistics corridor between the Gulf of Thailand and the Andaman Sea—commonly known as the Land Bridge—continues to face resistance from industry stakeholders and remains vulnerable to political volatility. The project, envisioned as an alternative to the congested Strait of Malacca, involves constructing two deep-sea ports in Chumphon and Ranong, a 90-kilometer rail and highway link, and a Special Economic Zone.

Although the government claims the project will cut shipping times by up to five days and elevate Thailand's status as a regional logistics hub, industry operators warn of increased costs and inefficiencies. A key concern is the need for double-handling cargo—unloading at one port, transporting across land, and reloading at another—making the proposed route less attractive than conventional sea lanes.

Initial investor interest has come primarily from real estate developers, not logistics firms, raising concerns that speculative land deals may outweigh industrial use. A required legal framework, the Southern Economic Corridor (SEC) bill, remains stalled in parliament amid opposition and weak political momentum. Observers suggest that any disruption to the ruling coalition could jeopardize the entire project.

Despite official claims that environmental and technical assessments are progressing and bidding could begin by 2026, critics question whether the

project is primarily a political tool rather than a commercially viable logistics solution. [Bangkok Post]

Thailand: Authorities intensify crackdown on transnational cyber fraud and trafficking networks

(bk/acs/lm) Thailand is intensifying efforts to dismantle transnational cybercrime and trafficking networks, amid mounting international concern over its role as a regional hub for financial scams. Losses from digital fraud currently exceed THB 100 million (USD 2.8 million) per day, with less than 2 percent of stolen assets recovered by authorities.

A five-point strategy spearheaded by the Cyber Crime Investigation Bureau (CCIB), in coordination with the Internal Security Operations Command (ISOC) and the United Nations Office on Drugs and Crime (UNODC), targets both operational infrastructure and international coordination. ISOC, a military-led security agency under the Office of the Prime Minister, plays a central role in internal stability and national security.

The strategy includes cutting power and internet to scam hubs, disrupting logistics and financial networks, accelerating arrests and asset seizures, deploying AI-based prevention systems, and establishing a joint "war room" for cross-border coordination. Public campaigns and nationwide trainings aim to boost digital awareness and reduce victimization. [The Nation]

The crackdown has yielded early results. In a recent case, Thai authorities arrested six individuals accused of using forged invoices and fake email domains to defraud a major Japanese company of THB 228 million (USD 6.3 million). Investigators froze THB 215 million (USD 6 million) and are now working with the U.S. Federal Bureau of Investigation (FBI) to trace digital infrastructure and international financial flows. [Bangkok Post]

In parallel, Thailand's Senate has proposed a dedicated oversight committee to monitor cybercrime policy and accountability. Lawmakers warn that without sustained political backing, enforcement risks becoming fragmented and ineffective—despite the growing geopolitical and financial implications of Thailand's role in global digital crime. [Bangkok Post]

Thailand: Targeted ambush suspected after park ranger injured by gun trap in protected forest

(lm) A A park ranger was seriously injured in Thailand's Phu Wiang National Park in Khon Kaen province on July 14 after triggering a gun trap authorities believe was deliberately set to target law enforcement personnel. The incident, which occurred in a remote and difficult-to-access forest area, has raised renewed concerns about threats to frontline environmental officers confronting illegal activities in protected areas.

The injured ranger, head of a local patrol unit, was shot in the thigh by a firearm rigged about one meter above the ground—an atypical height for traps intended to capture wildlife. Authorities concluded the device was intended for human targets, likely rangers, given its placement along a known patrol route rather than an animal trail.

This is not the first security incident in the area. The trap was located near the site of an earlier confrontation where a suspected poacher had aimed a gun at park officials before fleeing. Investigators are pursuing the possibility that the same individual is behind the ambush. [Bangkok Post]

Timor-Leste: IMF forecasts robust economic growth in 2025, praises reform progress

(lm) The International Monetary Fund (IMF) has projected that Timor-Leste's economy will grow by 3.9 percent in 2025, driven by fiscal expansion and strong credit growth. The forecast, issued following the IMF's Article IV consultation held from June 19 to July 2, suggests continued recovery amid low inflation and structural reform momentum.

While the IMF's 2025 forecast of 3.9 percent is slightly below the government's 4.3 percent projection, it exceeds the fund's 2026 outlook of 3.3 percent. Inflation is expected to average 0.9 percent in 2025, rising modestly to 1.8 percent in 2026, following a sharp drop in 2024.

The IMF highlighted Timor-Leste's substantial financial reserves and favorable demographics as key assets for long-term development. It also welcomed the country's efforts to integrate regionally and globally, notably its accession process to the World Trade Organization (WTO) and the Association of Southeast Asian Nations

(ASEAN). The IMF also praised recent financial sector reforms, including the introduction of new legal frameworks for insolvency, securities guarantees, corporate accounting, and banking activities. [Government of Timor-Leste]

Vietnam: Government plans tougher penalties for illegal transshipments following US tariff deal

(ab) Vietnam is preparing stricter penalties to combat trade fraud and illegal transshipment practices, according to official documents reviewed by Reuters. The move comes after a preliminary agreement with former US President Donald Trump's administration, which lowered planned tariffs on Vietnamese imports from 46 per cent to 20 per cent. However, goods deemed illegally transshipped through Vietnam will still face a 40 per cent tariff.

The upcoming government decree will introduce tighter origin verification procedures, expanded on-site inspections, and enhanced oversight of certificates of origin. Penalties for mislabeling goods as "Made in Vietnam" and for using forged documentation are expected to be detailed in future legal texts.

Authorities have been instructed to intensify inspections of exports to the US, particularly Chinese-origin goods at high risk of fraud, such as furniture, plywood, electronics, and bicycle components. The measures reflect Washington's concerns that Chinese goods are being routed through Vietnam to bypass tariffs imposed on China.

While the US-Vietnam deal has yet to be finalized, questions remain about how the US will define illegal transshipments and what level of value-added processing Vietnam must perform to avoid penalties. The agreement makes Vietnam the only country besides the UK to reach a preliminary tariff deal with the Trump administration.

Vietnam's exports to the US have nearly tripled since the US-China trade war began in 2018, but imports from China have also surged, often closely mirroring the value of US-bound exports. [Reuters]

Vietnam: 7.2 percent minimum wage hike proposed for 2026

(ms) Vietnam's National Wage Council has proposed raising the regional minimum wage by 7.2 percent starting January 1, 2026. If approved, the increase would translate to monthly wage hikes ranging from 350,000 to 500,000 Vietnamese Dong (USD 15.5 to 22.2), depending on the region.

The proposed adjustment would bring monthly minimum wages to VND 4.96 million (USD 219) in region 1 (which includes Hanoi and Ho Chi Minh City), VND 4.41 million (USD 194) in region 2, VND 2.6 million (USD 114) in region 3, and VND 2.5 million (USD 109) in region 4. The wage system is structured according to the cost of living and economic development in each area.

This follows a July 2024 wage adjustment of 6 percent and reflects mounting pressure from rising prices for essentials such as fuel, housing, and education. Labor groups have advocated for stronger increases, with the Vietnam General Confederation of Labor initially calling for a 9.2 percent rise. Employers, especially in export-driven industries like textiles and electronics, have warned that excessive hikes could hurt hiring and production.

Experts argue that the current minimum wage in major cities remains well below the actual cost of living, contributing to labor shortages and migration away from urban centers. However, sudden increases could risk job losses, prompting calls for a steady, predictable adjustment schedule. [Bao Chinh Phu] [VietnamNet Global] [VnEconomy]

Vietnam: New corporate income tax law with preferential rates for small businesses approved

(ms) Vietnam's National Assembly has approved a revised Corporate Income Tax (CIT) law, maintaining the standard 20 percent rate while introducing preferential rates for smaller businesses and clarifying tax rules for resource-based industries. The changes will take effect on January 1, 2026.

Under the new framework, businesses with annual revenues of up to VND 3 billion (USD 118,800) will be taxed at 15 percent, while those earning between VND 3 billion and VND 50 billion (USD 118,800–1.98 million) will pay 17 percent. Companies with revenues above VND 50 billion will continue to pay the standard 20 percent.

The preferential rates aim to support Vietnam's small and medium-sized enterprises, which make up over 95 percent of all businesses and face rising cost pressures. The move is also intended to improve tax compliance and formalization in the SME sector.

Meanwhile, oil and gas projects will remain subject to CIT rates ranging from 25 to 50 percent, as determined by the Prime Minister based on location and reserves. A fixed 50 percent rate applies to the extraction of rare and precious minerals, such as gold and rare earths, with a possible reduction to 40 percent for projects in disadvantaged regions.

The law also introduces stricter eligibility criteria for tax incentives, particularly affecting multinational firms. To curb abuse, subsidiaries can no longer automatically qualify for incentives received by related entities. These anti-avoidance provisions align Vietnam's tax system more closely with global standards under the OECD's Base Erosion and Profit Shifting (BEPS) framework. [ASEAN Briefing] [Bao Chinh Phu] [Dedica]

Vietnam: Trịnh Văn Quyết becomes 18th general in modern military history

(hn) President Lương Cường on July 14 promoted Trịnh Văn Quyết, Chief of the General Department of Politics, to the rank of General — making him only the 18th person to attain the title since the Vietnam People's Army was founded in 1944.

The promotion highlights Quyết's growing influence within Vietnam's military and political establishment. At 59, he currently leads the army's key ideological body, which plays a strategic role in maintaining the Communist Party's control over the armed forces. A member of the 13th Party Central Committee and its Secretariat, Quyết has held senior leadership roles across the military, including as Political Commissar of Military Region 2.

In addition to Quyết's promotion, President Cường also elevated six other senior officers. Four military leaders, including Deputy Chief of the General Staff Nguyễn Quang Ngọc and three Deputy Defense Ministers, were promoted to colonel general. Two deputy ministers in the public security force also rose to the same rank.

While high-level promotions are not uncommon, Quyết's new title as General stands out in Vietnam's tightly controlled and highly centralized military system, where such honors are granted sparingly and

carry significant political weight. [Vnexpress, in Vietnamese]

Vietnam: Party expels two officials over land mismanagement, issues warning to central committee member

(hn/ms) Vietnam's Party Secretariat on July 11 expelled two former provincial leaders for serious violations in state asset management, in a case tied to a controversial real estate deal.

Nguyen Bat Khach, former Standing Vice Chairman of the Hung Yen Provincial People's Committee, and Le Ngoc Soi, former head of the provincial natural resources department, were removed from the Communist Party. The two had already been criminally charged in March over allegations related to land mismanagement in Lieu Xa Commune, linked to Thang Long Real Estate.

Authorities cited legal and procedural violations with significant consequences, including public backlash and reputational damage to the state.

Separately, Vo Chi Cong, a current member of the Party Central Committee, received a disciplinary warning for past misconduct during his time as a provincial official in Soc Trang. The Politburo has recommended corresponding administrative penalties.

The cases are part of Vietnam's ongoing anti-corruption campaign targeting high-level officials. [Vnexpress, in Vietnamese]

Vietnam: Ex-National Assembly aide charged in major bid-rigging scandal

(hn) Phạm Thái Hà, former Deputy Chief of the National Assembly Office and former assistant to the Chairman of the National Assembly, has been prosecuted for abusing his position for personal gain. He allegedly received 750 million VND (around USD 30,000) from Thuận An Group as a bribe to help them secure a construction project in Bắc Giang Province.

Hà used his close relationship with Nguyễn Duy Hưng, former Chairman of Thuận An Group, to introduce and recommend Hưng to Bắc Giang officials during a dinner at the National Assembly Chairman's house in late 2021. This led to Thuận An winning Bid Package

No. 7 through favorable treatment and collusion between company executives and local project managers. Hưng later gave Hà VND 500 million in cash and an additional 250 million VND during holidays. Hà has voluntarily returned all the money he received.

Nguyễn Duy Hưng is accused of manipulating the bidding process for public projects across several provinces and ministries by using connections with senior government officials, including Hà. After securing the bids, Hưng colluded with other companies to fake surveys, technical documents, and cost estimates, effectively rigging the bids.

He also made under-the-table payments to officials to ensure project approvals and support. These illegal activities caused more than 120 billion VND (about USD 4.7 million) in state losses and led to criminal charges against 29 people, including Thuận An executives and government officials. The case has caused public concern and diminished trust in government institutions. [Vnexpress, in Vietnamese]

Vietnam: Hanoi to launch phased ban on fossil-fuel motorbikes from 2026

(ab) Vietnam's Prime Minister has directed Hanoi to begin phasing out fossil fuel–powered motorbikes in the city center starting July 1, 2026, as part of a broader environmental protection strategy. The first stage will target motorbikes within Ring Road 1, which covers the downtown core.

The restrictions will expand by 2028 to cover both motorbikes and gasoline-powered cars within Ring Roads 1 and 2–the entirety of the inner-city. By 2030, the city plans to restrict all personal fossil fuel vehicles within Ring Road 3, which includes parts of Hanoi's newer suburban developments.

Authorities are expected to finalize a Low-Emission Zone (LEZ) plan by the third quarter of 2025, setting the framework for clean transport infrastructure, including electric buses, metro links, and charging stations.

Additional measures include increased parking and registration fees for fossil fuel vehicles, incentives for electric vehicle production, and a late-2025 ban on single-use plastics in hospitality venues in central districts.

The directive also calls for stricter enforcement of environmental laws, relocation of polluting factories, upgrades to waste treatment systems, and wider use of digital tools for monitoring and public reporting.

However, the idea of a motorbike ban is not new and has sparked debate in both media and private circles before. Public reaction and the plan's feasibility remain to be seen. [Vietnam News] [Vnexpress 1] [Vnexpress 2] [Vietnamplus]

Vietnam: Mid-year credit growth hits 9.9 percent, driven by policy easing amid external risks

(hn) Vietnam's credit growth reached 9.9 percent year-on-year by the end of June 2025, totaling over VND 17.2 quadrillion (USD 656.4 billion), according to the State Bank of Vietnam (SBV). This marks the fastest expansion for the period since 2023 and comes as authorities seek to sustain GDP growth amid global economic uncertainty.

The SBV attributed the increase to early credit allocation, lower lending rates, and looser monetary conditions. Interest rates have dropped by 0.64 percentage points since late 2024, as the central bank moved to ease borrowing costs for businesses.

Much of the new credit has been directed toward priority sectors, including housing, infrastructure, and digital investment. However, analysts caution that high credit growth may carry risks if productivity gains fail to keep pace, especially as external demand softens and new US tariffs create uncertainty for Vietnamese exporters.

The SBV projects full-year credit growth of around 16 percent. [Vietnamnews]

Vietnam: Industrial rent prices have risen 70 per cent since 2019

(ab) Industrial real estate rents in Vietnam have increased by approximately 70 per cent between 2019 and 2025, driven by rising demand and limited supply, according to a global report by Cushman & Wakefield.

As of 2025, average monthly rents are USD 5.3/m^2 in Hanoi and USD 4.9/m^2 in Ho Chi Minh City, reflecting a significant jump over the past six years. While prices remain relatively lower than in some regional markets, the rate of increase underscores growing pressure on industrial tenants.

The surge in rental costs comes as Vietnam's manufacturing and logistics sectors expand, supported by a large labor force and ongoing foreign investment. The same report also notes that labor and energy costs continue to be low relative to global averages. [vneconomy] [Voice of Vietnam]

Vietnam: UAE company plans USD 2 billion data center project in Ho Chi Minh City

(ab) Abu Dhabi-based tech firm G42 is planning to develop a USD 2 billion hyperscale data center in Ho Chi Minh City, partnering with Vietnamese companies FPT Corp., VinaCapital, and Viet Thai Group, according to state media.

The project is currently under review, with local authorities seeking guidance from the Prime Minister. No specific timeline for development has been announced. [Reuters] [Economic Times]

Vietnam: Lowest birth rate on record at 1.91

(ab) Vietnam's fertility rate has fallen to 1.91 children per woman in 2024, the lowest in the country's recorded history, according to the Ministry of Health. This marks the third consecutive year below the replacement level of 2.1, raising concerns about long-term demographic and economic stability.

At a World Population Day event co-hosted with the United Nations Population Fund, Health Minister Đào Hồng Lan cited financial pressures, job insecurity, high housing costs, and childcare burdens as the main reasons behind declining birth rates—challenges shared by many other aging societies.

The trend is especially acute in major urban centers like Hanoi and Ho Chi Minh City, where economic pressures and changing societal norms have driven fertility even lower. Vietnam's population, now estimated at 101.6 million, remains in a "golden

population structure" phase that began in 2007, but officials warn this window may close by 2040 if birth rates do not recover.

To address the demographic shift, the government recently lifted its longstanding two-child limit under a June 2025 ordinance, giving couples the legal right to decide family size and birth spacing. However, policymakers acknowledge that regulatory changes alone may not reverse the trend.

In response, the Ministry is drafting a new Population Law and a national program for population health and development (2026–2035). Proposed measures include childbirth subsidies, extended maternity leave, housing support, and scholarships for geriatric care professionals. The draft law is expected to be submitted to the National Assembly in October 2025. [Vietnamnet]

Vietnam: National Assembly revises standards law to align with global practices

(ab) Vietnam's National Assembly has approved amendments to the Law on Standards and Technical Regulations, set to take effect in January 2026. The updated law aims to align national standards with international norms, simplify regulatory frameworks, and broaden private-sector participation.

Key changes include a "one product – one regulation" rule to eliminate overlapping technical requirements, and new provisions allowing enterprises, associations, and research bodies to propose national standards—mirroring models in countries like Germany and Japan. [VietnamNet]

Vietnam: Starlink satellite internet expected in Vietnam by late 2025

(ab) SpaceX is expected to launch its Starlink satellite internet service in Vietnam as early as the fourth quarter of 2025, pending regulatory approvals and the establishment of a local legal entity. The Ministry of Science and Technology has confirmed plans for a controlled pilot of low-Earth orbit (LEO) satellite services once investment procedures are complete.

The Vietnamese government has granted SpaceX permission to operate on a trial basis through 2030,

with full foreign ownership allowed–a unique prospect in the country's domestically owned telecoms industry. The pilot aims to expand internet access to remote and underserved regions, potentially supporting national digital transformation goals. SpaceX is currently working with the Ministry of Finance to register a wholly owned subsidiary and obtain a telecommunications license.

Local telecom group Viettel has also shown interest in LEO satellite research but has not announced specific plans. [Reuters] [Vietnamnet]

International Relations, Geopolitics and Security in Asia

ASEAN deepens regional and global partnerships amid shifts in U.S. trade policy

(tl) As the United States retreats from regional trade initiatives under President Trump's policies, ASEAN is ramping up efforts to deepen both intra-regional collaboration and partnerships with external actors at the 58th Asean Foreign Ministers' Meeting and Post-Ministerial Conferences.

One key initiative showing renewed momentum told is the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). Progress is being driven by the 2022–2026 Implementation Blueprint and a new cooperation framework on customs, immigration, and quarantine (CIQ), aimed at improving border efficiency and lowering logistical costs.

On the global front, ASEAN-Canada Free Trade Agreement (ACAFTA) talks are advancing, with focus areas including digital trade, AI, and green energy. Canadian Foreign Minister Anita Anand urged negotiators to move swiftly despite external uncertainties.

Separately, Australia also reaffirmed its strategic partnership with ASEAN. Foreign Minister Penny Wong highlighted a development program worth AUD 1.28 billion (USD 860 million) for the regional needs, while noting that Australian trade with the region surged by 45 percent last year.

Under Malaysia's 2025 ASEAN chairmanship, with a focus on "inclusivity and sustainability," the bloc is actively pursuing economic resilience through expanded cooperation, including initiatives like the ASEAN-Gulf Cooperation Council-China Summit and a new geoeconomic task force, a working group designed to help the bloc monitor and respond strategically to global economic shifts—especially U.S. tariff policies—and seize emerging trade and investment opportunities. [Free Malaysia Today].

ASEAN ministers reaffirm haze-free commitment at Brunei-hosted 26th MSC Meeting

(ga) The 26th Meeting of the Sub-Regional Ministerial Steering Committee on Transboundary Haze Pollution (MSC) was held on July 10 in Bandar Seri Begawan, Brunei. Ministers and officials from Brunei, Indonesia, Malaysia, Singapore, Thailand, and the ASEAN Secretariat attended, with Timor-Leste participating as an observer.

The meeting reaffirmed support for the ASEAN Agreement on Transboundary Haze Pollution (AATHP) and welcomed regional strategic plans, including the ASEAN Community Vision 2045 and the ASEAN Socio-Cultural Community Strategic Plan.

Key outcomes included support for the operationalization of the ASEAN Coordinating Centre for Transboundary Haze Pollution Control (ACC THPC) in Indonesia, and continued implementation of the Haze-Free Roadmap 2023–2030, ASEAN Peatland Management Strategy, and ASEAN Investment Framework for sustainable land management.

Furthermore, the ASEAN Specialized Meteorological Centre (ASMC) reported a 43 percent decrease in regional hotspots for the first half of 2025 compared to

2024, with neutral El Niño-Southern Oscillation conditions expected to persist until October. ASMC also highlighted upgrades to its weather monitoring and climate projection systems. [ASEAN]

As the host, Brunei's Minister of Development Juanda Abdul Rashid called for an integrated and adaptive approach to address transboundary haze. He emphasized that while ASEAN's cooperative efforts under the ASEAN Agreement on Transboundary Haze Pollution have led to frameworks and early warning systems, shifting climate patterns and growing land-use pressures require enhanced coordination and preparedness.

The minister's statement comes as the southern ASEAN region activated Alert Level 1 due to isolated hotspots and localized haze. Juanda urged all ASEAN member states to remain vigilant and reinforce capabilities to manage haze risks, particularly during dry seasons and under unpredictable climate conditions. [Borneo Bulletin]

Algeria, Uruguay join ASEAN's Treaty of Amity and Cooperation

(tl) Algeria and Uruguay have officially acceded to the Treaty of Amity and Cooperation in Southeast Asia (TAC), bringing the total number of parties to the ASEAN treaty to 57. The signing took place on the sidelines of the 58th ASEAN Foreign Ministers' Meeting in Kuala Lumpur, which was held from 8 to 11 July/

Established in 1976, the TAC promotes peaceful inter-state relations, plays as the legally binding framework and has been amended three times to allow non-ASEAN countries and regional bodies to join. It attracts international support. Major powers like the US, China, and the EU are already signatories. [Free Malaysia Today]

ASEAN considers upgrading Türkiye to full dialogue partnership

(tl) According to Malaysian Foreign Minister Mohamad Hasan, ASEAN is weighing the possibility of elevating Türkiye from a sectoral dialogue partner to a full dialogue partner. Türkiye has actively contributed to ASEAN in areas such as technology, security, agriculture, defense, and education, including scholarship offerings to ASEAN students.

The announcement followed a trilateral meeting between Malaysia, Türkiye, and the ASEAN Secretariat, held on the sidelines of the 58th ASEAN Foreign Ministers' Meeting (AMM-58) in Kuala Lumpur. The session was also attended by Turkish Foreign Minister Hakan Fidan and ASEAN Secretary-General Dr. Kao Kim Hourn.

Mohamad noted that while many countries are keen to become sectoral or full dialogue partners of ASEAN, a moratorium is currently in place due to the overwhelming number of applications. With 11 full dialogue partners already, ASEAN is being careful not to overload its existing framework. [Malay Mail]

China reaffirms to join ASEAN Nuclear Weapon-Free Zone Treaty

(tl) According to Malaysia's Foreign Minister Mohamad Hasan, China has confirmed its intention to sign the Southeast Asian Nuclear Weapons Free Zone (SEANWFZ) treaty once all formalities are complete. The treaty, in effect since 1997, prohibits ASEAN members from using nuclear technology for anything other than peaceful purposes like energy generation.

ASEAN has long aimed to secure formal commitment from all five recognized nuclear powers, China, the US, the UK, Russia, and France to respect the region's nuclear-free status including exclusive economic zones and continental shelves.

China has assured that it will sign the treaty without conditions and has maintained active discussions with ASEAN to finalize the process. Beijing has also reiterated its longstanding support for a nuclear-weapon-free zone in Southeast Asia and expressed willingness to take the lead in endorsing the treaty protocol. [Reuters]

China, EU trade accusations ahead of high-stakes summit

(efg/dql/yq) Ahead of the much-anticipated EU-China summit later this month, Beijing and Brussels have exchanged sharp criticism, signaling difficult talks ahead.

The Chinese Commerce Ministry has called for the European Union (EU) to take a rational view on bilateral economic and trade relations free of emotion and prejudice, "with less accusations and more

communication, less protection and more openness, [...] and more consultations on all issues." [Global Times]

The statements came in response to EU Commission President Ursula von der Leyen's comments over the limited Chinese market access for European firms, made during the July 8 European Parliament plenary joint debate on EU-China relations.

She declared China had flooded global markets with the "unique instruments at its disposal" whilst simultaneously limiting access to its own market, and obstructing international competition, concluding that Beijing's "unyielding" support for Russia has created heightened instability and insecurity in Europe. [European External Action Service]

While commending China for its economic growth, poverty reduction and transformation into an industrial powerhouse and technology leader, von der Leyen stressed that EU—China relations "must be rooted in a clear-eyed assessment of this new reality". [Reuters 1]

In a separate, but related move, the European Parliament (EP) adopted on July 10 a resolution with overwhelming majority expressing strong concern over China's export restrictions on seven rare earth elements and magnets essential to the EU's defense, energy, and automotive sectors. [European Parliament]

China introduced the restrictions in April 2025 in response to increased U.S. tariffs on Chinese goods. The new measures require exporters to obtain additional licenses, which the European Parliament views as unjustified and potentially coercive, given China's dominant position in the global market.

The resolution calls for urgent action to reduce the EU's strategic dependence on China and to strengthen its position in critical goods and technologies. Members of the EP (MEPs) demanded the swift implementation of the Critical Raw Materials Act (CRMA) to ensure secure, diversified, and sustainable access to key raw materials. They also called for the activation of domestic mining projects and an assessment of appropriate strategic stockpiling levels.

MEPs also voiced concern over Chinese demands for sensitive data from companies seeking export permits and stressed the importance of building raw material partnerships with countries that uphold high standards for sustainability and human rights. The Parliament underscored the need to raise these issues

and their broader implications for global supply chains at the upcoming EU-China summit. [European Interest] [Reuters 2]

Tensions between China and the European Union have escalated. While the spotlight remains on U.S.-China trade friction, EU-China relations have deteriorated following mutual restrictions and tit-for-tat investigations. Beijing recently imposed duties on European brandy, widely seen as a response to the EU's probe into Chinese EVs. Experts note a growing divergence between the two economies, citing overcapacity concerns, diverging trade policies, and mounting geopolitical distrust.

Though some analysts expected the U.S. tariffs to push China and the EU closer, others argue that Beijing sees little strategic need to align with Brussels. The upcoming EU-China summit on July 24 is expected to be tense and probably unproductive, with both sides entrenching protectionist positions rather than seeking compromise. [CNBC]

China tells EU new climate target will come in autumn

(yq) China has informed the EU it will release a new national climate plan (NDC) in the fall, ahead of the COP30 summit in November. Both China and the EU missed the February deadline to submit updated targets for cutting emissions by 2035.

EU climate chief Teresa Ribera, after talks in Beijing, said China's plan will cover all greenhouse gases across the economy. While President Xi had earlier pledged a new target before COP30, no exact date was given. The EU has proposed a 2040 climate target, but its 2035 goal remains undecided. Most major countries have yet to announce updated climate plans. [Reuters]

Wang Yi meets with Indian, British, and Maltese officials

(yq) On July 14, Chinese Foreign Minister Wang Yi held separate meetings in Beijing with Malta's Deputy Prime Minister Ian Borg, UK National Security Adviser Tim Barrow, and Indian Foreign Minister Subrahmanyam Jaishankar.

With Malta, Wang reaffirmed China's appreciation for Malta's prioritization of ties with Beijing and its continued support for the One China policy and Belt

and Road cooperation, while Borg expressed Malta's willingness to play a positive role in EU-China relations. In talks with the UK, Wang praised London's call for a stable, respectful China–UK relationship and expressed readiness to enhance strategic cooperation and inject new substance into bilateral ties; Barrow echoed the need to deepen dialogue and build a long-term partnership. [People's Daily, in mandarin]

The most substantive discussions, however, took place with Jaishankar, who is visiting China for the first time since the deadly 2020 border clashes. While both sides acknowledged improved ties since the Xi–Modi meeting in Kazan last October, Jaishankar stressed that resolving the ongoing border standoff, including troop disengagement and de-escalation, was fundamental to restoring mutual trust. He also warned against restrictive trade measures, referencing China's recent export curbs on rare earths, and called for greater market access and fewer roadblocks to bilateral cooperation. [SCMP] [Reuters 1] [Reuters 2]

Wang Yi reiterated China's willingness to improve ties and coordinate on multilateral issues, while Chinese Vice President Han Zheng described the India–China relationship as a potential "dragon-elephant tango," symbolic of the two countries' roles in the Global South. The visit also touched on symbolic gestures of goodwill, such as the resumption of India's religious pilgrimage to Tibet, and is likely part of preparations for a possible Modi visit to the upcoming SCO summit hosted by China. [Bloomberg]

China reiterates rejection of 2016 South China Sea arbitration ruling

(yq) Chinese Foreign Minister Wang Yi condemned the 2016 Permanent Court of Arbitration (PCA) ruling on the South China Sea as a "political farce," accusing "external powers" of orchestrating the case to destabilize the region. Speaking at the East Asia Summit Foreign Ministers' Meeting in Kuala Lumpur on July 11, Wang reaffirmed China's longstanding "four noes" position: no acceptance, no participation, no recognition, and no implementation of the ruling. [SCMP] [CNA]

The PCA ruling invalidated Beijing's nine-dash line claim and classified key Spratly features as "rocks" without entitlement to an Exclusive Economic Zone (EEZ). Wang argued that the tribunal overstepped its authority under UNCLOS and ignored China's 2006 Article 298 opt-out from maritime delimitation arbitration. He warned the ruling's interpretation could

set a dangerous precedent for other maritime claims globally. [Xinhua]

Wang also accused Manila of initiating the case without prior consultation and breaching the 2002 Declaration on the Conduct of Parties in the South China Sea. He reiterated China's support for a binding Code of Conduct with ASEAN and vowed that efforts to sow discord would fail. [SCMP 1] [China Daily]

China commits to de-escalation of Thailand-Cambodia border dispute

(efg) China has called for a de-escalation between Thailand and Cambodia over border tensions. Foreign Minister Wang Yi urged for peaceful coexistence reaffirming China's "objective and impartial stance," and its readiness to "play a constructive role in promoting peaceful relations between the two countries," during a meeting with Thai counterpart Maris Sangiampongsa on the sidelines of the ASEAN foreign ministers' summit on July 10. The comments followed a request to the International Court of Justice from Cambodian authorities last month to resolve the matter. [Xinhua] [The Diplomat]

China firmly supports Thailand and always places China-Thailand relations as a priority in its neighborhood relations diplomacy, Wang said. Maris praised the two county's relationship stating "Thailand and China are as close as one family" emphasizing that the building of the Thailand-China community continues to yield outcomes.

He underscored the firm support Thailand maintains over multilateralism and the multilateral trade system calling for an early restoration of the normal trade order and that border issues should not be resolved through force. He concluded that Thailand was willing to resolve disputes with Cambodia through bilateral channel in the spirit of goodwill. [China Daily] [Bangkok Post]

Wang reiterated China's impartiality and de-escalation commitment on the border issue in a separate meeting with his Cambodian counterpart Prak Sokhonn on the same day. He emphasized the need for security measures to protect Chinese and Cambodians calling for tougher action "to completely eradicate the tumor" of cross-border crimes.

The commitment by China to ensure de-escalation is welcomed as Cambodia also receives Chinese economic support, including zero-tariff treatment on

all Cambodian exports to China. Sokhonn expressed his gratitude calling it " a great help to Cambodia" and a "friend's and brother's move". The meeting further highlighted ongoing China-Cambodia collaborations such as the "Industrial Development Corridor" and the "Fish and Rice Corridor" seeking to drive further economic integration and development. [Khmer Times] [Reuters]

Japan attends ASEAN foreign ministers meeting

(ja) Japanese Minister for Foreign Affairs Iwaya Takeshi attended several ASEAN-related meetings, held during the ASEAN Foreign Ministers' Meeting in Kuala Lumpur between July 10-11.

Mekong-Japan Foreign Ministers Meeting

Iwaya alongside Bui Thanh Son, Deputy Prime Minister and Minister of Foreign Affairs of Vietnam, hosted the Sixteenth Mekong-Japan Foreign Ministers' Meeting as co-chairs on July 10. Japan and the Mekong countries discussed the progress of Mekong-Japan cooperation based on the "Mekong-Japan Cooperation Strategy 2024" adopted at the Mekong-Japan Foreign Ministers' Meeting held in July 2024 and decided to deepen cooperation in multiple different areas.

In regard to disaster risk reduction, Iwaya emphasized the importance of focusing on disaster risk reduction to enhance the resilience of the Mekong region and stated Japan's commitment towards cooperating with the region on the matter.

In regard to the economy, Iwaya also stressed the importance of decarbonization and the utilization of digital technology in promoting economic growth in the Mekong region, expressing his desire to cooperate, including through co-creation for common agenda initiative, with the Asia Zero Emission Community (AZEC), and the OECD, and stating that a co-creation workshop on AI will be held in Bangkok in cooperation with the OECD this August.

Regarding security and countermeasures for transnational issues, Iwaya drew attention to North Korea's malicious cyber activities including cryptocurrency thefts, as well as organized online fraud, and money laundering based in the region are serious issues and stated that Japan will strengthen measures such as capacity building through the United Nations Office on Drugs and Crime (UNODC) and through information sharing among senior officials.

The Mekong countries expressed their intention to strengthen cooperation with Japan in fields including promoting investments with private enterprises, industrial advancement, digitalization, and decarbonization, as well as expressing expectations for continued cooperation in fields such as infrastructure support to strengthen regional connectivity.

The coup d'état in Myanmar was also discussed, in which Iwaya strongly urged for a lasting ceasefire and progress in sincere dialogue among the parties involved. [Ministry of Foreign Affairs, Japan 1]

ASEAN-Japan Foreign Ministers' Meeting

On July 10, Iwaya co-chaired the ASEAN-Japan Foreign Ministers' meeting alongside Foreign Minister of Singapore Vivian Balakrishnan.

During the meeting, Japan reaffirmed its support of ASEAN and stated that it will continue to strengthen its relations with ASEAN countries while providing multilayered cooperations in areas such as Green Transformation (GX) and Digital Transformation (DX). Japan also revealed that it would dispatch more than 577 "NIHONGO (Japanese Language) Partners" to boost people-to-people exchanges with ASEAN countries.

The ASEAN side stressed the importance of freedom of navigation in the South China Sea, peaceful resolution of disputes based on the United Nations Convention on the Law of the Sea, and denuclearization of the Korean Peninsula, as well as resolution of the abductions issue, and also demonstrated appreciation for Japan's support of Myanmar. [Ministry of Foreign Affairs, Japan 2]

26th ASEAN Plus Three Foreign Ministers' Meeting

Iwaya attended the 26th ASEAN Plus Three Foreign Ministers' Meeting on July 10.

During the meeting, Japan reaffirmed its commitment to the promotion of the ASEAN Outlook on the Indo-Pacific (AOIP), such as a rules-based framework, openness, transparency and inclusiveness.

Japan expressed its full support of "ASEAN Community Vision 2045" and its commitment to furthering the ASEAN+3 cooperation. In line with the vision, Iwaya hopes to work with other countries to enhance a rules-based, free, fair and open international economic order, deepen cooperation on the low birthrate and aging population through sharing knowledge and experience of Japan, China and Korea, and continue to

support the efforts through the United Nations Office on Drugs and Crime (UNODC) as well as information sharing among practitioners in Bangkok to help dispel organized fraud.

The countries in attendance also stressed the importance of denuclearization and stopping North Korean missile development. [Ministry of Foreign Affairs, Japan 3]

15th East Asia Summit (EAS) Foreign Ministers' Meeting

Iwaya attended the 15th East Asia Summit (EAS) Foreign Ministers' Meeting on July 11. During the meeting, Japan reaffirmed that it will continue to work with EAS participating countries to promote cooperation.

Japan expressed its concerns about the intensified actions in the South China Sea and Taiwan Strait, including coercive activities and increased militarization, and advocated for a peaceful resolution in accordance with international law, in particular United Nations Convention on the Law of the Sea (UNCLOS). Other EAS countries agreed, underscoring the importance of freedom of navigation and overflight.

Japan also expressed its concern regarding North Korean nuclear proliferation, its malicious cyber activities including cryptocurrency thefts, and increased military cooperation between North Korea and Russia. Japan also called for the continued understanding and cooperation from each country toward the immediate resolution of the abduction of Japanese nationals issue, with some other countries in attendance also underscoring the importance of the issue.

Regarding the situation in Gaza, Japan called for all parties to return to negotiations and sincerely work towards a ceasefire, the release of hostages, and an improvement in the humanitarian situation. Japan also aims to help resolve Iran's nuclear issue through peaceful dialogues.

Japan alongside the other EAS countries has also condemned Russia's invasion of Ukraine, citing it to be a grave violation of international law. [Ministry of Foreign Affairs, Japan 4]

Bilateral talks with China

Iwaya met with Wang Yi, the Chinese Minister of Foreign Affairs, on July 10 at the sidelines of the ASEAN-related Foreign Ministers' Meetings.

Iwaya expressed concern over the significant impact China's export controls on rare earth and related magnets have on Japanese companies and called on China to expedite its approval process for export license applications. Yi responded by saying that normal demand for Japanese companies will be maintained if they comply with all relevant regulations and follow all necessary procedures.

Iwaya also expressed Japan's concerns over the situation regarding Japan's sea and airspace, such as the intrusion of a China coast guard vessel's helicopter into Japan's territorial airspace, a Chinese military aircraft's close approach toward a Self-Defense Force aircraft, the expansion of the aircraft carrier's operating range and China's unilateral development of natural resources in the East China Sea. He urged China to address these issues. Iwaya also called for e early release of detained Japanese nationals in China. Iwaya also stated the importance of maintaining peace in the Taiwan strait and urged China to stop its large-scale military drills around the area.

The two foreign leaders also exchanged views on the nuclear and missile issues and the abduction issues in North Korea and stated that both countries will make diplomatic efforts to stabilize the situation in the middle east.

Chinese import restrictions on Japanese goods were also a large point of discussion, with the recent resumption of Japanese beef imports being brought up.

Chinese Vice Premier He Lifeng said during a meeting with secretary general of the Japanese ruling Liberal Democratic Party Hiroshi Moriyama on July 11 that China will soon complete the necessary domestic procedures to resume Japanese beef imports following a 24-year hiatus.

The procedures are aimed at bringing a quarantine pact the two countries signed in 2019 into effect, a prerequisite for the resumption of beef imports that had been halted following the mad cow disease outbreak in Japan in 2001.

The announcement follows China recently lifting a blanket ban on Japanese seafood imports, a ban that was introduced in 2023 amidst health and environmental safety concerns after Japan released treated radioactive wastewater from the Fukushima Daiichi nuclear power plant into the ocean. Chinese customs authorities have currently registered three Japanese marine product exporters.

Deputy Chief Cabinet Secretary Keiichiro Tachibana stated during a press conference that the government will call on China "at various levels" to speed up all necessary procedures to resume Japanese beef imports. [Public Relations Office of the Government of Japan]

Prime Minister Shigeru Ishiba and Chinese President Xi Jinping have also agreed to maintain communication regarding the issue of Japanese food imports, and plan to discuss it in more detail at a planned meeting in Peru in November on the fringes of an international conference.

Japanese Foreign Minister Takeshi Iwaya and China's top diplomat Wang Yi also talked about the quarantine accord during their meeting in Kuala Lumpur on July 10 to "expedite the process" for restarting the Japanese beef trade. [Kyodo News] [Ministry of Foreign Affairs, Japan 5]

Japan International Cooperation Agency to issue bonds to African nations to support development needs

(ja) The Japan International Cooperation Agency (JICA) will issue JPY 23 billion (USD 160 million) support bonds to African nations starting in August to help support education, infrastructure, and other development needs. The bond issuance will occur alongside the Japanese cohosting of the ninth Tokyo International Conference on African Development (TICAD) in Yokohama between August 20-22.

The agency hopes to target and encourage regional financial institutions, local governments, and Japanese companies seeking to invest in the continent to purchase the bonds. The bonds will have maturities of either three or five years.

"As Africa, with its large young population, holds significant growth potential, support (through the bonds) will help Japanese companies expand into the region," said director of JICA's Planning and TICAD Process Division Motohiro Matsumura.

The issuance volume of the Africa TICAD bonds is expected to double from JPY 12 billion which had been issued in 2019 during the last TICAD meeting to be held in Japan under a similar scheme. Part of the funds raised through those bonds were used to fund projects such as the building of a bridge over the Nile River in Uganda to support logistics, and in the construction of geothermal infrastructure in Kenya.

JICA hopes to use the bonds to be issued in August to provide loans to farmers through financial institutions, and to promote Japanese-style education that fosters discipline through school activities. [Kyodo News]

South Korea, Japan, U.S. reaffirm commitment to deepening trilateral security partnership

(dql) The top military leaders of South Korea, Japan and the United States, convened in Seoul July 10 for the 22nd Trilateral Chiefs of Defense (Tri-CHOD) meeting. Held for the first time in South Korea, the meeting brought together South Korean Joint Chiefs of Staff Chairman Kim Myung-soo, U.S. Chairman of the Joint Chiefs Gen. Daniel Caine, and Japan's Chief of Staff Gen. Yoshihide Yoshida, with the discussions focusing on North Korea's advancing nuclear and missile programs, as well as broader security challenges in the Indo-Pacific.

Kim highlighted that hosting the meeting in Seoul for the first time reflects the deepening institutionalization of trilateral security ties, following the Camp David summit in August 2023 between then-U.S. President Joe Biden, then-South Korean President Yoon Suk Yeol and then-Japanese Prime Minister Fumio Kishida—the first standalone summit among the three countries that was seen as a major step toward a robust deepening of trilateral security cooperation in the Indo-Pacific. Kim also noted that Yoshida's visit marked the first by a Japanese chief of staff in 15 years, signaling improved trust between the three nations.

Caine, who assumed office in April, emphasized the evolution of trilateral defense cooperation since the first Tri-CHOD meeting in 2014, noting a shift from coordination on North Korea to broader regional deterrence in response to growing military buildups by both Pyongyang and Beijing.

Yoshida outlined three priorities for Japan: institutionalizing cooperation that withstands political shifts, enhancing deterrence against North Korea, and expanding trilateral efforts for regional peace and stability.

The commanders jointly condemned North Korea's weapons development and reaffirmed their commitment to complete denuclearization under UN Security Council resolutions. They also expressed concern over North Korea's alleged support for Russia's war in Ukraine and the possibility of reciprocal military technology transfers. [The Korea Herald]

Meanwhile, the three countries conducted joint air drills on July 11 to bolster their coordinated response to North Korea's nuclear and missile threats. The exercise took place in international airspace near Jeju Island and featured a U.S. B-52H strategic bomber—its first deployment to the Korean Peninsula in 2025—alongside South Korea's KF-16 and Japan's F-2 fighter jets.

The drill follows similar aerial exercises held on June 18, the first under President Lee Jae-myung's administration. [Anadolu Ajansı]

UK, France, NATO reaffirm commitment to maintaining peace in Taiwan Strait, warn of growing China threat

(yl) At a bilateral summit in London, British Prime Minister Keir Starmer and French President Emmanuel Macron reaffirmed their countries' support for peace in the Taiwan Strait and broader Indo-Pacific region. In a joint declaration, they emphasized that European security is "inextricably linked" to developments in the Indo-Pacific and committed to closer cooperation in maritime security, reciprocal base access, and regional capacity building. [Government, UK]

The statement underscored the importance of democratic values, the rule of law, and peaceful resolution of cross-strait issues. It also coincided with ongoing deployments by the UK's and France's carrier strike groups in the region, highlighting their growing military footprint beyond Europe. [Taiwan News1] [Focus Taiwan]

In a separate development, the North Atlantic Treaty Organization (NATO) Secretary General Mark Rutte issued a stark warning about China's expanding military capabilities and intentions toward Taiwan. Speaking at a press conference, Rutte noted China's rapid naval growth and nuclear arsenal expansion and cautioned that a Taiwan invasion could be coordinated with Russian aggression to divide Western response efforts. He called for stronger NATO deterrence and closer Indo-Pacific partnerships to counter authoritarian threats. Since assuming office in 2024, Rutte has consistently identified China's assertiveness as a key strategic concern for NATO. [Taiwan News 2]

UN Human Rights Council adopts Bangladesh-led resolution linking climate

change to human rights

(mon) At the 59th session of the United Nations Human Rights Council (HRC), the Council adopted resolution 59/25 on Human Rights and Climate Change—spearheaded by Bangladesh on behalf of a core group comprising the Philippines and Vietnam. Adopted without a vote on July 8, the resolution positions human rights at the center of international climate finance reform.

The text calls attention to the widening gap between urgent climate-related needs and available financial support, particularly for developing countries, where rights to life, health, housing, and development are increasingly compromised by climate impacts. It urges member states—especially developed countries—to provide new, additional, quality, predictable, and grants-based climate finance. It also emphasizes simplified access procedures, technology transfer, and capacity-building, including relief for debt-stressed nations.

For the first time, the resolution introduces explicit language on remedies and compensation for human rights harms caused by climate change, marking a shift in international discourse. It further mandates the UN Secretary-General to submit a synthesis report outlining actionable pathways and barriers to sufficient climate finance at the 63rd HRC session. [Daily Sun] [BSS News]

Australia hosts record-size military exercise with 19 nations, including key Asian partners

(lm) The Talisman Sabre 2025 military exercise—Australia's largest-ever warfighting drill—kicked off on July 13 with more than 35,000 personnel from 19 countries, including extensive participation from Asian partners. For the first time, elements of the drill are being conducted outside Australia, in Papua New Guinea, further integrating the Pacific island state into regional security frameworks.

Asian nations involved in this year's exercise include Japan, South Korea, India, Indonesia, Singapore, Thailand, the Philippines, and Papua New Guinea as active participants, while Malaysia and Vietnam are attending as observers.

The training includes live-fire exercises, amphibious operations, ground maneuvers, and joint maritime and

air combat simulations, supported by modern platforms such as F-35 fighter jets, UH-60M Black Hawks, precision-strike missiles, and HIMARS rocket systems. Australia launched HIMARS rockets for the first time during the drill, marking a milestone in its own defense modernization. [The Hindu] [Associated Press]

Pakistan's interior minister visits Tehran for trilateral conference on border and pilgrimage coordination

(lm) Pakistan's interior minister Mohsin Naqvi has announced that, starting January 1, 2026, all Pakistani Shiite pilgrims traveling to Iraq will be required to join officially registered group tours, with solo travel banned. The move is part of broader efforts to tighten cross-border management and prevent unauthorized overstays, particularly among pilgrims who remain in Iraq or Iran to seek employment after religious visits.

The announcement followed a high-level trilateral conference in Tehran between the interior ministers of Pakistan, Iran, and Iraq, convened at Islamabad's request. The meeting focused on improving border coordination and managing the large annual flow of Pakistani Shiite pilgrims to holy sites in both countries. The ministers agreed to establish a joint working group to oversee operational and security issues related to pilgrimage routes and to ensure safer, more orderly travel.

The conference comes amid heightened regional instability. During the June 2025 conflict between Iran and Israel, Pakistan was forced to evacuate over 700 of its nationals from both countries, highlighting the need for stronger crisis coordination mechanisms. Interior Minister Naqvi is also scheduled to meet Iranian President Masoud Pezeshkian to further reinforce bilateral cooperation. [Arab News 1] [Arab News 2]

EU provides EUR 20 million grant to support Pakistan's business environment and green investments

(lm) The European Union has approved a EUR 20 million (approx. USD 21.7 million) grant to support Pakistan's structural transition toward a more competitive, inclusive, and climate-aligned economy. Signed in Islamabad on July 11, the "Better Governance and Business Environment" initiative is designed to

improve the regulatory framework for small and medium-sized enterprises (SMEs), promote public–private dialogue, and accelerate green investment, particularly among export-oriented firms.

The program focuses on enhancing SME-related legislation, reducing regulatory bottlenecks (such as the overuse of no-objection certificates), digitizing inspections, and addressing barriers to formal financing—especially for women-led and youth-driven enterprises.

The grant complements Pakistan's national strategy to shift from a volatile boom–bust cycle to export-led, productivity-driven growth. SMEs account for an estimated 40 percent of Pakistan's GDP and 78 percent of non-agricultural employment but remain severely underserved in terms of access to credit. Expanding their financing base is a stated priority in the government's ongoing fiscal reform agenda.

This EU support also dovetails with Pakistan's broader climate-finance trajectory. The government plans to leverage a USD 1.4 billion allocation from the International Monetary Fund's Resilience and Sustainability Trust to mainstream climate considerations into fiscal planning, unlock private-sector capital, and strengthen investment pathways for low-carbon development. [Arab News]

UK trade reforms set to boost Asian garment exports, led by Sri Lanka

(lm/ms) A recent overhaul of the United Kingdom's Developing Countries Trading Scheme (DCTS), announced on July 10, is expected to benefit key Asian economies, particularly Sri Lanka, by easing access to the UK market for garments and other goods.

The updated scheme simplifies rules of origin, allowing manufacturers to use inputs from a broader range of countries while still qualifying for zero tariffs. This change is designed to help developing nations build more flexible supply chains and compete more effectively in global markets.

Sri Lanka stands to gain significantly, with apparel exports to the UK already valued at around USD 675 million annually. Garments make up over 60 percent of Sri Lankan exports to the UK, the country's second-largest export market. Under the new rules, Sri Lankan producers will be able to source materials regionally and still enjoy tariff-free access—an advantage previously restricted by stricter origin requirements.

Other Asian countries are also expected to benefit. Bangladesh and Cambodia, both major suppliers of garments and electronics, will retain duty-free access as they transition out of Least Developed Country (LDC) status. The Philippines, which has a diversified export base, including garments and electronics, is likewise positioned to leverage the liberalized sourcing rules.

UK officials say the reforms are part of a broader effort to promote inclusive economic growth and deepen trade ties beyond traditional donor-recipient models. The DCTS, launched in 2023 after the UK's exit from the European Union, now covers 65 countries and has already delivered over GBP 16 billion in tariff savings.

Industry groups and UK retailers such as M&S and Primark have welcomed the changes, citing greater supply chain flexibility and reduced costs. In Sri Lanka, the Joint Apparel Association Forum (JAAF) called the reforms a "game-changer," expected to support jobs and drive export growth when the new rules take effect in early 2026. [Apparel Resources] [British High Commission] [THX News]

Young leaders from Laos, Vietnam and Cambodia pledge stronger cross-border ties

(ms) Young leaders from the ruling parties of Laos, Vietnam, and Cambodia concluded a week-long training in Vientiane on July 14, aimed at boosting cross-border cooperation. The program, hosted by the Lao People's Revolutionary Party, focused on regional development, cultural exchange, and political coordination.

Lao President Thongloun Sisoulith urged continued unity among the three nations, calling their alliance vital for regional stability and development. The meeting follows a high-level agreement to deepen ties between future political cadres.

Participants pledged to apply the lessons to strengthen collaboration among the three one-party states. [Lao News Agency]

Laos rejects reports of troop deployment to Ukraine amid ongoing military ties with Russia

(ms) Laos has publicly denied reports that it plans to send soldiers to support Russia's war in Ukraine, calling the allegations baseless and harmful to its neutral foreign policy. The claims, which resurfaced last week, suggested that Moscow was recruiting Lao troops and civilians with promises of payment and Russian citizenship.

While Lao officials insist there is no evidence for these claims, analysts note that Laos's longstanding military cooperation with Russia — focused mainly on training and internal defense — has fueled speculation. Ukraine's military intelligence recently alleged that Moscow sought a unit of Lao military engineers to help with demining work in Russia's border region near Ukraine, under what Kyiv describes as a "humanitarian" cover. [AiR No. 27, July 2025, 2]

Laotian authorities argue that any military cooperation with Russia is limited to mutual training and defense development, and does not extend to involvement in foreign conflicts. They called the rumors a deliberate attempt to damage the country's reputation and drive a wedge between Laos and its partners.

Officials urged citizens and media to verify information through official sources and avoid spreading unverified news that could mislead the public. While Laos firmly restated its policy of peace and non-interference, it did not directly address the specific claim about engineers — leaving some observers cautious about fully ruling out limited non-combat support. [The Laotian Times]

Malaysia seeks re-election to International Telecommunication Union Council for 2027-2030 term

(tl) Malaysia has officially announced its candidacy for re-election to the International Telecommunication Union (ITU) Council for the 2027–2030 term. Communications Minister Fahmi Fadzil made the announcement at the World Summit on the Information Society (WSIS)+20 High-Level Event, emphasizing Malaysia's commitment to global digital inclusion, resilience, and connectivity.

Currently serving on the ITU Council for the 2023–2026 term, Malaysia's has contributed to ITU initiatives through Partner2Connect Pledges, leading ITU study groups, capacity building efforts and digital cooperation.

The ITU, a United Nations (UN) agency, oversees global telecom standards, spectrum allocation, and efforts to

close digital gaps. In 2021, the ITU launched Partner2Connect, a global multi-stakeholder platform aimed at mobilizing commitments and investments toward universal, meaningful connectivity, especially in hard-to-reach communities and least developed countries. [Bernama]

Prime Minister Anwar Ibrahim boosts Malaysia's international ties in bilateral talks during ASEAN foreign ministers' summit

(tl) On the sidelines of the 58th ASEAN Foreign Ministers' Meeting, Malaysian Prime Minister Anwar Ibrahim held the series of bilateral meetings with leaders and representatives from multiple countries and international entities to strengthen economic, strategic, and diplomatic ties.

With China, discussions focused on enhancing trade which reached USD 106 billion in 2024, narrowing the trade gap, and expanding cooperation in ports, liquified natural gas (LNG), digital economy, and green technology. Both sides also addressed Myanmar issues, and the South China Sea, stressing adherence to international law including the United Nations Convention on the Law of the Sea (Unclos). [Anadolu Ajansı]

In talks with Australian Foreign Minister Penny Wong, Anwar welcomed potential investment in smart manufacturing, AI, digital economy, and renewable energy, and highlighted a new memorandum of understanding (MoU) on education to be signed in October. Australia also pledged USD 335,000 (AUD 500,000) for vaccine development efforts in Malaysia.

Pakistan Prime Minister Shehbaz Sharif is preparing for an official visit to Malaysia, and several MoUs are expected to sign. Talks focused on expanding trade, up by 25 percent to USD 1.76 billion, finalizing the Malaysia–Pakistan Closer Economic Partnership Agreement (MPCEPA), boosting halal meat exports, and cooperation in agriculture and rice trade. Regional issues, including Jammu and Kashmir, were also discussed.

Anwar and Turkish Foreign Minister Hakan Fidan reaffirmed strategic ties, especially in semiconductors, AI, aerospace, and defense. A new defense MoU and streamlined procurement processes are expected. The meeting also covered the progress of the High-Level Strategic Cooperation Council (HLSC) and the Joint

Committee Meeting (JCM) between Malaysia and Türkiye, which are two important platforms aimed at addressing unresolved issues and expanding bilateral collaboration across various sectors.

With UK Foreign Secretary David Lammy, discussions emphasized growing investment, especially in semiconductors and green infrastructure, education, digitalization, and defense. The UK's active role as an ASEAN Dialogue Partner, and its humanitarian efforts in Myanmar were also acknowledged. [Malay Mail]

Malaysia launches joint military drill with US and Australia

(tl) The Malaysian Army will conduct "Exercise Keris Strike 2025" from July 18 to 30 in collaboration with the United States and Australian armies. The 14-day joint exercise will take place across multiple locations in Perak, including Ipoh, Sungai Siput, Kuala Kangsar, and Lenggong, which are in the Southern Malaysia peninsula.

The annual drill is aimed at enhancing joint operational readiness, and deepening defence ties among the participating nations. It also supports Malaysia's efforts to improve military preparedness in addressing regional security threats. [Malay Mail]

9th anniversary of South China Sea ruling draws renewed calls from US, EU, Australia, and Philippines for rule of law

(dnb) On the ninth anniversary of the landmark 2016 arbitral ruling on the South China Sea dispute, countries and regional stakeholders have reiterated their positions on the legality of maritime claims and the importance of upholding international law. While no new developments have occurred in the case itself, the anniversary has prompted a wave of official statements and reflections on the unresolved tensions in the region and the continued relevance of the ruling under international law.

An arbitral tribunal convened under the 1982 United Nations Convention on the Law of the Sea (UNCLOS) ruled nine years ago against China's maritime claims on the South China Sea and found them illegal and without basis, which is a legally binding decision for the parties in the dispute. However, aggression, threatening vessel placement and movements, and

conflicts have become commonplace in the disputed areas.

Interestingly, there has been confusion about the body ruling in the arbitration case. According to the Diplomat, the UNCLOS was created to provide a legal framework and a sort of constitution for the oceans in an attempt to provide a framework for dispute resolution. However, this does not mean that UNCLOS is there to address these disputes, which are in the hands of states to pursue. Even though the Permanent Court of Arbitration has been cited as the dispute settlement body in many previous articles covering the dispute, the UNCLOS makes provision for only four dispute settlement mechanisms: the International Tribunal on the Law of the Sea, the International Court of Justice, the arbitral and the special arbitral tribunal. States are free to choose together from the four dispute settlement mechanisms, which if they fail to do so, then by default the arbitral tribunal will take on arbitration, which was the case with the Philippines and China. Both parties had the opportunity to nominate a judge in the arbitral panel to represent their interests, which the Philippines did, and China did not do. But how does the Permanent Court of Arbitration come into the picture? Well, the default dispute settlement body, the arbitral tribunal acting in the Philippine-China dispute is an ad hoc body and as such has no library, legal archive, or administration and support staff. Therefore, the arbitral tribunal contracted these out to the Permanent Court of Arbitration to act as its registry, more precisely its administrative office. This goes for the legally binding award and decision as well, which was therefore not the decision of the Permanent Court of Arbitration, but an ad hoc arbitral tribunal established under Annex VII of UNCLOS.

Since this is the 9th anniversary, countries in the region and leaders alike expressed their country's stances on the issue. The United States, a crucial stakeholder in the South China Sea has labeled China’s activities as increasingly aggressive and an infringement on the sovereign rights and jurisdictions of several countries in the region ultimately undermining security and stability. Australia joining the US in describing China’s action, although in a milder tone, as conduct causing instability and subsequently called for the respect and upholding of UNCLOS commitments. The EU as well issued a statement commemorating the 9th anniversary of the arbitral award, which in a fascinatingly diplomatic tone rarely even mentioned China, but nevertheless stated the position of EU as one for international treaties, hence UNCLOS in Europe as well as in Asia. The EU added that recent steps to enhance security cooperation with the

Philippines and other countries in the region are based on the motivation of upholding the UN Charter and international treaties.

The Philippines also issued its statement highlighting its commitment towards honoring the ruling and pledging the arbitral award to remain as the cornerstone of Philippine maritime policy. China is yet to issue a statement at the time of writing. [Delegation of the European Union to the Philippines] [Department of Foreign Affairs and Trade, Australia] [Department of Foreign Affairs, Philippines] [GMA-News] [Philstar] [The Diplomat] [US Department of State]

US deepens involvement in China-Philippines tensions with first-ever F-35 deployment in joint drills

(dnb) The United States and the Philippines have launched a major bilateral aerial exercise, Cope Thunder 25-2, marking the first-ever deployment of F-35 fighter jets to Philippine territory. The drills, running from July 7 to 18, reflect a deepening US security presence in the region amid ongoing tensions in the South China Sea and growing concerns over a potential conflict involving Taiwan.

The exercise is being conducted in Northern Luzon, an area close to Taiwan and within the Philippines' exclusive economic zone. The Philippine Air Force deployed 2,301 personnel, while the US contributed 225 personnel and several aircraft, including the fifth-generation F-35 jets, the centerpiece of the current drills.

According to both governments, the primary goal of the exercise is to enhance bilateral fighter integration and allied interoperability. Defense analysts view the exercise as part of a broader US strategy to build forward deterrence, strengthen operational readiness, and more deeply integrate junior allies like the Philippines into a regional security architecture.

The drills are conducted under the Enhanced Defense Cooperation Agreement (EDCA), which permits rotational US deployments and prepositioning of military assets at nine Philippine military sites. Northern Luzon, just 250 kilometers south of Taiwan, has become a focal point for new defense installations and equipment testing, including 3D-printed drones, marine coastal defenses, and the incoming High Mobility Artillery Rocket Systems (HIMARS) with a 500 km strike range.

Analysts note that such exercises increasingly go beyond symbolic gestures and now serve as practical groundwork for combat readiness and joint capability development. As tensions with China persist, US-Philippine military activity has expanded to include army-to-army drills, joint naval patrols, and marine defense testing.

The implications of the F-35 deployment are particularly significant. While the US is not explicitly stationing permanent assets, the move signals greater preparedness for scenarios involving Taiwan or disputed waters in the South China Sea. However, experts caution that such deployments could also risk provoking a stronger response from China, which has not yet officially responded to this round of drills but has previously reacted with maritime incursions, aerial patrols, and diplomatic protests.

Philippine Defense Secretary Gilberto Teodoro, commenting on the situation, stated that a regional conflict is not imminent and would depend largely on China's internal decisions, not external leadership such as that of former US President Trump. He emphasized that the Philippines' focus remains on strengthening deterrence through diplomacy and preparedness, not provocation. [Philstar] [Reuters] [South China Morning Post] [The EurAsian Times] [USNI News]

Ship piracy and robberies surge 83 percent in Southeast Asia in first half of 2025

(lm) Southeast Asia has seen a sharp rise in maritime security threats, with piracy and armed robbery incidents against ships rising by 83 percent in the first half of 2025 compared to the same period last year, according to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP). A total of 95 incidents were reported between January and June, up from 52 in 2024.

The majority of the attacks—80 out of 95—occurred in the Straits of Malacca and Singapore, two of the world's busiest and most strategically vital maritime corridors. Most incidents happened after dark and targeted slow-moving or ill-prepared vessels, especially bulk carriers and tankers. While over half of the cases resulted in no theft, nearly 30 percent involved the stealing of engine spares. No crew injuries were reported in 90 percent of cases. [Bangkok Post]

Canada seeks swift ASEAN trade pact to counterbalance U.S. tariffs

(lm) Canada's Foreign Minister Anita Anand has reaffirmed Ottawa's commitment to finalizing a free trade agreement with the Association of Southeast Asian Nations (ASEAN) "as soon as possible," citing the need to diversify markets amid rising U.S. protectionism. Speaking on the sidelines of the ASEAN foreign ministers' summit in Kuala Lumpur on July 10, Anand said Canada is actively seeking stronger trade ties in Asia to reduce its dependency on the United States, which still absorbs around 75 percent of Canadian exports.

The push comes as Canada confronts new U.S. tariffs under President Donald Trump, including import taxes of 50 percent on steel and aluminum and additional levies on cars and trucks—key sectors for Canadian exports. Anand criticized the tariffs as "unjustified" and said Ottawa remains engaged in complex negotiations with Washington to resolve the issue.

Beyond diplomacy, Canada has made strategic investments to facilitate Pacific trade, including the expansion of the Trans Mountain pipeline and the launch of a major liquefied natural gas terminal in British Columbia, a project backed by a consortium including Shell, Petronas (Malaysia), and PetroChina.

Canada's trade policy in Asia also faces complications, including frictions with China over agricultural and industrial tariffs. Still, Anand emphasized that Canada will continue promoting multilateralism and open trade, portraying the country as a stable partner amid global geopolitical uncertainty. [Bangkok Post]

China offers to assist Thailand-Cambodia border dispute

(msz) Chinese Foreign Minister Wang Yi affirmed his nation's readiness to assume a constructive role in resolving the ongoing border disagreement between Thailand and Cambodia with an "objective and fair" stance on the matter. Wang Yi conveyed this message to his Thai counterpart, Maris Sangiampongsa, during a meeting held on the sidelines of an Association of Southeast Asian Nations (ASEAN) summit in Malaysia on July 10. Wang Yi also emphasized the importance of peaceful coexistence between the two neighboring countries.

The border dispute between Thailand and Cambodia has seen an escalation in tension recently, marked by an incident on May 28 where a Cambodian soldier lost his life in a brief gun exchange within the contested 820-kilometer (510-mile) border zone. Subsequently, Cambodia formally requested the International Court of Justice (ICJ) to intervene and resolve the long-standing disagreements last month.

In a separate discussion on the same day with Cambodian Foreign Minister Prak Sokhonn, Minister Wang Yi reaffirmed China's commitment to impartiality regarding the border issue. Additionally, he underscored the necessity of robust security measures to safeguard both Chinese and Cambodian citizens, advocating for more stringent actions to "completely eradicate the tumor" of illicit cross-border activities, including online gambling, wire fraud, counterfeiting, and smuggling. He also commented on tariffs imposed by the US expressing China's belief that Southeast Asian nations possess the capacity to navigate intricate circumstances and protect their shared and individual interests. [Bangkok Post]

China backs Bangladesh's interim government reforms, pledges cooperation in trade and Rohingya issue

(lm) China has expressed strong political and economic support for Bangladesh's interim government, pledging cooperation in key sectors including trade, investment, water management, and medical tourism. The assurance came from Chinese Foreign Minister Wang Yi during a meeting with Bangladesh's Foreign Adviser Touhid Hossain on the sidelines of the 32nd ASEAN Regional Forum in Kuala Lumpur.

Wang Yi reiterated Beijing's confidence in bilateral ties and welcomed cooperation in sectors such as textiles, energy, and light engineering. He also recalled the recent China Investment Conference in Bangladesh as a sign of deepening economic engagement.

Foreign Adviser Touhid Hossain, representing the interim government led by Muhammad Yunus, acknowledged China's continued support and called for further backing at regional and multilateral forums, including the United Nations. He also appealed for China's renewed diplomatic involvement in finding a lasting solution to the protracted Rohingya crisis, which remains a central foreign policy concern for Dhaka. [The Daily Star]

Canada pushes for investment protection pact with Bangladesh to strengthen economic ties

(lm) Canada is pushing to conclude a Foreign Investment Protection Agreement (FIPA) with Bangladesh to enhance legal guarantees for Canadian investors amid expanding bilateral trade ties. The proposal was reiterated by Weldon Epp, Canada's Assistant Deputy Minister for the Indo-Pacific, during his visit to Dhaka on July 13—his first official trip to Bangladesh.

Both sides reported progress in technical talks on FIPA and signaled interest in initiating dialogue on a Free Trade Agreement (FTA). Canada is seeking to strengthen investor protections as a foundation for increased private sector activity, while also positioning Bangladesh as a potential partner under its broader Indo-Pacific Strategy.

Canada also raised the growing economic role of the Bangladeshi diaspora in Canada, while Bangladesh requested streamlining of Canadian student visa processes to facilitate educational and labor market linkages. On the humanitarian front, Ottawa reaffirmed support for Rohingya refugee assistance. [The Daily Star]

Bangladesh-U.S. tariff talks intensify as August deadline nears amid economic pressure

(lm) Bangladesh and the United States continued high-stakes tariff negotiations last week in Washington, D.C., as both sides sought to avert a looming crisis triggered by the Trump administration's decision to impose a 35 percent tariff on Bangladeshi exports starting August 1, 2025. The talks, part of a three-day round that began on July 10, were led by Bangladesh's Commerce Adviser Sheikh Bashir Uddin and U.S. Trade Representative Ambassador Jamieson Greer. Both sides expressed commitment to deepening trade relations, but key issues remain unresolved.

The proposed tariff threatens to severely impact Bangladesh's export-driven economy—particularly its apparel sector, which accounts for 81 percent of total exports and sends about 20 percent of its products to the U.S. The new tariff places Bangladesh at a significant disadvantage compared to competitors like Vietnam, which has secured a 20 percent rate and agreed to zero-duty access for U.S. goods in return. In

contrast, Bangladesh has offered concessions such as increasing duty-free imports of U.S. goods—including cotton, LNG, soybeans, and wheat—and purchasing U.S.-made law enforcement equipment to help reduce the bilateral trade gap, currently valued at USD 6 billion.

Negotiations have also included broader discussions on trade structures, investment, agriculture, labor, and intellectual property. Bangladesh emphasized its readiness to expand bilateral trade and called for fair and competitive tariff treatment, particularly as a least developed country (LDC). The government is pushing for a reduced tariff—ideally around 10 percent—but the outcome remains uncertain.

Washington has attached strict conditions to any preferential rate. Among them is a requirement that Bangladesh align its trade policy with U.S. embargoes, potentially compelling it to restrict imports from countries like China, which supply critical raw materials. Additionally, the U.S. is pressuring for regional rather than domestic value addition under Rules of Origin—a demand seen as incompatible with Bangladesh's import-dependent manufacturing sector.

Another visit to Washington is planned next week, and Bangladeshi officials has expressed cautious optimism that a deal can still be concluded before the August 1 deadline. Failure to do so could cost Bangladesh's garment industry up to USD 2 billion this year, according to Bloomberg Economics, compounding the effects of energy shortages and regional trade tensions already straining the sector. [Dhaka Tribune] [The Daily Star 1] [The Daily Star 2] [The Daily Star 3] [The Daily Star 4]

Cambodia, Mynmnar reaffirm ties

(dql) Cambodia and Myanmar marked the 70th anniversary of diplomatic relations on July 12 with an exchange of congratulatory letters between their heads of state and senior leaders, reaffirming their longstanding ties and commitment to deeper cooperation.

King Norodom Sihamoni sent a message to Myanmar's military leader, Senior General Min Aung Hlaing, highlighting the strength and resilience of bilateral relations over the past seven decades. He emphasized shared values, mutual respect, and a commitment to continued collaboration for mutual benefit.

Prime Minister Hun Manet also emphasized the solid foundation of trust and shared interests underpinning Cambodia-Myanmar relations. He expressed hope for continued cooperation that contributes to regional unity and prosperity.

Meanwhile, Senate President Hun Sen noted that Cambodia-Myanmar cooperation has long contributed to regional peace and stability and reaffirmed Cambodia's commitment to deepening engagement within ASEAN and beyond. Foreign Minister Prak Sokhonn echoed these sentiments, underscoring the steady growth of ties across various sectors through existing mechanisms such as the Joint Commission for Bilateral Cooperation and the Foreign Office Consultation. [Cambodianess]

Cambodia's stance is notably more accommodating toward Myanmar's military regime than most ASEAN countries, especially Indonesia, Malaysia, and the Philippines. Its continued high-level engagement underscores a divergence within ASEAN over how to handle Myanmar's political crisis.

Cambodia, Singapore deepen security ties with MoU on combating transnational crime

(dql) Cambodia and Singapore have signed a memorandum of understanding (MoU) to strengthen cooperation in combating transnational crimes amid evolving regional and global security threats. The agreement was signed during Interior Minister Sar Sokha's visit to Singapore from July 7 to 9, where he met with Singapore's Coordinating Minister for National Security, Kasiviswanathan Shanmugam.

The MoU focuses on joint efforts to combat terrorism, cybercrime, fraud, drug-related offenses, money laundering, and human trafficking. It also promotes information exchange on national and regional security, joint training programs, and closer coordination under ASEAN's regional mechanisms for fighting transnational crime. [Asia News Network]

This comes after Singapore and Cambodia agreed to accelerate cooperation in renewable energy, carbon markets, and food security as part of a strategic push to deepen economic integration. The agreement was reach during a July 2 meeting in Phnom Penh between Singaporean Prime Minister Lawrence Wong and Cambodian Prime Minister Hun Manet (see AiR No. 27, July/2025, 2).

Cambodia sets conditions for reopening border with Thailand

(dql) In the ongoing border conflict with Thailand, Prime Minister Hun Manet stated that Cambodia will only reopen its border crossings if three clear conditions are met. Speaking at the 32nd Anniversary of the Royal Gendarmerie on July 14, he emphasized that Thailand must restore the pre–June 7, 2025 status quo, as the closures were imposed unilaterally by Thai authorities.

Hun Manet stressed that no negotiations or concessions are required, as Cambodia has already communicated its terms, adding that Thailand must unilaterally declare the reopening and commit not to close the borders again without consultation. All crossings must be reopened without exception, and operations must resume under the previous schedule, from 6 a.m. to 10 p.m.

While Thailand has repeatedly requested to reopen the borders, the prime minister insisted that Cambodia will only respond after Thailand makes the first move. He affirmed that Cambodia is prepared to reopen within five hours of Thailand's announcement.

Hun Manet added that Cambodia does not wish to close its borders, recognizing the negative impact on citizens and businesses, but warned that unilateral actions and inconsistent policies from Thailand will no longer be tolerated. [Khmer Times 1]

In a separate development, Thai soldiers detained on July 9 two groups of 36 Cambodian workers for allegedly crossing the border illegally while returning home. The arrests took place in Nong Prue and Khao Din villages in Thailand's Sa Kaeo province. [Khmer Times 2]

France offers historical documents to help resolve Cambodia's border dispute with Thailand

(dql) France has offered to assist in resolving the Cambodia–Thailand border dispute by providing historical documents relevant to the territorial issue. The offer was reiterated by outgoing French Ambassador Jacques Pellet during his farewell visit with Senate President Hun Sen in Phnom Penh, where he also affirmed France's support for international law

and the International Court of Justice (ICJ), highlighting past cooperation with Cambodia, including on the Ukraine case.

This comes after French President Emmanuel Macron previously conveyed the same commitment to Prime Minister Hun Manet during their meeting in Nice in June, stating that France would provide documentation to both Cambodia and Thailand if requested.

As Cambodia's former colonial power from 1863 to 1953, France holds many foundational maps and documents that established the country's modern borders. [Khmer Times]

Cambodian, Russian diplomats discuss deepening cooperation

(gm) On July 10, Cambodian Deputy Prime Minister and Foreign Minister Prak Sokhonn held a meeting with Russian Foreign Minister Sergey Lavrov on the sidelines of ASEAN ministerial meetings in Kuala Lumpur. They discussed the state of bilateral relations and explored opportunities for cooperation in trade, investment, science, technology, and humanitarian areas. They also exchanged views on key regional and global issues, multilateral cooperation, and the Russia-ASEAN dialogue.

The meeting concluded with the signing of a consultation plan between the two foreign ministries for 2025–2027. [The Ministry of Foreign Affairs of the Russian Federation]

Separately, Captain Ivan Stadchenko, military attaché at the Russian Embassy in Phnom Penh, announced that a delegation from Russia's Aerospace Defense Force will visit Cambodia later this year to strengthen military cooperation. Speaking at a July 10 foreign policy briefing attended by Cambodian officials and Russian Ambassador Anatoly Borovik, Stadchenko stated that the visit—expected between September and October—will mark the beginning of formal defense collaboration between the two countries.

He noted that many of the weapons currently used in Cambodia were produced by Russia but declined to provide further details about the visit. The upcoming visit follows the arrival of three Russian warships at Sihanoukville Autonomous Port in April, led by a commander from the Russian Pacific Fleet.

Cambodia established diplomatic ties with the Soviet Union in 1956 and recognized the Russian Federation

as its legal successor in 1991. Since then, the two countries have maintained steady relations, including defense cooperation and official exchanges. However, in 2022, Cambodia voted at the United Nations to condemn Russia's invasion of Ukraine. [Cambodianess]

China expels Japanese vessel for illegal incursion near island in disputed waters

(dz) On July 9, the China Coast Guard (CCG) expelled a Japanese fishing vessel after it illegally entered China's territorial waters around Chiwei Islet, part of the Diaoyu Islands in the East China Sea. According to CCG, officers took lawful control measures, issued warnings, and drove the vessel away in line with international norms and domestic regulations. [China Daily] [Anadolu Ajansı]

The CCG emphasized that the Diaoyu Islands and their affiliated islets are indisputably and inherently Chinese territory, urging Japan to immediately cease any illegal activities in the area.

This incident follows a protest lodged by Japan over "unusual" close encounters between Chinese and Japanese military aircraft over the East China Sea on July 9–10, warning of the risk of accidental collisions. [USNI News]

China defends interception of Japanese reconnaissance planes

(dz) On July 13, China asserted that its military aircraft responded to Japanese reconnaissance planes in the East China Sea Air Defense Identification Zone (ADIZ) in an "entirely legitimate, reasonable, and professional and standard manner." It was further confirmed that Japan's Air Self-Defense Force aircraft entered the ADIZ multiple times for close-in reconnaissance, prompting lawful Chinese intercepts involving verification, tracking, and monitoring as per regulations. [Xinhua]

China maintains that these Japanese surveillance flights are the root cause of escalating air-and-sea safety risks, urging Tokyo to cooperate and foster an environment supportive of bilateral stability. [Global Times]

On the opposing side, Japan issued a formal protest. Vice Foreign Minister Takehiro Funakoshi summoned China's ambassador to express "serious concern," warning that Chinese intercept maneuvers, including

reported approaches within 30 meters of Japanese YS-11EB surveillance aircraft, risk accidental collisions. Tokyo called on China to immediately cease such close-proximity interceptions, emphasizing that continued incidents may force Japan to increase surveillance and defensive readiness of its Air Self-Defense Force. [AP News]

This increasingly firm stance from the Japanese is reflective of an increased pattern of Chinese military activity in the region and has resulted in the Japanese to authorize its military to shoot down any drones that enter its national airspace. Since April, Japan has intercepted at least 11 Chinese drones, many of which matched movements reported in Taiwan's ADIZ – the significance of this being Chinese involvement. [Straight Arrow News]

China pressures Myanmar rebels over rare earths amid battle for Bhamo

(yq) China has reportedly issued an ultimatum to the armed ethnic group Kachin Independence Army (KIA), warning that it may halt imports of heavy rare earths mined in KIA-controlled areas unless the rebel group ceases its offensive on the strategic town of Bhamo, near the China–Myanmar border.

The ultimatum, reportedly delivered by Chinese foreign ministry officials during closed-door talks in May, reflects Beijing's growing concern over instability in northern Myanmar, where nearly half of the world's heavy rare earths—essential for electric vehicles and wind turbines—originate before being shipped to China for processing.

China, which maintains near-monopoly control over global rare earth processing, is using its economic leverage to deter escalation and protect supply chains. Officials have offered increased cross-border trade with KIA-held areas in exchange for de-escalation, while warning of an economic blockade if fighting continues.

Since seizing Myanmar's main rare earth belt in October 2024, the KIA has increased taxes and throttled production, causing global prices — especially of terbium and dysprosium — to surge. China's rare earth imports from Myanmar halved in the first five months of 2025, though a brief recovery occurred between April and May.

Beijing has publicly called for a ceasefire and peace talks, stating that de-escalation is in the interest of

both countries. However, China has not confirmed or denied the reported ultimatum. [Chinese Foreign Ministry]

Analysts suggest China is not seeking to resolve Myanmar's wider civil war but aims to stabilize its borderlands and secure its critical mineral supply chains, particularly as tensions with the U.S. escalate following reciprocal tariff measures. [Reuters]

Philippines rule out US as factor in tension with China

(efg) Philippine Defence Secretary Gilberto Teodoro has stated that China's Indo-Pacific actions are independent of U.S. policy at the Reuters NEXT Asia summit in Singapore on July 9. Teodoro emphasized that tensions are rooted in Beijing's "expansionist" agenda and long-standing strategic ambitions to control the South China Sea. [Reuters]

The statement follows queries regarding the impact of the Trump administration's promise of an "ironclad" support for Philippines' security in January 2025. US Secretary of State Mario Rubio assured Philippines Foreign Minister Enrique Manolo of the US' commitment in defending the Philippines as Chinese provocation in the South China Sea continues.

Teodoro acknowledged U.S. policy influence in regional dynamics, however emphasized actions in the region are "pre-determined" by Chinese leadership despite U.S policy on the conflict. The defence secretary said Manila's focus is on deterrence, backed by diplomacy saying "you can't have diplomacy without a credible deterrent force," perhaps nodding to recent military exercises by the Unites Sates army in partnership with the Philippine military, as the U.S army expanded their presence in the Philippines in May, 2025. [Al Jazeera] [U.S. Naval Institute]

The PLA Navy's Carrier Strike Groups (CSGs) conducted extensive combat-readiness exercises in June with the newly built aircraft carrier, the Shandong, reportedly present in Philippine waters during a joint US-Philippines military exercise (see AiR No. 27, July/2025, 2). [Channel News Asia]

Despite recent actions by the PLA in the South China Sea, Teodoro believes "the prospect of war is not imminent" adding that "it is remote, but that would entirely depend upon the internal conditions of China".

Chinese, U.S. foreign ministers hold talks as tensions flare over South China Sea, trade, and Russia

(yq) Chinese Foreign Minister Wang Yi and U.S. Secretary of State Marco Rubio met in Kuala Lumpur on July 11 during the ASEAN Foreign Ministers' Meeting, marking their first in-person talks since Rubio took office in January. Both described the meeting as "positive," "constructive," and "pragmatic," and agreed to enhance diplomatic communication and explore cooperation while managing differences. Rubio also noted the high likelihood of a Trump–Xi summit later this year. [Ministry of Foreign Affairs, China] [Department of State, USA]

Nevertheless, at the foreign ministers' gathering, the two countries' diplomats exchanged veiled criticisms. Rubio raised concerns over China's expansive South China Sea claims and alleged unfair trade practices. Without naming China directly, he called sovereignty claims over maritime areas belonging to Brunei, Indonesia, Malaysia, the Philippines, and Vietnam "unlawful" and emphasized the importance of freedom of navigation for global trade and security.

In contrast, Wang spoke of global instability and urged resolving trade disputes through dialogue, criticizing the Trump administration's threatened tariffs as "typical unilateral bullying behavior," warning that such measures could destabilize global trade and supply chains. Rubio confirmed he raised concerns over China's support for Russia's war effort, underscoring bilateral friction. [CNA] [Straits Times] [AP News] [Reuters]

China rejects U.S. farmland ban as politically motivated

(yq) China has criticized the Trump administration's move to ban Chinese purchases of U.S. farmland, calling the national security justification "overblown" and warning that politicizing economic investment could erode international confidence in the American market.

The new policy, announced by U.S. Agriculture Secretary Brooke Rollins alongside defense and homeland security officials, seeks to prohibit land sales to "foreign adversaries" and scrutinize existing Chinese holdings, which currently amount to roughly 0.02 percent of U.S. farmland. [Department of Agriculture, USA]

In response, the Chinese foreign ministry accused the U.S. of overextending the concept of national security by restricting institutions and citizens from certain countries from purchasing farmland. It described the actions as discriminatory, undermining the principles of the market economy, and violating international trade rules. [Ministry of Foreign Affairs, China]

Observers note that the latest restriction comes amid broader efforts by Washington to contain Chinese influence in critical sectors such as food security, technology, and supply chains, raising further tensions in already strained bilateral ties. [WSJ]

U.S. arrest hacker operating under China's state security ministry

(dql) The U.S. Department of Justice has announced the arrest of Chinese national Xu Zewei, in Milan, Italy, on July 3 at the request of Washington. A nine-count indictment unsealed in the Southern District of Texas accuses Xu and a co-defendant of carrying out cyber intrusions between February 2020 and June 2021. [Department of Justice, USA]

According to U.S. authorities, Xu was part of a state-sponsored hacking operation directed by China's Ministry of State Security that targeted American universities and medical researchers working on COVID-19 vaccines, treatments, and testing. The operation also allegedly exploited vulnerabilities in Microsoft email software. Xu is further accused of involvement in "Hafnium," a cyber-espionage group with alleged ties to the Chinese government, which reportedly targeted more than 60,000 U.S. entities.

Xu, an IT manager at a company in Shanghai, was arrested upon arrival at Milan's Malpensa airport, where he had traveled with his wife for a holiday. He has since appeared before an appeals court in Milan, which will decide whether to approve his extradition to the United States.

Xu denies the allegations, claiming mistaken identity. His lawyer contends that "Xu" is a common surname in China and that his mobile phone was stolen in 2020. [The Hacker News]

The Chinese government has strongly rejected the accusations. The Chinese foreign ministry accused the U.S. of "abusing long-arm jurisdiction" and reiterated China's opposition to the extradition of its citizens through third countries. [Reuters]

U.S. ports push back on looming China crane tariffs

(dql) Amid expectations that the Trump administration will impose steep tariffs on Chinese-made port cranes, U.S. seaport operators are urging the government to delay the implementation of proposed tariffs on Chinese-made ship-to-shore cranes, anticipating that the Trump administration will effectively ban their use.

The U.S. Trade Representative (USTR) earlier this year proposed tariffs of up to 100 percent on these cranes, largely supplied by China's state-owned Shanghai Zhenhua Heavy Industries (ZPMC), which currently provides around 80 percent of such equipment in the U.S.

The move reflects growing concerns over China's dominance in maritime infrastructure and potential cybersecurity threats. National security agencies have warned that Chinese cranes may contain software vulnerabilities that could be exploited for espionage or sabotage. In 2024, President Joe Biden imposed a 25 percent tariff in response to these concerns.

Despite warnings, U.S. ports have continued purchasing the lower-cost Chinese cranes, citing affordability. Industry groups argue that the security concerns are overstated and warn that steep tariffs could impose billions in additional costs, hindering port modernization and competitiveness.

The National Association of Waterfront Employers (NAWE) is seeking exemptions for cranes already ordered and a phased implementation period. Its president, Carl Bentzel, said that the expected tariff level is effectively a ban and emphasized the group's willingness to work with the administration to ease the transition. [Reuters]

Bulgaria seeks closer ties with China through cultural and technological dialogue

(yq) Bulgaria's National Assembly Education and Science Committee Chair Andrey Tchorbanov advocated for stronger Bulgaria-China ties through enhanced communication, especially in culture and technology.

Speaking in Shanghai ahead of the Global Civilizations Dialogue in Beijing, Tchorbanov emphasized the need to overcome geographic and political divides by fostering mutual understanding and innovation exchange. He praised China's visa-free policy and urged Bulgaria to leverage Chinese technologies to improve its economy and development, citing active collaborations between Bulgarian scientific institutions and Chinese universities. [Yicai]

China denies German claim of PLA laser attack on surveillance plane in Red Sea

(yq) Beijing has rejected Germany's accusation that a Chinese naval vessel targeted a German surveillance aircraft with a laser during an EU-led patrol mission over the Red Sea on July 2 (see AiR No. 27, July/2025, 2). The aircraft was part of Operation ASPIDES, a European Union initiative to safeguard commercial vessels from Houthi attacks.

Berlin condemned the alleged laser use as "unacceptable" and summoned the Chinese ambassador, saying the act endangered German personnel and disrupted operations. The aircraft was reportedly a Beechcraft King Air 350 flying from Djibouti with a civilian crew and four German military members on board. [SCMP]

China's foreign ministry stated the claim "does not match the facts" and emphasized that its navy's anti-piracy operations in the region serve global maritime safety. The PLA's 47th escort task force, which includes the frigate Honghe, destroyer Baotou, and supply ship Gaoyouhu, is currently active in the area. [Ministry of Foreign Affairs, China]

The EU also summoned China's envoy, calling the laser targeting "dangerous and unacceptable." [Reuters]

This incident follows previous international accusations over PLA laser activity, including incidents reported by the U.S. in 2018 and Australia in 2022.

Chinese, Russian foreign ministers meet to boost strategic ties

(efg/yq) Speaking to Russian Foreign Minister Sergey Lavrov on the sidelines of the recent China–ASEAN meeting in Kuala Lumpa on July 10, Chinese Foreign Minister Wang Yi affirmed that China is prepared to deepen strategic coordination with Russia. He

underscored the importance of enhancing bilateral relations to safeguard each nation's security and development goals, and to support one another's national rejuvenation.

Wang reinforced to Lavrov the importance of China and Russia as principal dialogue partners of ASEAN, stressing the necessity of enhancing strategic coordination within East Asian cooperation frameworks. He emphasized the shared responsibility to transform East Asia into "a key engine" of global economic growth, while advocating for ASEAN-centered, open and inclusive regional structure.

Lavrov praised the close coordination and cooperation between Moscow and Beijing as demonstrating the global and strategic nature of their relationship, noting its significance in the current geopolitical climate. Both reinforce the need to be vigilant against "certain major powers" seeking to create divisions and provoke confrontation in the Asia—Pacific region. He underscored the importance of sustained collaboration under multilateral formats such as BRICS. Both stand united in opposing actions and plans to militarize the region, including attempts to deploy NATO-standard military infrastructure. [China Daily] [Ministry of Foreign Affairs, Russia 1]

The two ministers exchanged perspectives on the Iranian nuclear issue, with Wang emphasizing that military force cannot bring peace, advocating for dialogue and diplomacy as "the only viable path forward". He called for China and Russia as permanent UN Security Council members and participants of the Joint Comprehensive Plan of Action to lead efforts to a resolution.

Wang noted China's appreciation for Iran's commitment to not seek nuclear weapons whilst supporting its use of nuclear energy under the Non-Proliferation Treaty (NPT). He added that both countries share responsibility to uphold the international non-proliferation regime, working toward peace and stability in the Middle East as wider discussions on the Israeli—Palestinian conflict also took place. [Channel News Asia]

The meeting of the two foreign ministers came a week after Wang's talks with European Union foreign policy chief Kaja Kallas at the 13th round of China-EU High-level Strategic Dialogue in Brussels on July 2 where he explicitly made clear that China does not want to see Russia losing in Ukraine (see AiR No. 27, July/2025, 2).

Following their exchange in Kuala Lumpa, both foreign ministers reconvened in Beijing on July 13—two days

ahead of the Shanghai Cooperation Organization (SCO) foreign ministers' meeting in Tianjin—to continue discussions, with Wang reaffirming the two countries' ties as "the most stable, mature and strategically valuable major-country relationship in the world today," and both ministers agreeing to prioritize deepening comprehensive strategic coordination on the international stage, such as at the UN and its Security Council, the SCO, BRICS, the G20 and APEC. [Ministry of Foreign Affairs, China 2] [Ministry of Foreign Affairs, Russia 2]

Wang and Lavrov also discussed both sides discussed ties with the United States, prospects for resolving the war in Ukraine, and the Iran-Israel conflict. On the agenda were developments on the Korean Peninsula, too, as Lavrov visited North Korea the day before travelling to Beijing (see article in this edition). [Reuters]

China, Serbia to launch first joint military drill amid growing strategic partnership

(dql) In a sign of deepening defense ties, China and Serbia will hold their first joint military training exercise, Peace Defenders-2025, in Hebei province later this month. The drill, involving army special forces from both countries, aims to enhance combat readiness and strengthen military cooperation. [Ministry of Defense, China]

This will be China's first joint military exercise with a European country since a counterterrorism drill with Belarus in July 2023. While such exercises are often hosted on a rotating basis, it is unclear if Serbia will host one in the future.

Serbia is regarded as one of China's closest partners in Europe. Though not a NATO member, it is seeking EU accession and maintains strong ties with both China and Russia. During a visit to Belgrade in 2023, President Xi Jinping described the bilateral relationship as an "ironclad friendship," and the two nations pledged to deepen their comprehensive strategic partnership.

Serbia is the only European country to operate Chinese-made weapons. In recent years, it has acquired CH-92A and CH-95 combat drones, FT-8C laser-guided missiles, and the FK-3 air defense missile system—the export version of China's HQ-22, comparable to the U.S. Patriot and Russia's S-300 systems. Serbian forces completed full operational training for the FK-3 in China, and the system was

delivered in April 2022 via a large-scale airlift involving 12 Chinese PLA Y-20 aircraft.

Beyond military ties, China has made significant investments in Serbian infrastructure, including mines, factories, road construction, and the Belgrade-Budapest railway project, becoming Serbia's second-largest trading partner in 2024, behind the European Union. [SCMP] [Anadolu Ajansı]

Chinese father and son accused of spying arrested in Ukraine

(efg) A 24-year-old former student at the Technical University of Kyiv, along with his father who resides in China, were found to have attempted to "illegally export secret documentation on the Ukrainian RK-360MC Neptune missile system to China," according to a July 9 announcement of the Security Service of Ukraine (SBU). The Neptune anti-ship missile program is a critical component of the country's domestic arms industry, once used to destroy the flagship of Russia's Black Sea Fleet in the early months of the war. [Reuters 1]

The recent arrests mark a significant development, representing the initial instance of Chinese nationals being apprehended on espionage charges following Moscow's full-scale invasion in 2022. China's foreign ministry mentioned ongoing verification of the case and emphasized that it would protect the lawful rights and interests of any Chinese citizens implicated, adhering strictly to legal procedures. [Ministry of Foreign Affairs, China] [Hong Kong Free Press]

The incident comes amid strained relations between Beijing and Kyiv. The day before the arrest, President Volodymyr Zelensky imposed sanctions on five Chinese companies accused of supplying components for Russian Shahed-type drones used against Ukraine. The move followed Ukraine's recovery of Chinese-made parts from drones shot down during a July 4 attack on Kyiv. Russia's Shahed-136 drones, based on Iranian models, rely on foreign-sourced components. Kyiv warned that some continue to reach Russia through countries not observing Western sanctions.

Zelensky has repeatedly accused China of backing Russia, blocking drone sales to Ukraine while aiding Moscow. Ukraine has already sanctioned other Chinese firms. Russian President Vladimir Putin is expected to visit China in September to meet with his Chinese counterpart Xi Jinping. [The Kyiv Independent]

China although a key ally to Moscow, aims to project an image of neutrality despite its "no limits" partnership ensuring political, military and economic cooperation. While Beijing claims to have not armed either party, Chinese Foreign Minister Wang Yi—following talks with European Union foreign policy chief Kaja Kallas at the 13th round of China-EU High-level Strategic Dialogue in Brussels earlier this month—explicitly made clear that China does not want to see Russia losing in Ukraine, fearing it would shift U.S. strategic focus entirely onto China (see AiR No. 27, July/2025, 2).

China, Egypt ink MoU to boost financial ties and promote local currency settlements

(yq) The People's Bank of China (PBOC) and the Central Bank of Egypt signed a memorandum of understanding on July 10 to deepen bilateral financial cooperation, encourage local currency settlements, and explore collaboration on central bank digital currencies (CBDCs) and digital innovation. [People's Bank of China]

The MoU includes provisions for joint projects, payment system connectivity, and information-sharing on monetary policy, financial markets, and fintech. It also aims to improve direct investments and cross-border trade efficiency by promoting local currency use—particularly in the context of ongoing bilateral yuan-clearing cooperation.

Separately, China UnionPay and the Cross-Border Interbank Payment System (CIPS) signed parallel agreements with Egyptian counterparts to expand UnionPay's capabilities in Egypt and facilitate yuan-based transactions within the Tianjin-Suez Economic and Trade Cooperation Zone. [Yicai]

Chinese president, Australian prime minister meet to deepen ties

(dql) Chinese President Xi Jinping met Australian Prime Minister Anthony Albanese in Beijing on July 15 expressing China's willingness to deepen bilateral ties and emphasizing mutual respect and cooperation. [Ministry of Foreign Affairs, China, in Chinese]

The meeting marked their fourth encounter and was part of Albanese's six-day visit to China, accompanied

by a business delegation focused on boosting trade and tourism.

Albanese raised concerns over China's lack of advance notice regarding recent live-fire naval drills. Xi responded that China conducts military exercises just as Australia does. Albanese reaffirmed Australia's support for the status quo on Taiwan and raised the case of jailed Australian writer Yang Jun, accused of espionage—charges he denies.

While the issue of the Chinese lease on the Port of Darwin was not discussed, both leaders welcomed progress under the China–Australia Free Trade Agreement, now in its 10th year. Xi highlighted the resilience of bilateral ties and called for continued cooperation, stating that mutual respect and shared interests benefit both nations.

Albanese stated his government's approach to China is "patient, calibrated, and deliberate," stressing that dialogue is essential to advancing interests and managing differences. He also noted the potential for expanded cooperation in areas such as decarbonization. The two sides agreed to launch a Policy Dialogue on Steel Decarbonization and signed pacts on tourism, customs, and agriculture.

The visit aims to stabilize bilateral relations that had frayed under the previous Australian government and comes amid shifting global dynamics, including rising U.S.–China trade tensions. Despite the unresolved concerns, the visit was seen as a sign of improving ties, with both governments signaling openness to further economic engagement. [The Conversation] [Reuters]

Indian top diplomat calls for further normalization of India–China relations during visit to Beijing

(lm) India's External Affairs Minister S. Jaishankar met with Chinese Vice President Han Zheng in Beijing on July 14, calling for the "continued normalization" of bilateral ties. The meeting marks his first official visit to China since the 2020 military standoff along the Line of Actual Control (LAC) in eastern Ladakh.

Jaishankar emphasized the importance of sustained dialogue between India and China, especially given both countries' roles as neighboring major economies amid an increasingly complex international environment. He noted that ties have been improving since the October 2024 meeting between Prime Minister Narendra Modi and President Xi Jinping in

Kazan, and expressed confidence in maintaining that positive momentum.

He also welcomed the recent resumption of the Kailash Mansarovar Yatra, a Hindu pilgrimage to Tibet that had been suspended since 2019 due to the COVID-19 pandemic and bilateral tensions. The reopening of the route has been described as a symbolic gesture with broad domestic resonance in India.

The meeting took place ahead of the Shanghai Cooperation Organisation (SCO) Foreign Ministers' Meeting in Tianjin on July 15. China currently chairs the SCO, which includes ten member states: China, Russia, India, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Uzbekistan, and Belarus.

Jaishankar's trip follows recent high-level visits to China by India's defense minister and national security adviser, reflecting a series of cautious engagements aimed at managing the post-standoff relationship. [The Hindu]

Indian Prime Minister Modi to attend Independence Day in Maldives as bilateral reset advances

(lm) Indian Prime Minister Narendra Modi is expected to visit the Maldives on July 25–26 to attend the country's 60th Independence Day celebrations, signaling a formal thaw in ties between New Delhi and Malé. The visit follows an invitation extended by Maldivian President Mohamed Muizzu, first during his trip to India in October 2024 and reaffirmed in May 2025.

Relations had been strained early in Muizzu's tenure, which began with promises to expel Indian military personnel. Tensions further escalated after disparaging remarks made by Maldivian deputy ministers about India in early 2024. Muizzu's subsequent remarks rejecting external pressure were widely interpreted as indirect criticism of India.

Despite this, both sides have pursued rapprochement through high-level visits and strategic cooperation. India's financial assistance, particularly a USD 400 million currency swap deal signed between the Maldives Monetary Authority and the Reserve Bank of India, played a key role in stabilizing Maldives' foreign exchange reserves amid fiscal pressures. Modi's upcoming visit will be his first under the current

Maldivian administration and is expected to consolidate bilateral normalization efforts. [The Sun]

India-Nepal Boundary Working Group set to resume after six-year gap, technical fieldwork to recommence

(lm) After a six-year pause, Nepal and India are preparing to reconvene the Boundary Working Group (BWG)—the highest-level bilateral mechanism for managing technical aspects of their shared border—following a proposal from India to hold the next meeting in July.

The BWG was established in 2014 to replace the Nepal–India Joint Technical Committee, which had produced detailed boundary maps excluding contentious zones. Although both sides had agreed in 2019 to finalize remaining work by the end of 2022, the COVID-19 pandemic and renewed tensions—especially after India issued a revised political map in November 2019—led to a suspension of meetings. Nepal has since pushed diplomatically to restart the BWG process, including through formal notes and at high-level engagements such as the 2024 Nepal-India Joint Commission meeting.

The disputed areas—Kalapani, Lipulek, and Limpiyadhura in Nepal's far west and Susta in the southern Nawalparasi district—are excluded from the BWG's technical mandate due to their political sensitivity. These zones are subject to overlapping territorial claims, with Kalapani in particular emerging as a flashpoint after India's revised map placed it within Indian territory, prompting formal objections from Nepal.

Though some interim repairs have been conducted by Nepal's Armed Police Force and India's Sashastra Seema Bal, both governments agree that formal technical teams under the BWG must resume this role to complete remaining tasks. Official data show that of the 8,554 boundary pillars along the border, 1,325 are missing and nearly 2,000 are damaged. [The Kathmandu Post]

Indian top diplomat reaffirms Singapore's strategic role in regional outreach and investment agenda

(lm) Indian External Affairs Minister S. Jaishankar's July 13 visit to Singapore reinforced the country's position as a key partner in India's Indo-Pacific strategy and investment-led diplomacy. The visit highlighted deepening alignment in economic priorities, regional engagement, and shared strategic outlooks, particularly as India seeks to consolidate its regional footprint through its Act East Policy.

Jaishankar's visit included high-level engagements with President Tharman Shanmugaratnam, Deputy Prime Minister Gan Kim Yong, Foreign Minister Vivian Balakrishnan, and Temasek chairman-designate Teo Chee Hean. Discussions focused on expanding bilateral cooperation in strategic sectors such as investment, infrastructure, semiconductors, industrial development, and skills training. Temasek Holdings—a Singaporean state-owned investment company with a global portfolio—is known for backing ventures in finance, technology, and infrastructure, making it a key interlocutor in India's efforts to attract long-term investment.

Singapore, which elevated ties with India to a comprehensive strategic partnership in 2024, is seen by Indian officials as a key logistical and financial hub in Asia and a reliable interlocutor within ASEAN. Minister Balakrishnan emphasized India's role as an emerging pole in a multipolar world—a view mirrored by Jaishankar, who called Singapore "the heart of our Act East Policy."

The visit also marked preparations for the 60th anniversary of India–Singapore diplomatic ties in 2025, underscoring the long-term trajectory of strategic convergence between the two countries. It further affirmed the importance of structured high-level exchanges as a foundation for sustained cooperation, especially amid geopolitical volatility in the Indo-Pacific.

From Singapore, Jaishankar traveled to China to participate in the Shanghai Cooperation Organisation (SCO) foreign ministers' meeting and continue efforts to stabilize relations following the protracted India–China military standoff along the Line of Actual Control. [The Hindu] [DD NEWS] [Hindustan Times]

Chief Minister of Indian state urges diplomatic intervention after Sri Lanka arrests seven more fishermen

(lm) Tamil Nadu Chief Minister M. K. Stalin has called on India's Ministry of External Affairs to secure the release of seven Indian fishermen arrested by the Sri

Lankan Navy on July 13, along with their mechanized boat. In his letter to External Affairs Minister S. Jaishankar, Stalin also reported a separate incident the same day in which another Indian fishing vessel sustained serious damage after being struck by a Sri Lankan naval ship.

Stalin highlighted the ongoing nature of such incidents, stating that they endanger the lives and livelihoods of Indian fishermen and prolong economic and emotional hardship for their families. He further noted that 50 Indian fishermen and 232 boats from Tamil Nadu—an Indian state located along the country's southeastern coast—are currently in Sri Lankan custody, including individuals detained as far back as 2024.

He urged the Indian government to intensify diplomatic efforts to end the continued apprehensions and ensure the prompt release of all detained individuals and vessels. The repeated arrests are a longstanding issue in India–Sri Lanka maritime relations, often stemming from contested fishing rights in the Palk Strait—a narrow strip of sea separating Tamil Nadu from northern Sri Lanka. [The Indian Express]

Indian trade delegation to visit United States amid tariff dispute over auto and farm goods

(lm) An Indian delegation is expected to travel to the United States soon for further trade talks, according to a government official, as both sides remain at odds over duties on automobile components, steel, and agricultural products. The renewed round of discussions follows an earlier visit by Indian negotiators that failed to yield a deal due to disagreements over access to India's agriculture and dairy sectors and tariff concessions for Indian goods.

India is seeking more favorable treatment for its exports compared to countries like Vietnam and China, while resisting liberalization in sensitive domestic sectors. The talks take place as U.S. President Donald Trump prepares to impose increased tariffs on imports starting August 1, intensifying pressure on New Delhi.

India has notified the World Trade Organization (WTO) of proposed retaliatory duties, arguing that the U.S. 25 percent tariffs on automobiles and parts would impact Indian exports worth approximately USD 2.89 billion. Despite setbacks, India aims to finalize the first tranche of the agreement by the fall and continues

engagement through both virtual and in-person meetings.

India's trade minister recently reaffirmed that any trade agreement would prioritize national interests. [Reuters]

Brazil aims to triple bilateral trade volume with India, seeks deeper cooperation through MERCOSUR

(lm) Brazilian President Luiz Inácio Lula da Silva announced plans to triple trade flows with India from the current USD 12 billion “in the short term,” during a joint statement with Indian Prime Minister Narendra Modi in Brasília on July 8. While no specific timeline was provided, Lula emphasized the strategic importance of deepening bilateral economic ties.

He also highlighted interest from Brazilian aerospace manufacturer Embraer in expanding operations in India through partnerships with Indian firms, potentially boosting the defense and civil aviation sectors.

In a broader move toward trade liberalization, Lula called for expanding the preferential trade agreement between India and MERCOSUR—the South American trade bloc comprising Brazil, Argentina, Uruguay, and Paraguay—to lower both tariff and non-tariff barriers currently limiting trade between the regions. [Reuters]

India-Saudi Arabia long-term fertilizer deal strengthens supply security and bilateral ties

(lm) India has signed major long-term agreements with Saudi Arabia to secure its fertilizer supply chain, marking a significant expansion in bilateral cooperation. During a three-day visit to Dammam and Riyadh from July 11–13, Indian Health and Fertilizer Minister JP Nadda led a delegation that finalized five-year supply agreements for 3.1 million metric tons of diammonium phosphate (DAP) fertilizer per year beginning in 2025–26, with a potential extension for another five years.

The new agreements reflect a substantial increase over India’s current imports—1.9 million metric tons in 2024–25, up from 1.6 million the previous year. Both sides expressed interest in expanding cooperation to

include other fertilizers such as urea and in promoting mutual investments, including the entry of Indian public sector firms into the Saudi fertilizer sector.

A joint working group was also launched to explore long-term collaboration in fertilizer R&D, particularly in India-specific customized solutions. The visit additionally covered the health sector, where Nadda met with Saudi officials to deepen ties in medical services, pharmaceuticals, and digital health, building on a bilateral memorandum of understanding signed earlier during Prime Minister Narendra Modi's visit. [DD NEWS]

Indonesia steps up final push to ease new US tariffs amid economic risks

(ms) Indonesia is pushing ahead with high-level negotiations to soften a steep 32 percent United States tariff that threatens to dent its export earnings and economic momentum. But Jakarta's scramble to find leverage — including a 34 billion dollar offer to boost imports from the United States — has so far failed to convince Washington to back down.

The tariff, originally set to take effect on August 1, was confirmed by President Donald Trump despite months of talks led by Indonesia's Coordinating Minister for Economic Affairs Airlangga Hartarto. However, Hartarto confirmed on July 14 that the implementation has now been postponed to allow time for further negotiations.

Hartarto, who flew directly from Brazil's BRICS summit to Washington this week, met with Commerce Secretary Howard Lutnick and USTR Chief Jamieson Greer on July 9. Both sides agreed to continue discussions over the next three weeks. "We expect to finalize the adjustment to our proposal within that timeframe," Hartarto said.

Indonesia has proposed lowering its own tariffs on US goods to near zero, expanding purchases of American energy, food, and aircraft, and boosting investment through its sovereign wealth fund Danantara. This includes new agreements for Pertamina to buy US crude and gas, and fresh commodity purchases by companies like FKS Group and Sorini Agro Asia.

Despite this, trade experts warn Indonesia's bargaining power remains limited. "We don't have a strong chip to match China's leverage," said Mohammad Faisal of Core Indonesia. Unlike China, Indonesia's main exports to the United States are lower value-added goods like

textiles and furniture, which Washington can source elsewhere.

Economists also warn the tariff could shave zero point three to zero point five percentage points off Indonesia's growth this year, a potential blow to President Prabowo Subianto's plan to push GDP growth to eight percent.

Facing narrow room for talks, Jakarta is hedging its bets by seeking alternative markets, from ASEAN and the Gulf to BRICS partners. During the BRICS summit, Prabowo called on fellow members to absorb more Indonesian products and backed a new South–South trade compact. Analysts say this shift could help in the medium term — but cannot fully replace the United States, Indonesia's second-largest export market.

Some in Jakarta are calling for a tougher rethink. "We should stop playing Trump's game," said former WTO ambassador Iman Pambagyo. Others, like economist Lili Yan Ing, argue that lobbying big American companies could be more effective than appealing directly to Washington.

In the meantime, Indonesia is also using tools like its Eximbank, which disbursed 1.6 billion dollars this year to support exporters hurt by global market shifts. [Antara 1] [Antara 2] [Jakarta Global 1] [Jakarta Global 2][Reuters] [South China Morning Post]

EU and Indonesia Set to Finalize Trade Deal Amid Global Tariff Tensions

The European Union and Indonesia have reached a political breakthrough to finalize a free trade agreement by September, following a decade of negotiations. The Comprehensive Economic Partnership Agreement (CEPA) was announced in Brussels on July 13 by European Commission President Ursula von der Leyen and Indonesian President Prabowo Subianto, amid rising global protectionism and looming U.S. tariffs on both economies.

The EU is targeting Indonesia's strategic resources, particularly raw materials vital for its clean-tech and steel sectors. In return, Indonesia sees the deal as a means to attract investment and bolster sustainable development.

The CEPA will remove many tariffs, expand market access, and cover areas such as digital trade, investment, and customs. Talks had been stalled over issues like Indonesia's palm oil exports and EU's

deforestation regulations, but both sides accelerated negotiations after the U.S. imposed new tariffs — 30 percent on EU exports and 32 percent on Indonesian goods — set to take effect August 1.

While Indonesia faces scrutiny for high deforestation rates linked to palm oil and mining, it has avoided Brussels' high-risk deforestation list. Critics argue this undermines the EU's sustainability goals.

In a related development, Indonesian Trade Minister Budi Santoso said the EU has shown a more flexible approach to enforcing its Deforestation Regulation (EUDR) toward Indonesia. Speaking in Brussels on July 12, Santoso attributed the shift to the EU's desire to secure a long-term partnership. [Antara]

The deal also illustrates a broader shift: the U.S. tariffs have triggered realignments in global trade, with the EU turning to Asia to secure supply chains and reduce reliance on the U.S. and China. Von der Leyen emphasized the pact's significance not just for commerce but for geopolitical stability, reflecting her push to seal major deals with Indonesia, India, and others before her second term ends.

Final signing is expected in Q3 2025, pending ratification. [Euactive] [EUNews] [The Diplomat]

Indonesia to lead French national day military parade in Paris as only foreign troop

(ms) An Indonesian military and police contingent will lead the 2025 Bastille Day military parade on the Champs-Élysées in Paris on July 14. The Patriot II Task Force, consisting of around 500 personnel from the Indonesian National Armed Forces (TNI) and National Police (Polri), will march at the front as the only foreign troop invited this year

This invitation highlights Indonesia's close and growing defense ties with France. In recent years, the two countries have expanded military cooperation through joint training, defense equipment procurement, and regional security partnerships. In 2022, Indonesia signed a major contract to acquire 42 Rafale fighter jets and agreed to purchase French-built Scorpène-class submarines with local technology transfer. In May 2025, during President Macron's state visit to Jakarta, both governments reaffirmed their commitment to deepen strategic defense cooperation and maritime security in the Indo-Pacific. [Antara]

Indonesia and Brazil strengthen ties with new agreements on defense, energy, and trade

(ms) Indonesia and Brazil have reaffirmed their commitment to deepen bilateral cooperation across multiple sectors following a meeting between Indonesian President Prabowo Subianto and Brazilian President Luiz Inácio Lula da Silva in Brasília on July 9, on the sideline of the BRICS meeting.

During the talks underlined the importance of expanding ties in defense, food security, clean energy, education, and trade. .

One of the key agreements reached is a plan to develop missile technology and submarine systems together. Prabowo noted that Indonesia already operates Brazilian-made defense equipment such as the Super Tucano tactical aircraft and Astros rocket launchers and wants to advance this partnership through joint production and technology transfer under the Indonesia–Brazil Defense Cooperation Agreement, which was ratified last year. [Antara 1]

Trade and economic cooperation were also high on the agenda. President Lula announced that Brazil will use its current presidency of the Mercosur trade bloc to push forward negotiations for a free trade agreement with Indonesia. Mercosur — short for the Southern Common Market — is South America's largest regional trade group, currently made up of Brazil, Argentina, Paraguay, and Uruguay, with Bolivia in the process of becoming a full member. The bloc aims to promote free trade and the fluid movement of goods, people, and capital among its members. Both leaders see closer ties with Mercosur as a way to boost investment and expand market access between Latin America and Southeast Asia, opening more opportunities for businesses and producers in both regions. [Antara 2] [China Daily]

In the energy sector, Brazil invited Indonesia to join the Global Biofuels Alliance. Both countries are major bioenergy producers: Indonesia through palm oil-based biodiesel and Brazil through ethanol made from sugarcane. President Prabowo welcomed the idea and said Indonesia aims to expand its renewable energy share and learn from Brazil's innovations.

The leaders also discussed shared views on international issues, including conflict resolution and global governance reform. Both called for peaceful solutions in Ukraine and Gaza and agreed that

emerging economies should have stronger representation in global institutions. [Jakarta Global] [The Jakarta Post]

Chinese fighter jet narrowly misses Japan SDF plane over international waters

(ja) Japanese government sources reported on July 10 that a Chinese JH-7 fighter-bomber fighter jet flew close to a Japan Air Self-Defense Force ASDF YS-11EB electronic intelligence aircraft over international waters in the East China Sea.

The incident, which reportedly occurred on July 9, followed a similar incident over international waters in the Pacific on June 7 and 8, in which a Chinese J-15 fighter jet from the Shandong aircraft carrier flew within 45 meters of a Maritime Self-Defense Force P-3C surveillance plane, leading to Japan lodging a protest with China, calling for measures to ensure similar incidents do not happen again.

The Foreign Ministry of China accused Japan of "coming close and spying on China's normal military activities," and called for Japan to stop such "dangerous actions." [Kyodo News]

Japan and China hold talks on resumption of Japanese beef imports

(ja) Chinese Vice Premier He Lifeng said during a meeting with secretary general of the Japanese ruling Liberal Democratic Party Hiroshi Moriyama on July 11 that China will soon complete the necessary domestic procedures to resume Japanese beef imports following a 24-year hiatus.

The procedures are aimed at bringing a quarantine pact the two countries signed in 2019 into effect, a prerequisite for the resumption of beef imports that had been halted following the mad cow disease outbreak in Japan in 2001.

The announcement follows China recently lifting a blanket ban on Japanese seafood imports, a ban that was introduced in 2023 amidst health and environmental safety concerns after Japan released treated radioactive wastewater from the Fukushima Daiichi nuclear power plant into the ocean. Chinese customs authorities have currently registered three Japanese marine product exporters.

Deputy Chief Cabinet Secretary Keiichiro Tachibana stated during a press conference that the government will call on China "at various levels" to speed up all necessary procedures to resume Japanese beef imports. [Public Relations Office of the Government of Japan]

Prime Minister Shigeru Ishiba and Chinese President Xi Jinping have also agreed to maintain communication regarding the issue of Japanese food imports, and plan to discuss it in more detail at a planned meeting in Peru in November on the fringes of an international conference.

Japanese Foreign Minister Takeshi Iwaya and China's top diplomat Wang Yi also talked about the quarantine accord during their meeting in Kuala Lumpur on July 10 to "expedite the process" for restarting the Japanese beef trade. [Kyodo News] [Ministry of Foreign Affairs, Japan]

Japan and Canada sign classified information-sharing agreement

(ja) Japanese Foreign Minister Takeshi Iwaya and his Canadian counterpart Anita Anand signed an information-sharing agreement on July 8 that is designed to facilitate national security-related data exchanges and allow two-way defense procurements. The agreement must now be ratified by parliament to go into effect.

The Security of Information Agreement (SIA) will regulate how sensitive information will be shared, handled, stored and disposed by both countries, and is seen as an important step in deepening Japanese-Canadian bilateral defense and security ties, in spite of the fact that the deal itself does not authorize information exchanges or specify what data will be exchanged.

The SIA is expected to lay the groundwork for future military and defense-industrial cooperation at higher levels, including the signing of a bilateral defense technology and equipment transfer deal in the near future. Steps to expand bilateral security ties between Japan and Canada, including the SIA, were topics discussed by Japanese Prime Minister Shigeru Ishiba and Canadian counterpart Mark Carney on the sidelines of the G7 summit that took place in June in Kananaskis, Alberta.

The SIA comes amidst Canada's gradual expansion of its defense and security influence in the Indo-Pacific

through enhancing its bilateral and multilateral activities between its Asian partners, including Japan, South Korea, and the Philippines.

Japan has signed multiple defense tech transfer deals with several different countries over the past few years to boost its own exports, enhancing its own military cooperation with Canada through air, sea, land, space, cybersecurity, and special forces operations.

Japan's efforts also indicate its intent to develop closer ties with members of the Five Eyes grouping, which includes the U.S., the United Kingdom, Australia, New Zealand, and Canada. Japan has stated its desire to become the group's sixth member. The recent agreement is expected to ease the flow of information with the grouping as a whole. [The Japan Times]

Malaysian government imposes export controls on US-origin AI chips to China

(ga/tl) Malaysia has introduced new export controls requiring companies to obtain a strategic trade permit before exporting high-performance AI chips of US origin to China. The Ministry of Investment, Trade, and Industry announced the measure on July 15 under the Strategic Trade Act 2010, which governs exports of sensitive items, including electronics and telecommunications equipment. Exporters must apply for the permit 30 days before shipment.

The move follows concerns that Malaysia may have served as a trans-shipment point for restricted US semiconductors to reach China, prompting speculation of US trade restrictions. The ministry stated it will enforce compliance with international obligations and impose legal action against attempts to circumvent export controls.

The US recently imposed a 25 percent tariff on Malaysian imports and criticized Malaysia's cooperation with Huawei in developing sovereign AI capabilities. It remains unclear if the new regulation will influence future US trade measures. The announcement may also prompt similar action from other nations such as Singapore, which accounts for a significant share of Nvidia's regional business. [The Register] [Malay Mail]

Malaysia, Indonesia boost higher education ties

(tl) Malaysia is deepening its higher education ties with Indonesia as part of its push to become a leading destination for international students. Following a working visit by Higher Education Ministry Secretary-General Datuk Dr Anesee Ibrahim to Indonesia, both countries agreed to enhance cooperation in key areas such as student and academic mobility, joint research, and capacity building, especially in strategic sectors like artificial intelligence (AI), renewable energy, and aerospace.

As of March 2025, around 11,293 Indonesian students are enrolled in Malaysian institutions, making Indonesia as one of the top countries sending its students. Since December 2024, two nations have already signed over 460 institutional collaboration agreements, covering academic exchange and training programs. Malaysia's International Scholarship initiative also continues to support Indonesian students, with 21 recipients in 2024. [Bernama]

Malaysia, Sri Lanka to boost cooperation in trade, tourism, education, and labor

(ga) Malaysia and Sri Lanka have agreed to enhance bilateral cooperation in trade, tourism, education, and skilled labor. The commitment was made during a courtesy call by Sri Lanka's Minister of Foreign Affairs, Foreign Employment, and Tourism, Vijitha Herath, to Malaysian Prime Minister Anwar Ibrahim on July 10.

The meeting took place alongside the 58th ASEAN Foreign Ministers' Meeting (AMM) and related meetings in Kuala Lumpur, Malaysia. Anwar reaffirmed Malaysia's intent to work closely with Sri Lanka to support regional development and ASEAN unity. [Bernama]

Malaysian Prime Minister Anwar discusses tariffs move with US Secretary of State

(tl) Prime Minister Anwar Ibrahim said that Malaysia is in talks with the US over its recent decision to impose a 25 percent tariff on Malaysian goods starting 1 August. During a meeting with US Secretary of State Marco Rubio on July 10 on the sidelines of the ASEAN Foreign Ministers' Meeting, Anwar said there is still one month to negotiate, while Rubio acknowledged the importance of Malaysia as a key trade partner of the region, pledging to consider Malaysia's views.

The leaders also discussed strengthening US-ASEAN relations. Anwar reiterated that Malaysia would maintain balanced trade ties with all partners, including China and ASEAN, in line with national interests. [Malay Mail]

Rubio hinted that President Donald Trump may attend the ASEAN Summit in October, adding that discussions are underway to set a date for US-ASEAN summit, following Malaysia's request as the current ASEAN chair in response to recent tariff tensions. [Free Malaysia Today 1]

In a related development, Malaysia is reviewing a U.S. request to ease foreign ownership limits in certain strategic sectors, according to Investment, Trade and Industry Minister Tengku Zafrul Aziz. While some industries, such as manufacturing, are already largely open to foreign investment, others remain restricted. The government will consult with industry stakeholders to assess the readiness and potential impact of lifting equity caps.

Tengku Zafrul emphasized that not all proposals would be accepted, particularly those deemed unfair to Malaysia. He also addressed ongoing trade talks with the U.S., which are tied to a looming 25 percent tariff deadline set by President Donald Trump for August 1. While Malaysia is exploring sector-specific flexibility—such as maintaining zero tariffs for semiconductors and pharmaceuticals—it remains cautious.

He added that uncertainty surrounding the tariff negotiations is affecting investor sentiment, particularly regarding the Johor-Singapore Special Economic Zone. Discussions with U.S. officials are expected to accelerate ahead of the deadline. [Free Malaysia Today 2]

Meanwhile, the American Medical Manufacturers Association (AMMA) has urged President Trump and U.S. trade officials to reject Malaysia's request for sector-specific exemptions from a proposed 25 percent tariff on personal protective equipment (PPE) and nitrile gloves. AMMA argues that such carve-outs would undermine domestic manufacturing, which now has the capacity to meet U.S. healthcare needs. The association emphasizes that Malaysia, lacking a free trade agreement with the U.S., continues to protect its domestic markets while seeking open access to American ones. [Free Malaysia 3]

Maldives signs visa waiver agreement with Dominica to boost bilateral exchange

(lm) The Maldives and the Commonwealth of Dominica, a small island nation in the Caribbean, signed a mutual visa exemption agreement on July 9, allowing citizens of both countries to travel to each other's territory without a visa for up to 30 days. The agreement was signed in New York by Dr. Ali Naseer Mohamed, Permanent Representative of the Maldives to the United Nations, and Philbert Aaron, Permanent Representative of Dominica. [The Sun]

Mongolia, China to deepen healthcare cooperation

(fs) Mongolia's Minister of Health Chinburen Jigjidsuren met with Chinese Ambassador Shen Minjuan to discuss bilateral healthcare cooperation.

Jigjidsuren acknowledged China's advancements in healthcare and expressed Mongolia's interest in adopting Chinese medical innovations. He emphasized strengthening collaboration in traditional medicine, infectious disease control, diagnostic technologies, and medical education.

Minjuan outlined China's achievements in integrating traditional Chinese medicine with Western medical practices, and presented opportunities for collaboration in disease prevention, remote diagnostics, and treatment.

Both sides agreed to expedite the approval of an updated cooperation plan to guide future joint efforts. [Akipress]

Mongolia, France sign agreement to enhance cooperation in civil aviation

(fs) The Civil Aviation Authority of Mongolia, along with the National Civil Aviation Center and State-Owned Enterprise, has signed a Memorandum of Understanding with Bpifrance, France's public investment bank, the National School of Civil Aviation of France, and Thales Group, a global technology firm.

The agreement aims to elevate bilateral cooperation in civil aviation to a strategic level. It covers collaboration in air traffic management systems, infrastructure development, training, and human resource capacity building. The parties will also explore financing civil aviation projects in Mongolia through air navigation service revenues, without requiring government guarantees.

According to Mongolia's Ministry of Roads and Transport, the cooperation is expected to strengthen national air navigation capabilities and promote a safe and efficient aviation environment aligned with international standards. [Montsame]

Mongolia, UK to collaborate in metro development and infrastructure cooperation

(fs) The Governor's Office of Ulaanbaatar and UK Export Finance (UKEF), the United Kingdom's export credit agency, signed a Memorandum of Understanding on July 9.

The agreement, signed by Ulaanbaatar Mayor Khishgeegiin Nyambaatar and UKEF Co-Head of Global Business Origination Emma Thomas, aims to support Mongolia's infrastructure development, particularly in public transport. UKEF will assist in supplying UK goods and services and facilitating financial arrangements for the Ulaanbaatar Metro project.

According to a revised feasibility study, the project will reduce traffic congestion by 10 percent, increase average travel speeds by 18 percent, and cut commute times from 45 to 15 minutes. The metro is also anticipated to boost small and medium-sized businesses near station areas and deepen UK-Mongolia economic ties. [Akipress]

(fw) North Korea and China are preparing to restart passenger train operations between Pyongyang and Beijing as soon as August 2025, ending a suspension that has lasted for over five years. Two countries are in advanced negotiations to reinstate these rail services, which were halted in January 2020 amid the COVID-19 pandemic.

The number of travellers from North Korea to China has increased since May 2025, primarily for training purposes, indicating a potential thaw and strengthening of bilateral relations. The resumption of train services is seen as a significant step toward restoring closer ties and facilitating people-to-people exchanges between the two neighboring countries.

When questioned about the planned resumption, China's foreign ministry stated it had no confirmed information on the matter and directed inquiries to the appropriate authorities. [Yonhap News Agency]

Delegation of Chinese Ministry of Public Security visits Myawaddy to tackle telecommunications scam centers

(nj) A team of 11 officials from the Criminal Investigation Bureau (CIB) of the Chinese Ministry of Public Security arrived in Myawaddy on July 7. They met with Myanmar officials and examined electronic equipment seized from a scam center.

This visit follows recent reports of Chinese nationals being lured to Thailand under false pretenses and then trafficked to Myanmar. Since January, about 9,000 foreign nationals have been freed from these centers and deported to their home country.

The Assistant Minister of Public Security of China visited Thailand to discuss plans for freeing the remaining Chinese nationals. In recent months, Myanmar officials have since taken a more public stance against the scam operations, even carrying out highly publicized deportation ceremonies.

However, Myawaddy is controlled by the junta-aligned Karenni Border Guard Force, which many analysts allege are complicit in these operations. [Bangkok Post] [China Daily] [DVB]

Clashes in Myanmar cause refugees to flee to India, Thailand

(nj) Infighting between the Chinland Council's Chin National Army (CNA) and the Chin Brotherhood's Chin National Defense Force (CNDF) in Falam have caused over 4,000 residents to flee across the Indian border into Mizoram since July 2.

The Indian border region shares ethnic Chin ties with the people of Chin State and has served as a host for tens of thousands of refugees since the military coup in February 2021. Mizoram's Interior Minister, K Sapdanga, stated that while the current fighting is beyond India's control, Mizoram has provided A

According to Indian media, Mizoram state officials visited the area on July 6 to facilitate peace talks between the CNA and CNDF, but an agreement has not been reached. No casualties have been reported on either side of the internal conflict, yet tensions remain high. [DVB]

Meanwhile, a statement by the Thai military confirmed that the Karen National Liberation Army (KNLA)

attacked the Ukayita military junta base in Karen State on July 12, causing 467 civilians and 100 Myanmar soldiers to flee into Thailand. [Chindwin News Agency] [Mizzima]

Clashes along the Myanmar-Thai border have regularly resulted in soldiers fleeing across the border, many of which are later detained and repatriated (see AiR No. 22, June/2025, 1).

U.S. President Trump's letter draws criticism for lending legitimacy to Myanmar junta

(nf/nj) A recent letter from United States President Donald Trump to Myanmar junta chief Senior General Min Aung Hlaing has raised criticism for its formal diplomatic tone that analysts have warned could be exploited by Myanmar's military regime as an indication of legitimacy.

Dated July 7, the letter declared a 40 percent tariff on Myanmar's exports to the U.S. from August 1 as part of a wider tariff drive impacting 14 nations in Asia. Although the message does not directly acknowledge the junta as Myanmar's legitimate government, the use of an official format and friendly language have drawn concern among rights groups on grounds it could undermine U.S. support for democracy by not mentioning Myanmar's civil war and rights abuses since the 2021 coup.

The letter is broadly perceived as a standardized template mailed to several countries, but critics have warned the junta may exploit it for propaganda to assert interaction with Washington at the highest level. [Mizzima] [Channel News Asia] [BBC News]

Upon receiving a letter, Min Aung Hlaing took the opportunity to praise Trump for his decisions to cancel funding for Voice of America and Radio Free Asia. Both organizations, previously funded by the United States, provided regime-critical coverage of events in Myanmar. He also expressed support for President Donald Trump's dismantling of the United States Agency for International Development.

The junta leader claimed that these organizations were responsible for disseminating misinformation and distorting narratives. He also brought up the widely debunked claims that Myanmar's 2020 election was marked by widespread fraud to justify the military's takeover as a necessary temporary measure. [The Irrawaddy]

Myanmar establishes space agency with Russian support

(dql/nj) According to a July 4 issue of the junta's gazette, Myanmar's military regime established the Myanmar Space Agency (MSA) on June 1, just months after junta leader Min Aung Hlaing visited Moscow and signed agreements with Russia, including one on peaceful space cooperation.

The MSA, under Min Aung Hlaing's direct control, is tasked with signing international agreements, managing satellite data, and overseeing space-related projects. While the regime claims the agency will support national security, disaster response, and socioeconomic development, only Russia is currently involved in cooperation.

During his March visit to Russia, Min Aung Hlaing toured aerospace facilities and discussed satellite collaboration with Russian officials. Russian President Vladimir Putin revealed that a satellite data research center had already been set up in Myanmar with Russian support.

Observers warn that the MSA could enhance the junta's military capabilities through satellite-based intelligence, amid growing concerns over the use of Russian-supplied aircraft parts in junta airstrikes against civilian targets. [The Irrawaddy 1]

In a separate development, Myanmar's top Russian arms exporter, Rosoboronexport, donated USD 431,000 to the military junta's earthquake relief fund. On July 7, officials from the company handed over the donation in Naypyitaw to the Minister for Relief and Resettlement, Soe Win.

However, Rosoboronexport's deep export ties to the military regime have raised skepticism regarding the donation's intentions. According to United Nations Special Rapporteur Tom Andrews, as of 2023, Rosoboronexport had supplied USD 227 million in weapons to the military junta, over half of Russia's weapons exports to Myanmar. In March 2022, Justice for Myanmar, an activist organization that publishes exposes on the junta's business involvements, ported that the company had set up an office in Naypyitaw to facilitate its exports of fighter jets, missiles, and unmanned aerial vehicles. [The Irrawaddy 2y]

Nepal urges Germany to support aviation reforms and post-LDC transition

(lm) During bilateral talks in Berlin, Nepal's Foreign Minister Arzu Rana Deuba called on Germany to support a range of strategic priorities, including lifting the European Union's aviation ban on Nepali airlines, strengthening trade ties, and ensuring a smooth transition as Nepal prepares to graduate from Least Developed Country (LDC) status in 2026.

Meeting with German Foreign Minister Johann David Wadephul, Deuba emphasized the need for direct flights between Nepal and Germany to unlock tourism potential, noting that Germany is Nepal's second-largest European tourist market. She highlighted that the lack of a direct air link continues to hamper growth despite ongoing reform efforts in Nepal's aviation sector. Nepal has tabled legislation to restructure its civil aviation authority to meet European Union and International Civil Aviation Organization (ICAO) standards.

Deuba also requested German investment in fertilizer production and broader private sector collaboration. On multilateral issues, she sought Germany's support for Nepal's candidacies to various United Nations bodies, including the Human Rights Council and the Security Council.

Climate cooperation was another key theme, with Deuba urging deeper collaboration on Nepal's climate justice agenda. Wadephul expressed willingness to support Nepal's reform efforts and multilateral aspirations. [The Kathmandu Post]

U.S. sanctions North Korean hacker tied to overseas IT worker scheme

(dql) The U.S. Treasury Department has sanctioned a North Korean cyber operative, Song Kum-hyok, for facilitating a scheme that uses overseas IT workers to generate revenue for the regime. [Department of the Treasury, USA]

Identified as a "malicious" actor linked to the hacking group Andariel of the Reconnaissance General Bureau —North Korea's primary intelligence and clandestine operations agency—Song allegedly helped North Koreans secure jobs at unwitting companies using falsified identities. These workers have also been known to introduce malware into corporate networks to further exploit their access.

In addition to Song, the Treasury sanctioned a Russian national, two Russian entities, and two North Korean entities for their roles in the same scheme. [Yonhap News Agency]

Switzerland the only humanitarian aid provider to North Korea so far this year

(dql) Switzerland has provided all of the USD 2.38 million in international aid that North Korea has received so far this year, according to data from the United Nations. Of this amount, USD 1.1 million is being delivered through UNICEF, with the remainder allocated via the Swiss Development Cooperation and Swiss Humanitarian Aid.

Pyongyang faced a significant decline in international assistance in recent years, dropping from USD 41.88 million in 2020 to USD 1.49 million in 2023, due largely to the country's strict border closures and bans on international aid workers during the COVID-19 pandemic. Aid slightly recovered to USD 2.81 million last year as restrictions began to ease.

Since reopening its borders in August 2023, North Korea has seen a cautious return of foreign engagement. Sweden reinstated its diplomats to Pyongyang, becoming the first Western country to do so since the pandemic. In February, Switzerland appointed a new ambassador to North Korea. [Yonhap News Agency]

North Korea supplies Russia with over 12 million artillery shells

(fw) South Korea's military intelligence has revealed that North Korea has supplied Russia with more than 12 million rounds of 152 mm artillery shells to support Moscow's ongoing war in Ukraine. According to a report by South Korea's Defense Intelligence Agency (DIA) submitted to an opposition lawmaker, Pyongyang has delivered approximately 28,000 containers filled with weapons and artillery shells since October 2024.

The DIA estimated that if these shipments are converted into 152 mm single shells, the total exceeds 12 million rounds. In addition to conventional arms, North Korea has reportedly sent around 13,000 troops to assist Russian forces, with further troop deployments expected in July or August 2025. South Korean intelligence indicates that Russia plans to

deploy 5,000 North Korean military construction workers and 1,000 sappers to the Kursk region for reconstruction efforts.

Recent drone footage from Ukrainian forces has also identified North Korean-made Type 75 multiple launch rocket systems in the conflict zone, highlighting the extent of Pyongyang's material support. [Yonhap News Agency]

North Korea, Russia cement bilateral ties as foreign ministers meet

(dql) North Korean Foreign Minister Choe Son-hui met with his Russian counterpart Sergei Lavrov in Wonsan on July 12 for the second round of bilateral strategic talks. The meeting took place a day after Lavrov arrived in the recently opened resort city. [KCNA]

Lavrov described the countries' ties as an "invincible military brotherhood," referencing North Korean troops fighting alongside Russian forces in Ukraine's Kursk region. He also expressed Russia's intention to boost tourism to Wonsan by increasing flights.

Choe reaffirmed North Korea's unwavering support for Russia, stating that Pyongyang fully endorses Moscow's efforts to defend its sovereignty and territorial integrity. She described their relationship as having reached an "unbreakable" level. [Yonhap News Agency]

TASS cited Lavrov saying after the meeting: "Our Korean friends confirmed their firm support for all the objectives of the special military operation, as well as for the actions of the Russian leadership and armed forces. In turn, we once again expressed our sincere gratitude for the contribution of Korean People's Army servicemen to the successful liberation of the Kursk Region from Ukrainian Nazis and foreign mercenaries." [TASS]

Lavrov's visit precedes his trip to China for a Shanghai Cooperation Organization foreign ministers' meeting. His visit follows the signing of a "comprehensive strategic partnership" treaty by Russian President Vladimir Putin and North Korean leader Kim Jong-un during their summit in Pyongyang in June 2024, signaling deepening cooperation between the two countries.

The following day, North Korean leader Kim Jong-un personally reaffirmed his country's backing of Russia's war effort. Kim pledged Pyongyang's unconditional support for all Moscow's measures addressing the

Ukrainian crisis and expressed confidence in Russia's victory. Lavrov delivered a personal message from Putin and highlighted the mutual commitment to deepening strategic and tactical cooperation on the global stage. Both leaders emphasized their shared determination to counter external actors aggravating tensions in Northeast Asia and the wider Asia-Pacific region. [France 24]

Russia to launch first private Moscow-Pyongyang airline

(dql) In the latest sign of deepening connectivity cooperation, Russia is set to launch direct flights between Moscow and North Korea's capital, Pyongyang, later this month after the charter airline Nordwind has been licensed by Russia's civil aviation authority, Rosaviatsia, to operate the route twice a week. [The Korea Post]

Currently, the only direct air link between Russia and North Korea is a twice-weekly Air Koryo flight between Pyongyang and Vladivostok, which resumed in August 2023 after a three-year suspension during the COVID-19 pandemic. Moscow's Sheremetyevo International Airport has scheduled the new flights to begin on July 27. [The Moscow Times]

Pakistan's Beijing roadshow launches inaugural panda bond drive to diversify funding sources

(lm) Pakistan has kicked off a non-deal investor roadshow (NDR) in Beijing last week as it prepares to issue its inaugural panda bond, signaling a strategic shift toward tapping China's onshore capital market to diversify funding sources and reduce reliance on traditional dollar-denominated debt.

The Finance Ministry confirmed that the delegation, in China from July 7 to 11, has held pre-marketing meetings with institutional investors, underwriters, potential guarantors, a Chinese rating agency, and legal counsel. The discussions center on Pakistan's macroeconomic trajectory, ongoing fiscal and debt reforms, and the proposed structure of the Renminbi-denominated bond.

Panda bonds—offshore issuances listed in China's onshore bond market—enable foreign governments or corporations to access local liquidity while insulating

themselves from dollar exchange-rate volatility. For Islamabad, the planned issuance marks both a financial and geopolitical milestone, reinforcing China's importance as a long-term capital partner and positioning Pakistan to leverage multilateral credit enhancements.

The Finance Ministry stated that documentation and regulatory clearance, including backing from multilateral development institutions, are expected to be completed later this year. Initial investor response has reportedly been strong, suggesting confidence in Pakistan's efforts to stabilize its economy and improve sovereign creditworthiness. [Arab News]

Pakistan warns of escalation risk after India suspends water treaty, downplays military standoff

(lm) Pakistan has warned of mounting regional instability following India's suspension of the Indus Waters Treaty and what Islamabad calls a deliberate attempt by Indian officials to distort the severity of the May 2025 military standoff between the two countries.

Planning Minister Ahsan Iqbal announced that the Pakistani government is formulating a comprehensive national water policy in response to India's unilateral decision to suspend the 1960 treaty, which regulates access to the Indus, Jhelum, and Chenab rivers—sources that account for over 80 percent of Pakistan's irrigation needs. A new technical committee of engineers and water experts will support the policy process, which involves consultation with all four provinces.

India suspended the treaty following a deadly April 22 militant attack in Indian-administered Kashmir that killed 26 people. Accusing Pakistan of involvement, Delhi launched a four-day military operation in early May, prompting retaliatory airstrikes from Islamabad. The standoff was defused by a U.S.-brokered ceasefire on May 10 but remains a flashpoint in South Asia's broader geopolitical tensions. [Arab News 1]

In parallel, Islamabad strongly condemned Indian National Security Adviser Ajit Kumar Doval's recent public remarks, in which he claimed India conducted "pinpoint" strikes against alleged militant targets deep inside Pakistani territory with "zero damage" to Indian forces. Doval described the engagement as a 23-minute operation with no significant Pakistani counter-impact.

Pakistan rejected this account as misleading and escalatory, asserting that it had downed six Indian fighter jets—including three Rafales—and inflicted material damage on Indian military targets. Officials warned that India's public framing of the incident undermines diplomatic norms and the United Nations Charter, and called instead for a return to dialogue based on mutual respect.

Islamabad has also cautioned that India's suspension of the Indus Waters Treaty—an agreement with no provision for unilateral termination—poses not only legal and environmental risks but also escalates tensions to a potentially nuclear threshold. [Arab News 2]

Pakistan explores agricultural exports to Malaysia as part of export-driven growth push

(lm) Pakistan is seeking to expand its agricultural exports, particularly rice and halal-certified meat, through deeper bilateral trade ties with Malaysia. During a visit to Kuala Lumpur on July 11, Deputy Prime Minister Ishaq Dar met with Malaysian Prime Minister Anwar Ibrahim to discuss enhanced cooperation across sectors, with a specific focus on boosting Pakistan's exports to the Southeast Asian nation.

The two leaders reaffirmed their countries' longstanding partnership, and Dar conveyed greetings from Prime Minister Shehbaz Sharif, who is expected to visit Malaysia soon. Discussions centered on strengthening trade in the halal sector and promoting Pakistani rice and meat products, aligning with Islamabad's broader export-led growth strategy.

Dar also addressed the ASEAN Regional Forum during his three-day trip, calling for global peace, justice, and climate action amid growing environmental and geopolitical pressures. [Arab News]

Pakistan, Vietnam: Ministers agree to enhance trade, explore economic partnership

(akv) Jam Kamal Khan, Pakistan's Minister of Commerce and Vietnam's Minister of Industry and Trade Nguyễn Hồng Diên met during a high-stake meeting in Hanoi, Vietnam, discussed multiple

domains to strengthen bilateral economic cooperation between two states.

Both ministers reviewed agenda for enhancing bilateral trade and investment flows, with keen emphasis on trade, market access, and collaborative initiatives. Both sides explored collaboration in multiple domains including information technology, textiles, energy, pharmaceuticals, and agriculture.

During the discussions, reducing trade barriers and negotiating a Preferential Trade Agreement (PTA) appeared prominently. Minister Jam Kamal Khan highlighted Pakistan's strategic location and its potential role in providing Vietnam with key access to Central Asian and Middle Eastern markets through regional connectivity programs.

Minister Nguyễn Hồng Diên expressed his interest in importing Pakistani rice, textiles, and leather products, while he also welcomed Pakistani investments in manufacturing and technology sectors in Vietnam.

The meeting concluded with both sides reaffirming their commitment to expanding bilateral trade volume and pursuing long-term economic cooperation. The talks reflect broader efforts by both countries to diversify trade partnerships amid a shifting global trade environment. [TDI]

Pakistan and UK launch business advisory council and deepen trade ties at inaugural dialogue

(lm) At the inaugural UK–Pakistan Trade Dialogue in London, Pakistan and the United Kingdom agreed to establish a UK–Pakistan Business Advisory Council—a new institutional mechanism intended to deepen economic engagement and promote strategic dialogue between public and private sector actors. The council will advise on regulatory reform, facilitate confidential government–business consultation, and identify barriers to market access in both jurisdictions.

The initiative comes amid a modest recovery in Pakistan's macroeconomic indicators and reflects a shared commitment to institutionalize trade cooperation beyond short-term agreements. The UK, which maintains zero-tariff access for Pakistani exports post-Brexit, remains Pakistan's largest European export destination and third-largest bilateral trading partner overall.

Bilateral trade in goods and services reached GBP 4.7 billion (approx. USD 6.06 billion) in 2024, with UK exports accounting for GBP 2.2 billion (approx. USD 2.84 billion) and imports from Pakistan totaling GBP 2.5 billion (approx. USD 3.22 billion). These figures represent a 7.3 percent year-on-year increase, signaling steady growth potential despite broader global economic uncertainty.

The dialogue—co-chaired by UK Minister for Trade Policy and Economic Security Douglas Alexander and Pakistan's Commerce Minister Jam Kamal Khan—focused on aligning the partnership with the UK's Industrial Strategy, particularly in digital technology and healthcare. The UK committed to providing GBP 200,000 (approx. USD 257,000) in technical assistance to support Pakistan's investment outreach and matchmaking efforts, underscoring London's interest in facilitating reciprocal commercial flows. [Arab News]

Russia calls Pakistan a 'natural ally' as steel revival and energy corridor plans move forward

(lm) Russia has named Pakistan a "natural ally" in regional economic and energy development, as both countries move to deepen cooperation in industry, infrastructure, and logistics. The announcement followed a series of high-level meetings on the sidelines of the INNOPROM Annual Industrial Forum in Yekaterinburg, Russia's premier international trade fair for high-tech industries and manufacturing.

In a central development, Pakistan and Russia signed a protocol to revive and modernize the long-defunct Pakistan Steel Mills (PSM) in Karachi. Once a flagship industrial complex built with Soviet assistance in the 1970s, the PSM has been dormant since 2015 due to financial mismanagement and political interference. The new agreement aims to restore and expand steel production, with technical assessments already conducted by Russian experts. A second agreement to construct a new steel facility in Karachi is expected to be finalized later this year.

Russian Deputy Prime Minister Alexei Overchuk emphasized Pakistan's strategic importance, referring to it as a "natural ally" and highlighting President Vladimir Putin's commitment to strengthening bilateral relations. A meeting between national leaders is expected at the upcoming Shanghai Cooperation Organization summit in Tianjin, China.

In addition to industrial cooperation, Moscow proposed launching a pilot freight train linking Russia, Uzbekistan, and Pakistan in August 2025. The initiative seeks to bolster regional connectivity, reduce trade bottlenecks, and lay groundwork for future logistical corridors spanning Central and South Asia. [Arab News 1] [Arab News 2] [Arab News 3]

Pakistan and Türkiye deepen strategic partnership amid regional tensions

(lm) During a high-level visit to Islamabad on July 9, Türkiye's foreign and defense ministers met with their Pakistani counterparts to advance a wide-ranging bilateral agenda encompassing regional security, economic integration, and defense cooperation. The visit follows Türkiye's public backing of Pakistan during its brief but intense military conflict with India in May and reflects Ankara's growing interest in playing a mediating and stabilizing role across South and West Asia.

Turkish Foreign Minister Hakan Fidan praised Pakistan's "calm and wisdom-oriented" conduct during the air conflict with India, warning that hostilities between nuclear-armed states could have "severe results." He called for a "meaningful and efficient dialogue" between Islamabad and New Delhi to avoid future escalations and reiterated Türkiye's readiness to facilitate peace efforts. The Turkish position aligns with Ankara's broader regional posture, which also includes strong condemnation of Israel's recent strikes on Iran and Gaza. Fidan argued that these attacks distracted global attention from the "genocide in Gaza" and urged renewed international focus on a ceasefire and coordinated support for Palestinians.

Parallel to diplomatic consultations, the two sides announced plans to increase bilateral trade to USD 5 billion and intensify cooperation in energy and defense. Among the new initiatives is a planned Special Economic Zone for Turkish investors in Karachi and revived efforts to operationalize the Istanbul–Tehran–Islamabad freight corridor. Türkiye's state-owned energy company TPAO is partnering with Pakistan for offshore oil and gas exploration, signaling Ankara's strategic interest in South Asia's energy market.

In defense, both countries agreed to expand joint aerospace and advanced warfare initiatives. Turkish Defense Minister Yaşar Güler met with senior Pakistani military leadership, including the Air Chief Marshal, to discuss joint training, unmanned systems, and disruptive technologies. Both sides pledged to enhance

joint exercises and finalize defense-industrial collaboration, building on earlier agreements such as the MILGEM-class corvette deliveries to the Pakistan Navy.

The Turkish delegation's visit also paved the way for the revival of the Joint Ministerial Commission and laid the groundwork for the 8th High-Level Strategic Cooperation Council, to be held in Türkiye in 2026. [Arab News 1] [Arab News 2] [Arab News 3]

Fragile reset in Pakistan-Afghanistan ties amid militancy concerns and refugee pressure

(lm) Pakistan has identified the continued presence of militant groups operating from Afghan territory as a key obstacle to stable bilateral relations and regional integration, despite ongoing efforts to re-engage diplomatically with the Taliban-led government in Kabul. Speaking on July 11, Islamabad reiterated that cross-border militancy—especially from groups like Tehreek-e-Taliban Pakistan (TTP)—remains a central challenge to realizing economic cooperation and infrastructure connectivity with Afghanistan.

The recent rhetoric comes amid signs of a cautious thaw: both countries agreed to restore ambassador-level diplomatic representation following a tripartite meeting with China earlier this year. Additional secretary-level talks were held in Islamabad in early July, with Pakistani officials emphasizing the need to resolve what they termed "terrorist sanctuaries" inside Afghanistan. [Arab News 1]

At the same time, Pakistan faces mounting pressure from large-scale returns of Afghan migrants, many of whom are being expelled under tightening policies in both Pakistan and Iran. The United Nations High Commissioner for Refugees (UNHCR) now estimates that three million Afghans could return to their homeland by the end of 2025, far exceeding initial forecasts. Over 1.6 million have already returned, and the influx is straining Afghanistan's already fragile humanitarian infrastructure, especially in water, sanitation, and health services. UNHCR officials have described the return flow as abrupt, disorganized, and traumatic for many individuals. [Arab News 2]

Amid this complex backdrop, subnational diplomacy is playing an increasingly prominent role. The provincial government of Khyber Pakhtunkhwa (KP), which borders Afghanistan and has experienced a sharp rise in militant violence, has offered to support the

construction of a cancer hospital in Afghanistan and expand cooperation in agriculture. KP Chief Minister Ali Amin Gandapur emphasized the province's shared cultural and ethnic ties with Afghanistan and expressed a willingness to send a delegation to promote trust and people-to-people ties. [Arab News 3]

Pakistan and Bahrain deepen security cooperation with focus on counter-terrorism and human trafficking

(lm) Pakistan and Bahrain have reaffirmed their commitment to strengthening bilateral security ties, following high-level talks in Manama on July 12 between Pakistan's Interior Minister Mohsin Naqvi and Bahraini Interior Minister General Sheikh Rashid bin Abdullah Al-Khalifa. The meeting placed emphasis on enhanced cooperation in counter-terrorism, anti-narcotics operations, and combatting human trafficking—areas that both sides described as increasingly urgent.

The outcome of this meeting marks a further consolidation of Pakistan's security ties with Gulf Cooperation Council (GCC) states, particularly in operational domains with cross-border implications such as trafficking and extremism. The two governments also discussed steps to revitalize the Pakistan–Bahrain Joint Security Committee, aiming to institutionalize regular engagement and coordinated responses.

Bahrain, home to a significant Pakistani expatriate workforce since the 1970s, remains a key partner in the Gulf. The relationship is supported not only by labor ties and diplomatic frameworks like the Joint Ministerial Commission but also by a growing security partnership. Trade between the two countries has fluctuated between USD 500 million and USD 1 billion in recent years. [Arab News]

Pakistan and UAE deepen cooperation on governance reform, visa facilitation, and digital innovation

(lm) Pakistan and the United Arab Emirates (UAE) have agreed to strengthen bilateral cooperation across a range of sectors including visa facilitation, digital governance, and institutional modernization, reflecting a strategic push by Islamabad to enhance public sector

performance and support its large expatriate workforce in the Gulf.

During a high-level visit to Abu Dhabi on July 11, Pakistani Interior Minister Mohsin Naqvi met with UAE officials to address longstanding concerns over visa delays for Pakistani citizens. Both sides agreed to take “necessary steps” to ease visa issuance, particularly for work visas. With over 1.7 million Pakistanis living in the UAE and contributing more than USD 5 billion annually in remittances, the facilitation of labor mobility remains a vital issue for Pakistan’s economic stability and bilateral relations.

Beyond migration policy, Naqvi’s visit focused on expanding cooperation in security, anti-narcotics, and technological enforcement. He praised the UAE’s advanced policing model after visiting Abu Dhabi’s state-of-the-art police operations center and emphasized the benefits of adopting artificial intelligence to strengthen public safety mechanisms in Pakistan.

Separately, a high-level Pakistani delegation led by Minister of State Bilal Azhar Kayani concluded an official visit under the UAE Government’s Experience Exchange Programme (EEP), designed to share best practices in governance and innovation. The eight-member team engaged with UAE officials on digital governance, tax system modernization, leadership development, and performance management. Key sessions included meetings with the UAE Federal Tax Authority and Dubai Future Foundation, where Pakistan expressed strong interest in replicating Emirati models to modernize its own institutions.

The visit builds on a Memorandum of Understanding signed in June 2025 between Pakistan’s Ministry of Planning and the UAE Ministry of Cabinet Affairs, signaling Islamabad’s broader reform trajectory under Prime Minister Shehbaz Sharif. [Arab News 1] [Arab News 2]

Pakistan and Egypt move to deepen agricultural cooperation, research, and food security collaboration

(lm) Pakistan and Egypt have agreed to enhance bilateral cooperation in agriculture, food security, and climate-resilient farming practices. The agreement followed a meeting in Islamabad on July 10 between Pakistan’s Minister for National Food Security, Rana Tanveer Hussain, and Egypt’s Ambassador to Pakistan, Dr. Ihab Mohamed Abdelhamid Hassan.

Pakistan expressed strong interest in learning from Egypt's advances in arid-zone agriculture, water resource management, and the use of modern farming technologies. Discussions focused on seed development, drip irrigation, agricultural science, capacity building, and climate-smart innovations.

Both sides agreed to formalize institutional cooperation between the Pakistan Agricultural Research Council (PARC) and Egypt's Agricultural Research Center (ARC) and the Egyptian International Center for Agriculture (EICA). A memorandum of understanding (MoU) is expected to be signed soon to facilitate research exchange, joint training, and innovation.

Pakistan's agriculture sector contributes around 24 percent to the country's gross domestic product and employs half the national labor force. The country faces significant post-harvest losses—estimated at 20 to 30 percent—and views Egypt's experience in wheat storage and silo systems as a model for reducing waste and improving food security. [Arab News]

Pakistan boosts collaboration with St. Kitts and Nevis

(akv) Pakistan is moving to formalize diplomatic ties with St. Kitts and Nevis, a small Caribbean island state, as part of a broader effort to build political alliances and visibility among Small Island Developing States (SIDS), particularly in multilateral forums like the United Nations.

During a bilateral meeting, Pakistan's High Commissioner Muhammad Saleem and St. Kitts and Nevis' Permanent Secretary for Foreign Affairs Kaye Bass discussed setting up a formal mechanism for political consultations between the two countries. They also explored cooperation in sectors such as trade, climate policy, and sports diplomacy. [The Diplomatic Insight]

This comes amid Pakistan's increased diplomatic engagement in regions beyond its traditional strategic zones, with a particular focus on amplifying its role in global debates on climate change and multilateral reform. High Commissioner Saleem, based in Ottawa, is concurrently accredited to St. Kitts and Nevis. His presentation of credentials to the Governor General in a recent ceremony formalized the relationship, which was only established in January 2024. [APP]

Philippines summons Chinese Envoy over targeting former senator with sanctions

(dnb) The Philippines summoned China's envoy to Manila regarding the recently issued sanctions against former Senator Francis Tolentino. (see AiR No.27 July/2025 2)

China has recently accused Filipino politicians of harming China's interests and acting hostile, virtually alleging escalation and making them responsible for the deterioration of diplomatic ties. Tolentino championed laws asserting Filipino maritime claims and territorial sovereignty in the form of two laws, the Maritime Zones Act defining the Philippines exclusive economic zone boundaries, and the Philippine Archipelagic Sea Lanes Act establishing predetermined sea lanes for passthrough maritime traffic.

The Philippines stated that although China can implement sanctions as it is within their right, but sanctioning democratically elected officials for acts carried out in their official capacity is contrary to norms of mutual respect and dialogue that underpin security and sound relations between the two countries. China banned Tolentino from entering the Mainland, Macau and Hong Kong.

As per the Philippines' statement, the Chinese ambassador was reminded that "as a democracy, the Philippines values freedom of expression", thus elected officials are not only free to express their opinion but also to look into matters that have the potential to influence national security. On July 8, the Chinese Embassy in Manila reinforced its standpoint by claiming that imposing sanctions fall fully within its sovereign rights and that "...there are consequences for hurting China's interests". [Reuters] [The Straits Times] [The Washington Post]

Philippines launches trade talks with US after Trump imposes 20 percent tariff

(dnb) The Philippine government is launching high-level trade negotiations in Washington and preparing for a potential visit by President Ferdinand Marcos Jr. in response to a newly announced 20 percent U.S. tariff on Filipino exports, effective August 1. The move —part of President Donald Trump's broader push for trade reciprocity with Southeast Asia—marks a significant moment in bilateral relations and may reshape future economic engagement between the two allies.

The new 20 percent tariff—effective August 1—is part of a broader US effort under President Donald Trump to enforce reciprocity in trade relations, with Southeast Asian partners facing duties between 20 and 36 percent. While the Philippines' new rate remains among the lower tiers (second only to Singapore's 10 percent), it undermines earlier expectations that the country could leverage its relatively favorable tariff position to attract investment and gain manufacturing market share. [The Manila Times 1] [The Manila Times 2]

Philippine officials have expressed concern over the economic implications but are emphasizing continued engagement. A delegation led by Secretary Frederick Go (Investment and Economic Affairs), Trade Secretary Cristina Aldeguer-Roque, and Undersecretary Allan Gepty will travel to Washington to negotiate concessions. Talks will cover not only the headline tariff, but also the potential for a broader bilateral trade framework—such as a comprehensive economic partnership or a free trade agreement—that could secure longer-term tariff relief and sector-specific access. [Bloomberg] [The Straits Times]

While the 20 percent tariff will apply broadly, critical exports such as semiconductors—which dominate the Philippines' trade portfolio with the US—are exempted due to their importance to US national security and supply chains. This offers partial insulation for the country's export sector, though other industries, including agriculture and consumer electronics, may face margin pressures.

According to US data, bilateral goods trade between the two countries reached USD 23.5 billion in 2024, with the US running a USD 4.9 billion trade deficit—an increase of 21.8 percent year-on-year. Washington has signaled that tariffs could be lifted if Manila opens up key markets to US firms or shifts more manufacturing operations to the United States.

The global investment bank giant Goldman Sachs stated in the meantime that despite the higher tariffs the Philippine equity market won't be dampened due to strong macroeconomic fundamentals. The US FED is expected to further enforce the decline of the US Dollar, which tends to act supportively for regional economies such as South Korea, the Philippines, Taiwan and Hong Kong. According to the analysis by Goldman Sachs "the Philippine stock market could deliver 15 percent total US dollar returns based on nine percent domestically driven earnings growth in 2025-2026 along with a three percent Philippine peso appreciation, and a three percent dividend yield." [Manila Bulletin]

The potential visit of President Marcos to Washington, confirmed in principle by US Secretary of State Marco Rubio, is expected to reinforce political support for these negotiations. It follows his April 2024 visit for the inaugural US–Philippines–Japan Trilateral Summit, where the Luzon Economic Corridor initiative was launched. [The Manila Times 3]

Indian Minister Jaishankar visits Singapore, advances bilateral cooperation

(nl) Singapore hosted India's External Affairs Minister Jaishankar on July 13, as part of ongoing high-level exchanges between the two countries.

Dr. Jaishankar met President Tharman Shanmugaratnam, Deputy Prime Minister Gan Kim Yong, and Foreign Minister Vivian Balakrishnan to review progress on outcomes from Prime Minister Modi's visit to Singapore in September 2024, as well as the second India Singapore Ministerial Roundtable (ISMR). Discussions focused on cooperation in investment, semiconductors, industrial parks, infrastructure, skills development, and connectivity, alongside regional and global developments related to ASEAN and the Indo-Pacific.

He also met Teo Chee Hean, Chairman-designate of Temasek Holdings, to explore new investment opportunities linked to India's ongoing economic transformation.

As an outcome, both sides agreed to convene the third ISMR in New Delhi in the near future. [Ministry of External Affairs, India] [The Indian Express]

Singapore hosts Foreign Secretary Minister Lammy; tech and AI diplomacy in focus

(nl) British Foreign Secretary David Lammy made an official visit to Singapore on July 12, reaffirming strong bilateral relations amid the 60th anniversary of diplomatic ties between the two countries.

Mr. Lammy met Prime Minister Lawrence Wong, Deputy Prime Minister Gan Kim Yong, and Foreign Minister Vivian Balakrishnan, with discussions covering cooperation in trade, investment, defense, and technology. As part of its regional engagement, the UK pledged GBP 70 million to Singapore's FAST-P project,

an initiative which supports clean energy transition and sustainable infrastructure across Southeast Asia. [Monetary Authority of Singapore]

Delivering a keynote on "Diplomacy in the Digital Age," Mr. Lammy praised Singapore's long-term digital planning and public sector capabilities, citing initiatives like Smart Nation and Singpass. He highlighted the need for stronger collaboration in AI diplomacy, calling for countries like the U.K. and Singapore to align standards and co-develop governance frameworks. [Ministry of Foreign Affairs, Singapore] [The Straits Times] [GOV.UK]

China-Sri Lanka strategic ties reaffirmed at ASEAN meeting

(lm) Sri Lanka and China reaffirmed their strategic partnership during bilateral talks between Sri Lankan Foreign Minister Vijitha Herath and Chinese Foreign Minister Wang Yi, held on the sidelines of the ASEAN Foreign Ministers' Meetings in Kuala Lumpur on July 12. The meeting underscored both countries' continued alignment on key geopolitical and economic priorities, particularly in the context of Sri Lanka's dependence on foreign infrastructure investment and regional connectivity initiatives.

Herath reiterated Sri Lanka's commitment to the one-China policy and expressed appreciation for China's political and financial support during the island nation's recent economic crisis. Discussions focused on enhancing cooperation in trade, investment, and maritime infrastructure, with emphasis on ongoing Belt and Road Initiative projects such as Colombo Port City and Hambantota Port—both of which are considered strategically significant for China's Indian Ocean footprint and for Sri Lanka's post-crisis economic recovery.

The two sides also explored collaboration in emerging sectors, including green energy, the digital economy, and agriculture. [Daily Mirror]

South Korea condemns Japan's continued claims over Dokdo

(fw) South Korea has formally and strongly protested Japan's renewed assertion of territorial claims over the Dokdo islets, which Seoul regards as its sovereign territory. The latest declaration appeared in Japan's

2025 defense white paper, marking the 21st consecutive year Tokyo has included the disputed islets—referred to by Japan as Takeshima—as part of its territory.

On July 15, South Korea's Ministry of Foreign Affairs issued a statement denouncing Japan's claims as unjust under historical, geographical, and international legal frameworks. The South Korean government demanded the immediate withdrawal of Tokyo's assertions and warned it would respond firmly to any future provocations related to Dokdo. To express its strong objection, Seoul summoned Yoshiyasu Iseki, acting minister at the Japanese Embassy in Seoul, and Hirofumi Inoue, the Japanese defense attaché, for formal complaints regarding the issue. [Ministry of Foreign Affairs, South Korea]

The Japanese government released its annual defense white paper following a Cabinet meeting led by Prime Minister Shigeru Ishiba. The document reaffirmed Japan's stance on territorial disputes, grouping Dokdo/Takeshima alongside other contentious issues such as the Northern Territories (Kuril Islands), regional tensions surrounding Taiwan, and challenges posed by China and Russia. The report describes the complex security environment as entering "a new era of crisis," amidst deepening regional tensions.

Despite ongoing territorial disputes, the white paper characterized South Korea as an "important neighboring country" with which Japan seeks to cooperate on global challenges, signaling a nuanced attempt to balance bilateral tensions with constructive dialogue. [Korea JoongAng Daily]

Dokdo remains under effective South Korean control, with a small police detachment stationed on the islets, reinforcing Seoul's sovereignty. The dispute continues to be a perennial source of friction in Japan-South Korea relations, exacerbated by Japan's persistent claims through official reports, educational materials, and public statements. [Yonhap News Agency]

South Korea repatriates North Koreans

(dql) South Korea's Unification Ministry has unveiled that six North Koreans rescued at sea earlier this year have been repatriated after their vessels drifted across the de facto maritime border. The individuals, picked up in separate incidents in March and May, were returned on July 9 with their full consent after repeatedly expressing a desire to return home.

Despite earlier failed attempts to establish contact, the repatriation was completed with the cooperation of North Korean authorities. [The New York Times]

The development comes as President Lee Jae-myung seeks to improve inter-Korean relations. Marking his first month in office, Lee emphasized the need to pursue dialogue with the North in coordination with the United States, warning that severing communication would be a "foolish act."

Last month, in a gesture toward rapprochement, South Korea's military halted loudspeaker broadcasts of anti-North Korean propaganda along the border. The Ministry of National Defence stated the move aimed to restore trust and promote peace on the Korean Peninsula. [Al Jazeera]

China imposes export controls on eight companies linked to Taiwan's military

(acl) On July 9, China's Ministry of Commerce announced an immediate ban on dual-use exports to eight Taiwanese companies linked to the island's defense sector. The ban primarily targets aerospace and shipbuilding companies, including defense supplier Aerospace Industrial Development Corporation (AIDC), drone maker Jingwei Aerospace Tech, and CSBC corporation, Taiwan's largest shipbuilding company. The ministry cites national security and non-proliferation concerns as the reasons for the measures. [Ministry of Commerce, China, in Chinese]

Dual-use items refer to materials, technologies or equipment that can be used for civilian and military purposes. However, the ban leaves the definitions of these items intentionally vague, giving mainland Chinese authorities wide discretion in determining which entities are seen as security risks. In the case of exceptions, companies must apply to the ministry for approval.

AIDC plays a central role in Taiwan's indigenous arms development while CSBS is key to building and maintaining naval vessels. [South China Morning Post]

Analysts argue that the ban is unlikely to have a strong impact on the Taiwanese military as defense companies are already prohibited from using key components from China, but noted that "the real impact would be on their civilian contracts." [Bloomberg]

They suggest three possible motivations behind Beijing's decision. First, as a retaliatory move against Taiwan's recent controls targeting Semiconductor Manufacturing International Corp. (SMIC) and Huawei's semiconductor business (see AiR No. 24, June/2025, 3). Second, the sanctions coincide with Taiwan's Han Kuang military exercises, which Beijing may view as "pursuing independence through military force" or "relying on the U.S. to pursue independence." Lastly, the measures serve as an "anti-Taiwan independence" message. [Focus Taiwan]

Legal dispute looms between Sri Lanka and Indian conglomerate over canceled wind energy project

(lm) A legal dispute may be emerging between India's Adani Green Energy and Sri Lankan authorities after the company withdrew from a USD 442 million wind power project in the country's northern province. The withdrawal follows a decision by Sri Lanka's new government, led by the National People's Power (NPP) alliance, to reject previously agreed terms and seek lower tariffs for power generation.

The project, which was to be implemented in Mannar and Pooneryn and expected to contribute 350 MW to the national grid by 2025, had been negotiated under the former administration. In May 2025, Adani sent a formal request for reimbursement of initial project expenses, including feasibility studies conducted jointly with the Sustainable Energy Authority (SEA) of Sri Lanka. The SEA has since confirmed that while it is not willing to reimburse payments related to energy permits, it is reviewing other costs pending legal consultation. [Daily Mirror]

Sri Lanka under pressure as U.S. imposes 30 percent tariff despite ongoing talks

(at/lm) Sri Lankan President Anura Kumara Dissanayake confirmed on July 12 that his government will continue dialogue with the United States to pursue further trade concessions, following Washington's formal decision to impose a 30 percent tariff on Sri Lankan exports starting August 1, 2025.

The tariff, announced in a letter from U.S. President Donald Trump, finalizes an earlier proposal that would have set the rate at 44 percent. While Colombo welcomed the reduction as a relative relief compared

to steeper rates imposed on other regional exporters like Bangladesh or Cambodia, concern persists over the more favorable treatment granted to Vietnam, Sri Lanka's key competitor in the apparel sector. [Daily Mirror 1] [Daily Mirror 2] [Daily Mirror 3]

In a meeting with export sector stakeholders in Colombo, President Dissanayake emphasized that the revised tariff level was achieved through "good faith negotiations," asserting that Sri Lanka had not made any formal concessions in return. The government is now positioning the ongoing dialogue as an opportunity to implement broader trade reforms and enhance export competitiveness. Central Bank Governor Nandalal Weerasinghe echoed this view, underlining that the outcome was based on mutual economic interest rather than external pressure. [Daily Mirror 4] [Daily Mirror 5]

Deputy Minister of Economic Development Anil Jayantha indicated that Sri Lanka is now pursuing a bilateral trade agreement with the United States ahead of the August 1 deadline to mitigate the impact of the new tariff regime. However, U.S. negotiators have reportedly proposed limiting Sri Lanka's trade ties with China—a condition Colombo has firmly rejected, citing its commitment to a non-aligned foreign policy.

The U.S. letter—addressed to President Dissanayake but misspelling his name as "Aruna"—also warned against any retaliatory tariffs, instead offering Sri Lankan businesses an alternative: relocate production to the United States in exchange for expedited regulatory approvals. This proposal, however, has not assuaged criticism at home. [Daily Mirror 6] [Daily Mirror 7]

Opposition figures have sharply condemned the government's handling of the negotiations. Opposition leader Sajith Premadasa described the outcome as "the price we pay for poor negotiation" and urged direct engagement with the White House, including outreach to senior staff and bipartisan allies in Congress. He emphasized that broad support existed in Washington to back Sri Lanka—if the government took a more strategic approach. [Daily Mirror 8] [Daily Mirror 9]

Other critics pointed to the administration's lack of preparation and transparency. They highlighted the scale of the existing trade imbalance—Sri Lankan exports to the United States total approximately USD 3 million, compared to more than USD 368 million in imports—as evidence of the need for a more proactive and coherent trade policy. [Daily Mirror 10]

Taiwan reports Chinese incursions near disputed island

(dql) Taiwan's Coast Guard reported two recent incursions on July 9 and July 10 by Chinese coast guard vessels near the disputed Dongsha Island, located in the northern part of the South China Sea, roughly 445 kilometers southwest of Kaohsiung, Taiwan. Both Chinese ships disabled their automated identification systems to conceal their movements, likely exploiting the timing of Taiwan's ongoing Han Kuang military exercises to test its territorial defenses.

Similar incursions have been reported throughout the year, with over a dozen incidents near Dongsha Island, including in late June. These actions are part of China's broader gray zone strategy aimed at testing Taiwan's defenses and undermining its crisis response capabilities. [Taiwan News]

Taiwanese Vice Premier signals critical phase in U.S. tariff negotiations after Washington visit

(dql) Following her return from a third round of in-person tariff negotiations in Washington, Taiwan Vice Premier Cheng Li-chiun stated that talks with the United States over "reciprocal tariffs" are entering a crucial phase. Describing the moment as the "final inning of a ball game," Cheng called for public patience and reaffirmed the government's goal of concluding the talks before the extended deadline of August 1.

Cheng emphasized that Taiwan remains committed to protecting national and industrial interests, as well as public health and food security, while working toward a more balanced trade relationship and deeper partnership with the U.S.

According to a Cabinet statement, both sides reached consensus on several key issues, though details were not disclosed. Another round of in-person discussions has been tentatively scheduled. [Focus Taiwan]

The negotiations follow former President Donald Trump's April announcement of a 32 percent blanket tariff on most Taiwanese imports, part of a broader measure affecting over 170 countries. The tariffs were initially paused for 90 days and later extended to August 1.

While countries such as Japan and South Korea have already received updated tariff rates, Taiwan remains engaged in ongoing talks.

U.S. think tank suggests withdrawal of military trainers from Taiwan

(yl) The Washington D.C.-based think tank Defense Priorities has published a report calling for the withdrawal of all U.S. military training personnel from Taiwan, arguing that continued presence risks escalation and does not serve U.S. core interests. [Defense Priorities]

The report suggests training could take place in the U.S. and criticized Taiwan for underinvesting in its own defense while relying on assumed American intervention in a cross-strait conflict. It further claimed that the U.S.' Indo-Pacific posture is “too offensively oriented” and within China’s strike range, placing American assets at risk.

The call contrasts with recent U.S. congressional testimony, where Assistant Secretary of Defense for Indo-Pacific Security Affairs John Noh emphasized prioritizing support for Taiwan’s defense. Former Admiral Mark Montgomery also urged increasing U.S. military personnel on the island to 1,000 to support training and coordination of U.S.-supplied weapons. [Taiwan News]

Notably, the report calls for a revised U.S. strategy in Asia that should focus on regional balancing rather than pursuing dominance. With China’s growing military strength, it is becoming increasingly unrealistic for the United States to sustain hegemony in the region.

The report further argues that it remains feasible for the U.S. to counterbalance China’s power and prevent it from establishing its own dominant position, and concludes—regarding Taiwan—that this balancing strategy does not necessitate a direct U.S. military defense of Taiwan, as the island’s control would not significantly alter the overall balance of power. [Defense Priorities]

US introduces bill to protect Taiwan's undersea cables from Chinese "gray zone" tactics

(acl) On July 9, the US Senate introduced a bipartisan bill aimed at protecting Taiwan's undersea cables and enhancing cable resilience against China's "gray zone" tactics. The Taiwan Undersea Cable Resilience Initiative Act was introduced by Republican senator John Curtis and Democratic senator Jacky Rosen, both members of the Senate Foreign Relations Committee.

The act proposes a multi-agency initiative led by the US Department of State, in coordination with the Departments of Defence, Homeland Security and the US Coast Guard. It calls for improvements in monitoring systems, rapid response protocols, maritime surveillance and increased international cooperation against sabotage.

Under the bill, the US coast guard would assist Taiwan's coast guard and regional allies in joint patrols in the Taiwan Strait to monitor activity near cable routes. Sanctions would be imposed on entities responsible for damaging cables. According to the two senators, disrupting undersea cables is a key part of China's gray zone tactics, intended to gain strategic advantage and "to cripple Taiwan's communications in a conflict". [Taiwan News] [Focus Taiwan]

On the same day, senators Curtis and Chris Van Hollen reintroduced the Taiwan International Solidarity Act, a separate bipartisan bill supporting Taiwan's participation in international organizations. The bill would allow the US to use its influence to oppose efforts aimed at undermining Taiwan's global standing.

US Senate defense bill urges for Taiwan's participation in the Rim of the Pacific military exercise

(acl) On July 9, the US Senate Armed Services Committee advanced the National Defense Authorization Act for Fiscal Year 2026 to the full Senate for consideration. The bill strongly urges for Taiwan's participation in the Rim of the Pacific (RIMPAC) exercise and authorizes USD 1 billion for the Taiwan Security Cooperation Initiative.

Whereas past versions of the bill only "suggested" inviting Taiwan's navy, the 2026 version requires the Secretary of Defense to provide a formal explanation if Taiwan is not included in the exercises. According to the US navy, RIMPAC, which is the world's largest international maritime exercise, is essential for maintaining cooperation and regional security. The bill also directs the US to strengthen Taiwan's resilience through improvements to its digital infrastructure,

medical equipment and combat casualty care. [Taiwan News] [Focus Taiwan]

Taiwan's state-owned oil refiner in discussions with US shale gas suppliers

(acl) On July 11, *Reuters* reported that Taiwan's state-owned energy company CPC Corp was in early-stage discussions to buy shale gas from US suppliers. The move is part of a broader strategy to diversify energy sources, strengthen Taiwan's energy security and potentially gain leverage with the Trump administration, which has linked increased US energy imports to tariff policy.

CPC highlighted the US' stable production capacity and favorable investment environment as key advantages. In March, the company also signed an agreement with the Alaska Gasline Development Corp to purchase liquefied natural gas (LNG) and invest in the Alaska LNG project. The project would transport gas from northern Alaska to the south via pipeline before being shipped as LNG to Taiwan, Japan and South Korea. [Focus Taiwan]

Reuters noted that this move follows a trend of Asian countries, including India and Japan, seeking to buy into US shale gas assets to meet growing energy demand and strengthen ties to the Trump administration. [Reuters] [Natural Gas Intelligence]

Australia declines to commit troops in advance for potential war over Taiwan

(dql) Australia will not commit troops in advance to any potential conflict, including a war over Taiwan, Defence Industry Minister Pat Conroy stated on July 13. Responding to reports that the U.S. has urged its allies to clarify their roles in such a scenario, Conroy emphasized that decisions on troop deployment would be made by the government of the day and that Australia does not engage in hypotheticals.

The *Financial Times* reported that U.S. officials, including Elbridge Colby, under-secretary of defense for policy, have been pressing Australia and Japan for clarity on their positions. Colby posted that the Pentagon is advancing President Donald Trump's "America First" agenda, calling on allies to increase defense contributions. [Financial Times]

Australia maintains that it seeks no change to the status quo in the Taiwan Strait. Prime Minister Anthony Albanese, speaking during a visit to China, reiterated Canberra's support for regional stability. Taiwan's President Lai Ching-te has rejected China's sovereignty claims, asserting that Taiwan's future must be decided by its people.

Conroy also raised concerns about China's growing military power and its possible efforts to establish a base in the Pacific, which Australia views as a strategic threat. He said Australia supports a balanced Indo-Pacific where no single power dominates. [Reuters]

Meanwhile, Australia launched its largest joint military exercise, Talisman Sabre, on July 13. The drills involve 40,000 troops from 19 countries, including the U.S., Japan, India, South Korea, and several European allies. The two-week air, land, sea, and space exercises span from Christmas Island to the Coral Sea and aim to enhance joint operational capabilities. [Anadolu Ajansı]

Paraguay reaffirms diplomatic ties with Taiwan

(acl) On July 14, Paraguayan president Santiago Peña reaffirmed that Paraguay would "stand firmly by Taiwan", describing their 68-year diplomatic relationship as a strategic and values-based alliance that the country is prepared to defend.

At a bilateral business forum in Asunción, Peña emphasized that the partnership reflects Paraguay's sovereign foreign policy and its commitment to democratic principles, not just economic interests. He also highlighted their shared historical background, framing the alliance as one of solidarity. Paraguay is one of only twelve countries that maintain formal diplomatic relations with the Republic of China (Taiwan), a relationship established in 1957, when both nations were under anti-communist authoritarian regimes. [Columbia Political Review]

Minister of Foreign Affairs Lin Chia-Lung and his Paraguayan counterpart Ruben Ramirez also reaffirmed the alliance during Lin's ongoing visit with a Taiwanese business delegation. During their meeting on July 11, Lin and Ramirez emphasized the importance of strengthening a "relationship based on shared values, the defense of democracy and a common vision for development".

While some business leaders and opposition lawmakers have pushed for a pivot to China, Peña,

who studied in Taiwan, remains committed to Taipei. In January, his administration expelled Chinese envoy Xu Wei after he urged Paraguay to sever ties with Taiwan. [South China Morning Post]

The Taiwanese business delegation arrived on July 11 to promote deeper investment ties and prepare for an upcoming visit by Taiwan's president next month. During the visit, the delegation toured several Taiwan-sponsored projects including the Taiwan-Paraguay Smart Technology Park, the Polytechnic University Taiwan-Paraguay , the Itaipú hydroelectric dam and the electric bus pilot project. [Taipei Times]

Beyond technological initiatives, Taiwan has also supported Paraguay's medical infrastructure, most notably through the development of a digital healthcare management network now implemented in over 1,000 public health centers across the country. Ramirez also thanked Taiwan for its broader contributions to Paraguay's development, including in agriculture, education and infrastructure."

For president Peña, the bilateral business forum was an opportunity to showcase Paraguay's stability and ambitions to become a regional technological hub. Lin praised the country's diplomatic support and said that Paraguay could emerge as a regional leader.

Cambodia-Thailand ties stabilize militarily but fray across legal, political, and cultural fronts

(lm/acs/bk) Against the backdrop of resurging tensions with neighboring Cambodia—triggered by a brief but symbolically charged military clash in late May—Thailand's defense leadership has put forward a series of de-escalatory proposals. These include reducing troop deployments, withdrawing long-range weapons to 2024 levels, and standardizing border checkpoint hours to facilitate trade and civilian movement. Regular joint patrols and strengthened battalion-level communication have contributed to stabilizing previously volatile sectors, particularly in Surin, Si Sa Ket, and Ubon Ratchathani provinces. Dialogue continues through established mechanisms such as the Regional Border Committee (RBC) and the Joint Boundary Commission (JBC). [Bangkok Post 1] [Bangkok Post 2]

Despite military coordination improving, broader relations are fraying. In early July, Thai authorities launched one of the country's largest-ever asset seizures, officially framed as part of a regional

crackdown on transnational scam networks. Police confiscated over THB 1.1 billion (USD 34 million) in property linked to Kok An, a Cambodian businessman accused of running hybrid scam operations from Poipet involving forced labor, crypto-based money laundering, and cross-border human trafficking. Thai police are now seeking an Interpol Red Notice.

Cambodian strongman and current Senate President Hun Sen responded with a pointed social media rebuke. He mocked the Thai police raids as inadvertently benefiting Cambodia by displacing scam operations and provocatively challenged Thai authorities to investigate former Prime Minister Thaksin Shinawatra, claiming Thaksin had a “reserved room” at his Phnom Penh residence. The post was widely seen as a political provocation against the Shinawatra family, whose close ties with Hun Sen date back nearly two decades. During Thaksin’s exile following the 2006 coup, Hun Sen publicly welcomed him as an economic adviser and maintained strong political rapport with the Shinawatra-aligned Pheu Thai Party. [Thai PBS World] [The Nation 1]

In parallel, Thai prosecutors began reviewing a high-profile cybercrime case involving the leak of a 17-minute recorded phone call between Hun Sen and current Paetongtarn. A complaint from a senior official in the Thai Prime Minister’s Office alleged that the online release threatened national security. While Thai authorities have not confirmed whether Hun Sen is a named suspect, the case falls under extraterritorial jurisdiction. If charges proceed and suspects fail to appear in court, Interpol arrest warrants may be pursued. [Bangkok Post 3]

Cambodia, for its part, has escalated cultural disputes to the international stage by formally petitioning UNESCO to investigate Thailand’s Wat Phu Man Fah temple for allegedly imitating Angkor Wat. Thailand dismissed the claim as politically motivated and emphasized the temple’s distinct architectural origins. UNESCO declined to act, and member states urged bilateral resolution instead. Notably, Cambodia’s own Ministry of Culture had previously stated in 2023 that the temple was not a replica. Thailand has reiterated its readiness for dialogue through an existing bilateral working group. [The Nation 2] [Thai PBS World]

Thailand denies reports of U.S. request to use naval base amid tariff negotiations

(lm) Thailand's government has rejected claims that the United States requested access to a strategic Thai

naval base in Phang-nga province during ongoing trade negotiations. The base, which faces the Andaman Sea, has been mentioned in media speculation linking it to U.S. efforts to secure security concessions in exchange for lower tariffs on Thai exports.

Deputy Prime Minister and Defense Minister Phumtham Wechayachai, who is also serving as acting prime minister, denied any discussions with U.S. counterparts regarding the use of the Phang-nga base. He acknowledged that the Royal Thai Navy has long sought to develop the base into a more significant facility, but noted that budgetary limitations have delayed progress.

Deputy Defense Minister Nattaphon Narkphanit and Foreign Affairs Minister Maris Sangiampongsa both stated that no official proposals or documentation had been received on the matter, dismissing the reports as unsubstantiated speculation.

A naval source also clarified that while visits by U.S. warships are covered under an existing bilateral logistics agreement, there are no plans to offer the U.S. long-term use of the base or to host foreign military installations in Thailand. [Bangkok Post]

Singapore steps up support as Timor-Leste prepares to join ASEAN

(lm) Singapore will expand its support for Timor-Leste's ASEAN membership preparations through an upgraded USD 316 million (SGD 430 million) *enhanced STARS* (Singapore–Timor-Leste ASEAN Readiness Support) package. Announced during Prime Minister Xanana Gusmão's official visit to Singapore, the initiative aims to build institutional capacity, offer leadership development, and provide scholarships aligned with Timor-Leste's national priorities.

The announcement came after Mr. Gusmão met with Singapore Prime Minister Lawrence Wong and President Tharman Shanmugaratnam on July 14. The enhanced package, which runs from July 2025 to December 2028, builds on earlier cooperation launched in 2022.

Singapore's support focuses on helping Timor-Leste meet ASEAN's economic integration requirements and strengthen governance. Over 1,100 Timorese officials have participated in Singapore Cooperation Programme courses since 2002, including training in negotiation and policy writing.

Timor-Leste, which gained independence in 2002, applied for ASEAN membership in 2011 and received in-principle approval in 2022. Full accession is expected to be confirmed at the 47th ASEAN Summit in October 2025. [Government of Timor-Leste] [Inqurier] [The Strait Times]

Vietnam invites five foreign troops to join National Day parade

(hn/ms) Vietnam's Ministry of National Defence has extended invitations to Russia, China, Laos, Cambodia, and Belarus to participate with military contingents in the upcoming parade marking the 80th anniversary of the August Revolution (19 August) and National Day (2 September), Deputy Minister Hoàng Xuân Chiến announced on 9 July in Hanoi.

The formal invitation follows a precedent set in April, when Chinese, Lao, and Cambodian troops marched in the 50th-anniversary parade of national reunification—Vietnam's first-ever inclusion of foreign military units in a national-level ceremony. In addition to the invited parade participants, Vietnam also invited the defense ministries of eight countries—adding Cuba, Kazakhstan, and Azerbaijan—to attend the ceremonies. The Cuban Minister of the Revolutionary Armed Forces has already confirmed attendance, while Laos and Cambodia have officially agreed to dispatch military contingents

The Ministry also plans to unveil a new monument honoring foreign military support during Vietnam's past conflicts. Located at the Military History Museum, it will feature dedicated statues for Russia, China, Laos, Cambodia, and Cuba. The first installations are due by mid-August. [The Voice of Vietnam] [Tuoitre, in Vietnamese] [Vietnam News]

Vietnam and Laos strengthen strategic ties, agree on key tasks and investment cooperation

(hn) During his visit to Vientiane on July 9, Vietnamese Deputy Prime Minister Nguyen Chi Dung met with Lao Party General Secretary and President Thongloun Sisoulith and Prime Minister Sonexay Siphandone. He briefed them on earlier talks with Lao Deputy PM Saleumxay Kommasith, highlighting progress in bilateral cooperation and outlining eight key tasks for

the rest of 2025, including completing five major projects in Laos.

Deputy PM Dung called for stronger political trust, economic ties, defence cooperation, and collaboration at regional and international forums. Lao leaders reaffirmed their commitment to the special Vietnam-Laos relationship, praised Vietnam's support, and emphasized strategic projects like the Vientiane-Hanoi expressway. PM Siphandone encouraged more Vietnamese investment in Laos, particularly in priority sectors.

At a separate meeting, the two Deputy PMs agreed to modernize coordination mechanisms, prepare for the next cooperation agreement (2026-2030), and aim to boost bilateral trade to USD 5 billion. They also pledged closer cooperation in education, culture, tourism, and strategic regional issues. Later, both attended a Vietnam-Laos government–business dialogue to promote future investment cooperation. [Vietnamnews]

Indonesia, Vietnam to finalize rice trade deal amid plunging shipments

(ms) Indonesia and Vietnam have agreed to expedite negotiations on a long-term rice trade agreement after Vietnamese rice exports to Indonesia fell by 97 percent in the first half of 2025, dropping to just 19,000 metric tons.

The announcement followed a meeting between President Prabowo Subianto and Prime Minister Pham Minh Chinh on the sidelines of the BRICS Summit in Brazil on July 7.

Vietnam, the world's third-largest rice exporter, traditionally counts Indonesia as a key market. However, shipments declined sharply this year as Indonesia relied on high domestic stockpiles and tightened import controls to stabilize local prices and support its farmers ahead of the 2024–2025 harvest season.

The renewed push for a bilateral rice trade agreement reflects changing dynamics. Indonesia's stocks are now declining due to drought-linked production risks and rising consumption, prompting Jakarta to secure stable external supply lines.

Vietnam-US tariff deal in doubt as no confirmation follows Trump's announcement

(ms) Two weeks after former US President Donald Trump, in the beginning on July, announced new tariff rates on Vietnamese exports, neither Washington nor Hanoi has confirmed the existence of a formal trade agreement — raising serious questions about the legitimacy and enforceability of the proposed duties.

On July 2, Trump claimed that Vietnam had agreed to a new framework under which its exports to the United States would face a 20 percent tariff — down from the 46 percent rate paused in April — or 40 percent if goods were determined to be transshipped from a third country. He also stated that Vietnam would grant US products zero-tariff access in return.

However, no signed documentation has been released to substantiate those terms since then, and Vietnamese authorities have remained silent on the specifics. State media mentioned only a "joint statement on a fair, balanced reciprocal trade agreement," without referencing any tariff figures. As of now, the agreement has not been finalized.

According to multiple individuals familiar with the matter, Hanoi had expected a significantly lower tariff rate — closer to 11 percent — before Trump unilaterally announced a higher figure following a phone call with President Tô Lâm, who had not participated in the negotiations. According to alleged insider sources the Vietnamese government's reaction was one of surprise and dissatisfaction.

US officials maintain that the general tariff levels had been communicated prior to the leader-level call. Still, the absence of a formal agreement or timeline for implementation has cast doubt on whether the deal ever existed beyond public messaging. [Politico] [The Nation]

This confusion arises as, in what is widely seen as a direct response to US tariff threats, the Vietnamese government is in the process of drafting a decree targeting illegal transshipments. The measure includes stricter origin checks, enhanced inspections, and penalties for falsely labeling goods as "Made in Vietnam" (read more in domestic section above).

Vietnamese aluminum exports probed by US over suspected tariff evasion

(ab) The US Department of Commerce has launched an anti-circumvention investigation into disposable aluminum products imported from Vietnam and Thailand. Authorities suspect that some manufacturers may be using Chinese aluminum foil, finishing the products locally, and exporting them to the US to bypass existing duties on Chinese goods.

This probe is part of a broader US effort to enforce trade rules that have been introduced during the Trump administration's trade war with China. As tariffs on Chinese goods haven taken effect, some supply chains have shifted to third countries like Vietnam — boosting its exports but also attracting closer scrutiny from Washington.

Vietnam has seen significant trade growth with the US since 2018, but concerns over transshipment and minimal processing of Chinese materials have led to multiple investigations. If the US finds evidence of circumvention, new duties could be imposed, impacting Vietnamese exporters and complicating bilateral trade ties.

Vietnamese authorities are advising domestic firms to ensure compliance with US rules and fully cooperate with investigators to safeguard their market access. [dtinews]

Vietnam and Slovakia boost diplomatic ties

(hn) Vietnamese Deputy Foreign Minister Ngo Le Van and Slovak Secretary of State Marek Estok met in Hanoi on July 9 for a political consultation focused on strengthening bilateral ties. The talks covered trade, investment, education, labor, and defense cooperation, with both sides supporting increased high-level exchanges.

Slovakia expressed interest in boosting business ties and reaffirmed support for the EU-Vietnam Investment Protection Agreement (EVIPA) and efforts to lift the EU's seafood "yellow card." The two sides also discussed regional issues, emphasizing international law and the 1982 UNCLOS in relation to the South China Sea.

Vietnam requested continued Slovak support for its diaspora, which both sides recognized as contributing to bilateral relations. [Vietnamnews] [Vietnam]

Vietnam and UK ease pharmaceutical trade rules amid growing economic ties

(ab) The UK and Vietnam have agreed to ease pharmaceutical trade rules, with Vietnam set to fast-track the registration of UK-made medicines and recognize approvals from regulators such as the UK's Medicines and Healthcare Products Regulatory Agency. The move is expected to reduce costs and delays for exporters and could generate USD 337 million in UK pharmaceutical exports over five years.

The agreement was confirmed during the UK–Vietnam Joint Economic and Trade Committee meeting in London, where officials also discussed collaboration in finance and renewable energy. The meeting aimed to expand bilateral trade, which has grown to over USD 10.7 billion, and remove market barriers for UK businesses in key sectors including healthcare, financial services, and clean energy.

Vietnam and the UK's bilateral trade has significantly grown over recent years, with the UK becoming Vietnam's third largest export market in Europe, after Germany and the Netherlands. [Reuters] [Vietnam Investment Review] [Vietnamnet]

Announcements

Upcoming online events

15 July 2025 @ 10:00 a.m. – 11:30 a.m. (GMT-4), Center for American Progress, US

Democracy on the Line: Global Lessons on Countering Authoritarianism

The Center for American Progress hosts a discussion on democratic backsliding, highlighting how elected leaders in Hungary, Serbia, and Turkey have hollowed out institutions to consolidate power. Speakers will share firsthand experiences resisting authoritarian trends and draw parallels to similar developments in the U.S. under President Trump, such as efforts to centralize power and undermine oversight. The conversation will offer lessons on defending democratic norms and emphasize the urgent need to act before institutions are irreversibly weakened. For more information, see [CAP].

15 July 2025 @ 8:00 a.m. – 9:00 p.m. (GMT-4), Hudson Institute, US

The Iranian Regime Under Pressure: What's Next?

At a Hudson Institute event, Zineb Riboua, Mariam Memarsadeghi, and Dr. Ladan Boroumand will discuss Iran's strategic crossroads following the U.S.'s Operation Midnight Hammer and Israel's Operation Rising Lion. Supreme Leader Ali Khamenei must now balance regional power ambitions with the risks of military escalation and domestic unrest. The conversation will explore Iran's internal power struggles, the resilience of its resistance movement, and the broader regional consequences of Khamenei's next decisions amid heightened pressure at home and abroad. For more information, see [Hudson Institute].

15 July 2025 @ 10:00 a.m. – 3:00 p.m. (GMT+3), The Institute for National Security Studies, Israel

IDF Conscription Conference

Amid the ongoing Swords of Iron War, the Israel Defense Forces faces an acute manpower crisis, urgently needing tens of thousands of skilled combat soldiers. As debate over the divisive Conscription Law intensifies, political considerations threaten Israel's "People's Army" concept. To address this, the Yedioth Ahronoth Group and the Institute for National Security Studies (INSS) will hold a special IDF Conscription Conference on July 15 in Tel Aviv, highlighting the issue's critical security and societal implications for Israel's future. For more information, see [INSS].

16 July 2025 @ 1:00 p.m. – 2:00 p.m. (GMT-4), Center for a New American Security, USA

Virtual Event | Global Swing States and the New Great Power Competition

The Center for a New American Security (CNAS) will host a panel on July 16 to launch its new report, Global Swing States and the New Great Power Competition. Speakers will discuss how pivotal countries like Brazil, India, Indonesia, Saudi Arabia, South Africa, and Türkiye could shape the future international order amid rising U.S.-China-Russia rivalry. Richard Fontaine, Ambassador Mark Green, and Matan Chorev will explore strategies for U.S. engagement to align these states' policies with American interests. Kathy Gilsinan will moderate. For more information, see [CNAS].

17 July 2025 @ 11:00 a.m. – 12:15 p.m. (GMT-4), National Endowment for Democracy, USA

China Salon on Emergent Digital Repression: How the PRC is using AI to Censor, Surveil, and Troll

At a National Endowment for Democracy "China Salon," China Digital Times founder Xiao Qiang and David Lin from the Special Competitive Studies Project will discuss China's rapid advances in AI language models since the ChatGPT breakthrough. They'll examine how large language models fit into the PRC's broader digital repression and global influence strategies. The conversation will explore how AI impacts censorship, how China's "Great Firewall" is evolving, and what can be done to counter Beijing's authoritarian ambitions in the digital sphere. For more information see [NED].

17 July 2025 @ 10:00 a.m. – 6:00 p.m. (GMT-4), Institute for Policy Studies, US

Bold Ideas For A New Progressive Majority

The Institute for Policy Studies, The Nation, and Public Citizen will host the second annual Wallace Symposium on July 17, inspired by Henry Wallace's warnings about fascism in America. As threats to democracy grow, the symposium will gather elected officials, activists, and experts to explore how progressive movements can build a bold vision for political, economic, and social

democracy. Discussions will focus on expanding democracy, creating a just green economy, advancing a real rural agenda, and promoting responsible U.S. global engagement. For more information, see [Institute for Policy Studies].

21 July 2025 @ 6:30 p.m. (GMT-4), Council on Foreign Relations, US

A Conversation With Representative Gregory Meeks

At a Council on Foreign Relations event, Representative Gregory W. Meeks, Ranking Member of the House Foreign Affairs Committee, outlined the Democratic Party's vision for the future of U.S. foreign policy. Presided over by CFR President Michael Froman, Meeks emphasized the importance of strengthening alliances, defending democracy, and addressing global challenges like climate change and economic inequality. He highlighted the need for bipartisan cooperation to maintain U.S. leadership and advance American values in an increasingly complex international landscape. For more information, see [Council on Foreign Relations].

21 July 2025 @ 12:30 p.m. (GMT-4), Council on Foreign Relations, US

Challenges to Global Press Freedom

At a Council on Foreign Relations panel, experts discussed the evolving landscape of journalism and its global challenges. Nicole R. Hemmer, Graciela Mochkofsky, and Jacob M. Weisberg examined how political pressures are reshaping media and threatening press freedom. Presided over by Richard Stengel, the conversation highlighted the critical role of a free press in safeguarding democratic values worldwide. The panelists emphasized the need to defend independent journalism against disinformation, censorship, and attacks on journalistic integrity. For more information, see [Council on Foreign Relations].

21 July 2025 @ 9:00 a.m. – 10:00 a.m. (GMT-4), Center for a New American Security, US

Virtual Event | Strengthening Cyber Partnerships in the Indo-Pacific

At a virtual event hosted by the Center for a New American Security (CNAS), experts from Japan, South Korea, Taiwan, and the Philippines will examine the increasingly volatile cyber landscape in the Indo-Pacific. Rising cyber threats from China, North Korea, Russia, and nonstate actors risk undermining the region's economic growth and ties with the U.S. While countries have introduced historic policies to strengthen cybersecurity, the discussion will address the need for deeper partnerships, workforce development, and modernized technology to build resilience. For more information, see [CNAS].

24 July 2025 @ 11:00 a.m. – 12:15 p.m. (GMT+2), German Institute for Global and Area Studies, Germany

Facing a Balancing Coalition? Chinese Views of the Indo-Pacific Strategy(ies)

This talk examines how Chinese experts interpret the Indo-Pacific concept, which they largely view as an effort to contain China's rise—often describing it as the "Nato-ization of the Asia-Pacific." While some echo official rhetoric, others highlight the diversity in Indo-Pacific strategies across Asia and Europe, arguing these differences shape China's policy choices. The talk explores nuanced debates within Chinese policy circles and reviews proposed responses, from reshaping the concept to using wedge tactics to counter emerging regional alliances. For more information, visit [GIGA].

Recent Book Releases

Jamil Nasir, ***Development Challenges of Pakistan: Constraints and Choices***, Palgrave Macmillan, 616pages, published July 24, 2024. For a review, see [LSE].

Poornima Mankekar and Akhil Gupta, ***The Future of Futurity: Affective Capitalism and Potentiality in a Global City***, Duke University Press, 328 pages, published March 4, 2025. For a review, see [Asian Review of Books].

Josh Dawsey, Tyler Pager and Isaac Arnsdorf, ***2024: How Trump Retook the White House and the Democrats Lost America***, Penguin Press, 416 pages,

published July 8, 2025. For a review, see [Penguin Books].

Karl Polanyi, ***The Great Transformation: The Political and Economic Origins of Our Time***, Beacon Press, 360 pages, published July 8, 2025. For a review, see [Penguin Books].

Peter Houlahan, ***Reap the Whirlwind: Violence, Race, Justice, and the Story of Sagon Penn***, Counterpoint, 432 pages, published July 8, 2025. For a review, see [Penguin Books].

Calls

The Ciceronian Society invites proposals for panels, paper presentations, and roundtables for its 2026 conference to be held March 12-14, 2026. The deadline for abstract submission is September 1, 2025. For more information, see [Ciceronian Society].

Jobs and Positions

World Health Organization – Egypt is looking for an **National Consultant - Urban Governance Project for Health and Wellbeing**. The deadline for application submission is July 20, 2025. For more information, see [WHO].

International Rescue Committee – US is looking for an **Temporary Staff Attorney**. The deadline for application submission is August 11, 2025. For more information, see [IRC].

United Nations Secretariat Resident Coordinator System - Afghanistan is looking for an **Development Coordination Officer, Economist**. The deadline for application submission is August 10, 2025. For more information, see [UN].

United Nations Secretariat – US is looking for an **Legal Officer**. The deadline for application submission is July 18, 2025. For more information, see [UN].

Office of the United Nations High Commissioner for Human Rights – Thailand is looking for an **Human Rights Officer (TJO)**. The deadline for application submission is July 25, 2025. For more information, see [OHCHR].

United Nations Environment Programme – France is looking for an **Circular Economy Policy Expert**. The

deadline for application submission is August 11, 2025. For more information, see [UNEP].

World Health Organization – Israel is looking for an **Consultant – HeRAMS Liaison and Implementation**. The deadline for application submission is July 21, 2025. For more information, see [WHO].

World Bank - Austria is looking for an **Economist, Health**. The deadline for application submission is August 1, 2025. For more information, see [World Bank].

United Nations Development Programme – Serbia is looking for an **IC Legal Expert - new Law on Nature Protection**. The deadline for application submission is August 1, 2025. For more information, see [UNDP].

University of Hertfordshire is looking for an **Lecturer in Law**. The deadline for application submission is July 27, 2025. For more information, see [University of Hertfordshire].

University of West London is looking for an **Lecturer in Law**. The deadline for application submission is July 20, 2025. For more information, see [University of West London].

University of Cambridge is looking for an **College Teaching Associate in Law**. The deadline for application submission is July 20, 2025. For more information, see [University of Cambridge].

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