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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 extend special greetings to everyone who celebrates Libya's and Slovenia's Independence Day this week

Wishing you a Merry Christmas and a happy, healthy, and successful New Year.

With best regards,

Henning Glaser

Editor-in-Chief

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

China: New military procurement ethics signal tightening control amid corruption crackdown

(ms) China's military has issued a new set of ethics guidelines governing weapons and equipment procurement, reinforcing a broader campaign to tighten internal discipline and curb corruption across the People's Liberation Army (PLA). The move comes just weeks after separate regulations targeted political discipline and "fake combat capabilities".

According to reporting by *Ming Pao* and the official PLA Daily, the Central Military Commission's Equipment Development Department has rolled out a *Code of Professional Ethics in the Field of Military Equipment*. The document mandates that procurement activities adhere to principles of fairness, transparency, and

competition, while prioritising combat relevance, quality, and efficiency.

The new code covers the full lifecycle of weapons development and acquisition, including equipment planning, pre-research, development, testing and evaluation, procurement management, pricing, contract supervision, and equipment support. It emphasises achieving strategic and operational objectives “in the most effective, fastest and most resource-efficient way,” while stressing independent innovation and the practical generation of combat capabilities.

Particular attention is paid to pricing discipline, with requirements for honest quotations, law-based price reviews, strict appraisals, and regulated use of funds. These areas have long been regarded as vulnerable to abuse within the PLA, especially in major procurement and research programmes involving state-linked firms and civilian institutions.

The timing is notable. In September and November 2025, the PLA sharply escalated enforcement actions against procurement misconduct, moving beyond individual officers to target the broader procurement ecosystem. The People’s Liberation Army Rocket Force announced bans on several civilian universities after uncovering bid-rigging and collusion in defence contracts. Institutions barred from military procurement included Xi’an Jiaotong University, Xi’an Technological University, and Southwest Jiaotong University, with suspensions lasting up to three years.

In parallel, procurement authorities revoked the qualifications of dozens of defence suppliers and intermediaries, while permanently blacklisting individuals involved in price manipulation and falsified evaluations. In November, China’s Military Procurement Network took the unusual step of issuing a public call for information on irregular Air Force procurement practices — a rare move that signalled ongoing internal concern and unresolved investigations.

These measures follow earlier disciplinary actions targeting falsified readiness reporting and “fake combat capabilities,” forming part of a broader attempt to address systemic weaknesses exposed by corruption probes since 2023. Senior figures linked to equipment development and procurement have been removed or investigated, revealing problems ranging from inflated performance claims to substandard components certified as combat-ready.

The *PLA Daily* commentary accompanying the new ethics code argued that governance of the weapons and equipment sector requires breaking down entrenched "bottlenecks and barriers," while simultaneously constructing new institutional frameworks. In practice, this reflects the leadership's assessment that procedural tightening — rather than isolated prosecutions — is necessary to restore credibility to the military's material foundations.

Taken together, the rapid rollout of overlapping rules affecting political discipline, operational credibility, and procurement ethics points to more than routine regulatory refinement. Instead, it suggests a deliberate consolidation of authority over the defence procurement system, aimed at closing loopholes, enforcing compliance, and reducing the space for manipulation within a strategically critical sector. [Ming Pao in Chinese] [South China Morning Post]

China: Court sentences 27 people for antimony smuggling as export controls of rare earths tighten

(mis) A Chinese court has sentenced 27 people to prison terms and fines for smuggling antimony ingots out of the country without export licenses, underscoring Beijing's stepped-up enforcement of controls over strategic minerals. The ruling was handed down by the Shenzhen Intermediate People's Court and follows investigations into multiple cases involving illegal overseas shipments.

China is the world's largest producer of antimony, a metal used in batteries, semiconductors, flame retardants and the defense sector and antimony was added to China's export control list in September 2024, making overseas shipments subject to licensing requirements. While China last month suspended a specific export ban on antimony, gallium and germanium to the United States, the metals remain covered by broader export controls that require prior approval from Beijing.

The court said the main defendant, Wang Wubin, was sentenced to 12 years in prison and fined 1 million yuan (about USD 142,000). According to the ruling, Wang worked with overseas smuggling groups and organized others to purchase antimony ingots, conceal and disguise them, and submit false customs declarations to ship them abroad without the required permits between February and March of 2025. [Reuters]

In total, more than 166 tons of antimony ingots were involved in the smuggling cases, with Chinese customs authorities seizing over 96 tons. The remaining 26 defendants received sentences ranging from fines and several months' detention to prison terms of up to five years, depending on their roles and the quantities involved. The court said the actions violated China's export control rules for dual-use items, which can have both civilian and military applications. [China Daily]

The case comes amid heightened scrutiny of illicit trade in controlled minerals. In April, Hong Kong authorities said they had seized a shipment of antimony ingots, while Reuters reported in July that unusually large volumes of antimony had entered the United States via countries such as Thailand and Mexico after China restricted direct exports. [China.Table in German]

China: New Regulations expanding envisioned role in Antarctica

(ms) China has drafted new legislation to regulate activities in Antarctica, aiming to protect national interests while strengthening its role in governing the remote continent.

The proposed "Antarctic Activities and Environmental Protection Law" was submitted to the Standing Committee of China's top legislature for its first review. Officials said the bill would provide a clearer legal framework for managing China-related activities in Antarctica and support the country's participation in international Antarctic governance.

Under the draft law, China plans to expand its administrative permission system beyond scientific research to include tourism, shipping and fishing. Until now, regulatory oversight has focused largely on state-led scientific expeditions.

The legislation would apply to Chinese citizens, companies and organizations operating in Antarctica. It would also cover foreign individuals or entities if their expeditions are organized within China or depart from Chinese territory, significantly broadening Beijing's legal reach.

Applicants seeking approval for Antarctic activities would be required to submit detailed operational plans, environmental impact assessments, emergency response measures and proof of insurance or financial guarantees to cover potential environmental damage or other liabilities.

The draft law also outlines specific obligations to protect Antarctic ecosystems, including flora and fauna, reflecting growing international concern over environmental risks linked to increased human activity on the continent. [South China Morning Post]

China: Benchmark lending rates remain unchanged for seven months straight

(mis) China has kept its benchmark lending rates unchanged for a seventh consecutive month, signaling caution in monetary policy despite a run of weaker-than-expected economic data and continued stress in the property sector as outlined by CNBC. The People's Bank of China (PBOC) left the one-year loan prime rate (LPR) at 3 percent and the five-year LPR at 3.5 percent in December, in line with current market expectations.

The one-year LPR serves as a benchmark for most new corporate and household loans, while the five-year rate influences mortgage pricing. All 25 participants in a recent survey conducted by Reuters had forecast no change, reflecting a broad consensus that policymakers are not yet ready to deploy further interest rate cuts.

The decision comes against the backdrop of soft November data. Retail sales grew just 1.3 percent year on year, sharply undershooting expectations, while industrial output rose 4.8 percent, its weakest pace since August 2024. Fixed-asset investment continued to contract, and new home prices fell again across major cities, underscoring the drag from China's prolonged real estate downturn.

Despite the steady policy rates, borrowing costs have continued to edge lower in practice. According to official data cited by Xinhua, the weighted average interest rate on new corporate loans stood at about 3.1 percent in November, roughly 30 basis points lower than a year earlier. Rates on new personal housing loans also averaged around 3.1 percent, slightly below last year's levels.[Reuters]

Looking ahead, Chinese leaders have pledged to maintain a more proactive fiscal policy and a moderately loose monetary stance next year, following guidance from the Central Economic Work Conference. [See AiR No. 50, December/2025, 3]

Measures already announced include plans to issue ultra-long-term special government bonds and to step up efforts to boost consumption, suggesting that fiscal

tools may take the lead while interest rates remain on hold. [CNBC] [Xinhua]

China: Removal of small overdue debts from credit records to boost household lending

(ms) China's central bank has announced a one-off credit repair scheme aimed at reviving weak household borrowing by allowing small overdue debts to be removed from personal credit records once fully repaid.

The People's Bank of China said overdue personal debts of up to 10,000 yuan (USD 1,420) incurred between January 2020 and December 2025 will be erased from the national credit database if borrowers settle them in full by March 31, 2026. The measure targets lingering financial stress from the COVID-19 period that has continued to weigh on consumer confidence and loan demand.

The announcement follows weaker-than-expected bank lending data for November, driven by a sharp slowdown in household borrowing as economic momentum softened and retail sales fell to their lowest level since the end of China's strict pandemic controls. [Reuters]

China: New research signals progress in drive for advanced chip independence

(ms) China has made notable progress on two fronts in its drive to reduce reliance on Western semiconductor technology, highlighting both near-term ambition and long-term uncertainty in its quest for chip self-sufficiency.

According to a Reuters investigation, Chinese researchers have built a prototype extreme ultraviolet (EUV) lithography machine in a high-security facility in Shenzhen. EUV machines are essential for producing the world's most advanced semiconductors and are currently supplied only by Dutch firm ASML. The Chinese prototype, completed in early 2025 by a team that includes former ASML engineers, can generate EUV light but has not yet produced working chips. Sources say Beijing is officially targeting 2028 for usable output, though insiders see 2030 as more realistic due to unresolved challenges, particularly in precision optics.

The project is part of a broader state-led effort, often described by sources as China's "Manhattan Project" for semiconductors, with Huawei coordinating a nationwide network of suppliers and research institutes. U.S. and allied export controls have slowed progress but have not halted China's efforts to replicate restricted technology.

Separately, Chinese academics announced a breakthrough in alternative chip design. Researchers from Shanghai Jiao Tong University and Tsinghua University unveiled an optical computing chip, dubbed LightGen, that uses photons instead of electrons to process AI tasks. According to a report by the South China Morning Post on December 19, 2025, the chip demonstrated performance more than 100 times faster and more energy-efficient than leading AI processors from Nvidia in certain generative applications.

While the optical chip remains a laboratory demonstration and EUV commercialization is years away, together the developments underline China's strategy: pursue both catch-up in conventional semiconductor manufacturing and leapfrogging through alternative technologies, even as technical and geopolitical constraints persist. [Reuters] [South China Morning Post]

China: Foreign investment falls as broader economic slowdown deepens

(ms) Foreign direct investment (FDI) into China declined 7.5 percent year on year to CNY 693.2 billion (USD 98.46 billion) in the January–November period, according to data released by China's Ministry of Commerce on December 19, underscoring persistent caution among overseas investors amid slowing economic momentum.

While the overall figure remained negative, the data showed divergent trends among source countries. Investment from Switzerland rose 67 percent year on year, inflows from the United Arab Emirates increased 47.6 percent, and British investment climbed 19.3 percent over the same period. For November alone, FDI rose 26.1 percent year on year, suggesting some short-term volatility rather than a uniform decline.

The investment figures come against a backdrop of broader economic weakness. Fixed-asset investment contracted 2.6 percent in the January–November period, a sharper decline than earlier in the year, while manufacturing investment growth slowed for an eighth

consecutive month. Infrastructure spending and real estate investment also remained in contraction, reflecting the continued drag from China's prolonged property downturn.

Industrial indicators have mirrored the slowdown. Manufacturing activity remained in contraction territory in November, while retail sales growth weakened to its lowest level since late 2022, pointing to subdued domestic demand. Steel output fell to a nearly two-year low, and profitability among major mills declined further, highlighting stress across heavy industry.

Analysts say the FDI slowdown reflects a combination of cyclical and structural factors, including weaker domestic demand, cautious global capital flows, and lingering uncertainty over regulatory and geopolitical risks. While targeted inflows into selected sectors and countries continue, the broader trend suggests foreign investors remain selective as China navigates a fragile recovery heading into 2026. [Big Mint] [Reuters]

China: Launch of island-wide free-trade experiment in Hainan province

(ms) China has rolled out an island-wide customs regime on Hainan, turning the southern province into a duty-free customs zone as Beijing tests broader trade and investment liberalization amid slowing growth and weak foreign investment.

Under the new system, Hainan will operate as a "closed customs" area separate from the mainland. Overseas goods can enter the island with minimal controls, while shipments moving from Hainan into the rest of China remain subject to standard customs checks. Goods processed on the island that achieve at least 30 percent local value added will be able to enter the mainland tariff-free, according to official statements.

The move is part of China's effort to strengthen its free-trade credentials and demonstrate openness as it seeks eventual accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Officials say the Hainan Free Trade Port will allow foreign firms to operate in selected service sectors that remain restricted elsewhere in China, alongside lower taxes and streamlined procedures.

Hainan's economy, valued at about USD 113 billion, is comparable in size to a mid-ranked national economy but remains far smaller than Hong Kong's. Economists

note the island offers managed liberalization that could help reintegrate supply chains and boost tourism, logistics, and manufacturing. However, they caution that Hainan lacks Hong Kong's legal and financial openness, and that trade partners will judge China's reform ambitions on nationwide changes rather than a single pilot zone. [Anadolu Ajansi] [Caixin Global]

China: Developer Vanke secures temporary bond reprieve as debt pressures mount

(mis) Chinese Developer Vanke has gained short-term breathing space after onshore bondholders approved an extension of the grace period on a key bond payment, allowing the developer additional time to engage with creditors amid ongoing liquidity pressures. The decision helps Vanke avoid an immediate default and provides a window for further negotiations, even as challenges remain.

Holders of a RMB 2 billion (USD 284 million) onshore note agreed to extend the grace period to January 28 after the company did not repay the bond at its December 15 maturity. While bondholders declined Vanke's proposal to defer principal repayment for a full year, the extension itself signals a willingness among investors to continue discussions rather than force a near-term default.

Vanke's situation reflects the broader strains facing China's property sector after several years of adjustment. With roughly USD 50 billion in interest-bearing liabilities, the company remains one of the largest developers still meeting its obligations, even as many competitors have already undergone defaults or restructurings during the downturn.

The developer is now focused on negotiating terms for another onshore bond of CNY 3.7 billion (USD 500 million) due later this month. Market participants say these talks will be closely watched, as successful extensions could set a precedent for managing other maturities and help stabilize expectations around Vanke's debt profile. Operationally, Vanke has been weighed down by weaker home sales and falling prices. It reported combined losses of CNY 28 billion (USD 4 billion) in the first three quarters of this year, following a record loss in 2024, and has faced restricted access to both offshore and onshore bond markets over the past two years. Still, its large asset base and focus on top-tier cities continue to

differentiate it from more distressed peers. [South China Morning Post] [Reuters]

China: World's first commercial supercritical CO2 power project begins operation

(mis) China has begun commercial operation of the world's first supercritical carbon dioxide (CO2) power generation project, marking a milestone as the technology moves from testing into regular commercial use on December 20. The project, located in southwest China's Guizhou province, uses industrial waste heat to generate electricity with significantly higher efficiency than conventional steam-based systems. By converting industrial waste heat into electricity, the system supports energy efficiency gains and emissions reduction. Moreover, the start of operations follows an earlier milestone in November, when the unit was connected to the power grid.

The generator is installed at the state-owned Shougang Shuicheng Steel plant in Liupanshui and was developed by the Nuclear Power Institute of China under the China National Nuclear Corporation (CNNC), together with Jigang International Engineering and Technology. According to earlier disclosures, construction of the project began in October 2023 after years of laboratory research and testing. The two 15-megawatt units are expected to be about 50 percent more efficient at capturing and using waste heat than existing steam power technology, allowing energy that would otherwise be lost during steel production to be reused for electricity generation. [Energy Institute]

Supercritical CO2 power systems operate at pressures and temperatures above the fluid's critical point, exceeding 700 degrees Celsius. This enables higher efficiency and more compact equipment than traditional steam-based power cycles, as CO2 in a supercritical state combines properties of both gases and liquids. Compared with conventional steam systems, which typically reach efficiency limits of around 40 percent at high temperatures, supercritical CO2 systems can exceed 50 percent efficiency, according to research cited in earlier reports.

Beyond its immediate application in heavy industry, the project is seen as a foundation for broader deployment of supercritical CO2 technology in future energy systems. Chinese researchers have highlighted its potential use in next-generation nuclear reactors, concentrated solar power plants and other high-

temperature energy applications. With the Guizhou project now operating commercially, China has taken a notable step toward scaling up an advanced power-generation technology that has so far remained largely at the experimental or pilot stage globally. [South China Morning Post] [Xinhua]

China: Pentagon draft report says Beijing likely loaded over 100 ICBMs in new silo fields

(ms) China is likely to have loaded more than 100 intercontinental ballistic missiles (ICBMs) into newly constructed silo fields, according to a draft report by the U.S. Department of Defense seen by Reuters on December 23. The assessment marks the first time the Pentagon has indicated missile loading at the sites, having previously reported only on their construction.

The draft report says the silos, located near China's border with Mongolia, likely house solid-fuel DF-31 ICBMs and form part of Beijing's rapid expansion and modernization of its nuclear forces. It adds that China shows little interest in engaging in arms control talks, despite recent statements by U.S. President Donald Trump expressing a desire to pursue denuclearization discussions with China and Russia.

The report estimates China's nuclear warhead stockpile remained in the low 600s in 2024 but projects it could exceed 1,000 warheads by 2030. Chinese officials have rejected claims of a military buildup, stating that Beijing maintains a defensive nuclear posture and adheres to a no-first-use policy.

Beyond nuclear forces, the draft report warns that China aims to be capable of fighting and winning a conflict over Taiwan by 2027, potentially challenging U.S. military presence across the Asia-Pacific. The findings come as the last remaining U.S.–Russia nuclear arms control treaty nears expiration, raising concerns among analysts about a widening global arms race. [Reuters]

China: Signs point to nuclear propulsion for next aircraft carrier

(ms) Recent satellite imagery from the Dalian shipyard in northeast China is strengthening assessments that the People's Liberation Army Navy's fourth aircraft carrier will be nuclear-powered, a move that would

significantly expand China's ability to sustain long-range naval operations.

Images show a large internal structure within the presumed Type 004 hull that analysts say is consistent with a reactor containment compartment, similar in size and placement to those found on US nuclear-powered supercarriers. While Chinese authorities have not confirmed the ship's propulsion system, the visible features align with long-standing expectations that China would eventually field a nuclear-powered carrier.

Observers also increasingly assess that the Type 004 may be optimized for uncrewed aviation. Chinese military research publications and shipbuilding models have emphasized the role of carrier-based drones for surveillance, strike, refueling, and electronic warfare. A nuclear-powered design would provide the endurance and electrical capacity needed to support large numbers of such systems alongside crewed aircraft.

The new carrier is expected to build on the technological advances of China's newest flattop, the Fujian, which was commissioned last month and is the PLAN's first carrier equipped with electromagnetic catapults. Those systems allow the launch of heavier aircraft and a broader range of platforms than China's earlier ski-jump carriers.

At the same time, satellite imagery circulating on Chinese social media suggests the Fujian has docked alongside China's first carrier, the Liaoning, at a naval base in Qingdao. The pairing has raised speculation that the PLAN may be preparing another dual-carrier exercise, a key step in developing more complex carrier operations.

Taken together, indications of nuclear propulsion, a potential drone-centric design, and expanding multi-carrier activity point to a steady, incremental evolution of China's carrier force rather than a single, abrupt shift in capability. [South China Morning Post] [TWZ]

China: Defense steel manufacturing advances

(mis) China has accelerated the production of military-grade armor steel, increasing output speed by around 30 percent after overcoming key technical bottlenecks, even as a long-standing US facility supplying similar materials has shut down due to financial losses. The contrasting developments underline diverging trajectories in the industrial foundations supporting defense manufacturing in China and the United States.

Chinese military supplier Inner Mongolia First Machinery Group has solved major process challenges that previously constrained large-scale production of high-performance armor steel. The breakthrough, reported by the official Science and Technology Daily, allows faster and more efficient manufacturing of steel used in tanks and armored vehicles, following sustained investment in production upgrades.

The improved process has already been applied to armor steel components for tanks and armored vehicles. For every 50 units of equipment produced, the new method is expected to save more than RMB 650,000 (USD 92,300) in tool and energy costs. Once scaled up, annual industry-wide savings could exceed 2 million yuan, according to the official report.

At the same time, the United States has seen a contraction in specialized capacity. In May, Cleveland-Cliffs, the country's second-largest steelmaker, announced the indefinite closure of its Conshohocken plate finishing facility in Pennsylvania, along with two other plants, citing financial losses. The Conshohocken site had supplied armor plate and specialized alloys for US Navy ships, army ground vehicles and thousands of mine-resistant vehicles over decades.

US analysts have warned that such closures could have long-term implications. William Greenwalt of the American Enterprise Institute previously noted that the US Department of Defense sourced high-quality, low-volume armor steel primarily from a small number of plants, including those owned by Cleveland-Cliffs. While the shutdown does not eliminate US technical know-how, it highlights how capital-intensive, low-margin defense steel production can struggle in peacetime market conditions. [South China Morning Post] [Interesting Engineering]

China: Targeted signal jamming disrupts citywide GPS and BeiDou Services in Nanjing, spark online speculation

(ms) A powerful, targeted jamming incident temporarily disrupted satellite navigation services in the Chinese city of Nanjing on December 18, affecting both the U.S.-based GPS system and China's BeiDou network, according to an industry association.

The disruption lasted for several hours and affected location-based services across the city of nearly 10 million people. Car navigation systems, ride-hailing platforms, food delivery apps and drone operations

experienced what officials described as a “systemic anomaly.”

The Nanjing Satellite Application Industry Association said the incident was caused by targeted interference with civilian satellite signals. Authorities did not identify the source of the jamming or say whether it was accidental or intentional but stressed that the disruption was temporary and had been resolved.

Online, the incident has sparked unverified speculation, particularly on social media platforms outside China. Some users suggested the blackout could be linked to testing of anti-drone or signal-jamming equipment, while others speculated security-related exercises. No evidence has been provided to support these claims, and Chinese authorities have not confirmed any connection to military activity or large-scale security operations. [Lianhe Zaobao in Chinese] [Sina News in Chinese] [South China Morning Post]

Japan: Record USD 770 billion budget tests fiscal sustainability under Prime Minister Takaichi

(dql) Japan is preparing a record-sized fiscal 2026 budget exceeding JPY 120 trillion (USD 770 billion), highlighting Prime Minister Sanae Takaichi’s reliance on expansive public spending to support growth while securing parliamentary backing.

The plan boosts funding for strategic technologies, defense and social policies, while incorporating opposition demands—reflecting the ruling coalition’s fragile position in parliament. The coalition between Takaichi’s conservative Liberal Democratic Party (LDP) and the center-right Japan Innovation Party (JIP) holds only a slim majority in the Lower House with 233 of 465 seats and remains in the minority in the Upper House.

The prime minister’s approach is being tested as the Bank of Japan raised interest rates to 0.75 percent—the highest level in three decades—signaling readiness for further tightening to curb inflation and stabilize the yen. The move increases the cost of servicing Japan’s already massive public debt just as the government rolls out a large, bond-funded stimulus package aimed at supporting growth, cushioning the impact of U.S. tariffs, and boosting strategic industries.

While economists expect the spending to underpin economic activity, markets are increasingly wary of fiscal sustainability, contributing to bond sell-offs and

currency volatility. [Nikkei Asia] [The New York Times] [Kyodo News]

Japan: Prime Minister Takaichi rules out snap election

(dql) Prime Minister Sanae Takaichi has effectively ruled out a snap general election, saying she will not dissolve the House of Representatives anytime soon and intends to focus on addressing rising living costs and preparing next year's budget and tax reforms. Despite strong approval ratings that could favor an early election, she signaled priority for policy delivery over political maneuvering.

Takaichi reaffirmed her commitment to the ruling coalition between her conservative Liberal Democratic Party (LDP) and the center-right Japan Innovation Party (JIP), which currently holds only a narrow majority in the lower house and lacks control of the upper house, forcing cooperation with opposition parties. [The Mainichi]

Japan: Government reasserts non-nuclear stance after senior official's controversial remarks

(dql) government has reaffirmed its long-standing commitment to the three non-nuclear principles after a senior security official—an adviser to Prime Minister Sanae Takaichi—publicly suggested Japan should possess nuclear weapons, triggering political backlash and public outrage. [The Asahi Shimbun]

The comment prompted calls across party lines for the official's removal, sharp criticism from atomic bomb survivors, and concerns that it undermines Japan's credibility as a champion of nuclear disarmament—especially in the year marking 80 years since World War II's end.

While Chief Cabinet Secretary Minoru Kihara stressed continuity in policy under the Nuclear Non-Proliferation Treaty in a press conference, he avoided commenting on the remarks and saying whether the official would be removed from his post.

The episode exposed a widening debate within the government over whether Japan's reliance on U.S. nuclear deterrence remains sufficient amid rising threats from China, Russia and North Korea and

uncertainty over U.S. guarantees. Prime Minister Sanae Takaichi's reluctance to rule out future policy changes has further fueled speculation about a shift in Japan's defence posture. [Kyodo News] [Reuters]

Adopted in the late 1960s and formally endorsed by parliament in 1971, the three non-nuclear principles commit Japan to not possessing, not producing, and not allowing the introduction of nuclear weapons into its territory. They have become a cornerstone of Japan's postwar identity as the only country to have suffered atomic bombings, reinforcing its pacifist constitution.

Japan: Landmark lawsuit challenges government over unconstitutional climate inaction

(ay) Hundreds of plaintiffs across Japan filed a lawsuit against the central government on December 18, arguing that the state's climate policies violate constitutional protections by failing to safeguard citizens' lives, health, and livelihoods.

The case, brought by around 450 individuals, is Japan's first compensation claim directly targeting the state over climate change, rather than private companies. Plaintiffs cite intensifying heatwaves, economic losses, and rising health risks, noting that Japan experienced its hottest summer since records began in 1898. They argue that prolonged exposure to extreme heat has reduced productivity, damaged crops, and increased the risk of heatstroke, particularly for outdoor workers and children.

The lawsuit challenges the adequacy of Japan's emissions targets, which aim to cut greenhouse gas emissions by 60 percent by 2035 and 73 percent by 2040 compared with 2013 levels. According to the plaintiffs, these targets fall well short of what is required to align with the Paris Agreement's goal of limiting warming to 1.5 degrees Celsius and are not legally binding under domestic law.

Legal scholars caution that the likelihood of a court victory is limited, given Japan's restrained judicial approach, but note that the case is significant for elevating public scrutiny and aligning Japan with global trends in climate litigation, following constitutional rulings in Germany and South Korea. While immediate policy change is uncertain, the suit underscores mounting pressure on Japan to reconcile climate governance with constitutional accountability. [Channel News Asia]

Japan: Nuclear power restart advances amid regional backlash over alleged weaponization remarks

(ay) Japan is moving closer to restarting the Kashiwazaki-Kariwa nuclear power plant, the world's largest, as Niigata Prefecture prepares to endorse reactivation of the Tokyo Electric Power Company facility 15 years after the Fukushima disaster. Approval by the prefectural assembly would clear the final political hurdle for restarting the first of seven reactors, potentially as early as January, increasing electricity supply to the Tokyo area by about two percent.

The move aligns with Prime Minister Sanae Takaichi's policy of strengthening energy security, reducing reliance on fossil fuel imports, and doubling nuclear power's share of the energy mix to 20 percent by 2040, as demand rises from data centers and decarbonization goals intensify. Japan spent JPY 10.7 trillion (USD 68 billion) last year on imported liquefied natural gas and coal, which still account for oughly 60 percent to 70 percent of electricity generation.

The restart, however, comes amid heightened regional sensitivity after North Korea condemned what it described as Japan's "nuclear ambitions," following media reports quoting an unnamed Prime Minister's Office official as suggesting Tokyo should consider possessing nuclear weapons. Pyongyang said such ambitions "must be prevented at any cost," framing the remarks as evidence of Japan crossing a "red line," while reiterating its own refusal to abandon its nuclear arsenal.

Although Tokyo has shown no indication of shifting away from its long-standing non-nuclear principles, the episode underscores how Japan's renewed nuclear energy push intersects with broader security anxieties in East Asia.

Domestically, opposition remains strong, with a prefectural survey showing 60 percent of Niigata residents believe conditions for restart have not been met and nearly 70 percent expressed concern about TEPCO's ability to operate the plant safely. [Reuters] [The Japan Times]

Japan: Cabinet adopts new five-year cybersecurity strategy

(dql) Japan's Cabinet has approved a new five-year cybersecurity strategy, emphasizing preemptive "active cyber defense" to counter mounting threats from state-sponsored attacks. The plan aims to impose continuous costs on attackers, even outside active assaults, while strengthening proactive defenses.

Information on potential cyber threats will be centralized at the National Cybersecurity Office, established in July to bolster analysis and response capabilities amid increasing attacks on government agencies and critical infrastructure. The government stressed that privacy protections will be maintained through strict protocols for information use.

The strategy builds on Japan's 2021 update, which for the first time identified China, Russia, and North Korea as key cyber threats, framing cyberspace as an arena of geopolitical competition. Japan's May law on active cyber defense allows police and Self-Defense Forces to neutralize threat sources, reflecting a shift toward more assertive, preventive measures. [Kyodo News]

Japan: Authorities seek to expand drone no-fly zones

(dql) Japan plans to significantly tighten restrictions on drone flights by expanding no-fly zones around sensitive locations from about 300 meters to roughly 1,000 meters, citing heightened security risks from rapid advances in drone technology.

The National Police Agency is seeking revisions to the drone law to reflect drones' greater speed, range, payload capacity and potential weaponization, as well as their growing civilian use. The proposed changes would cover key sites such as government buildings, nuclear facilities, airports and military installations, and allow temporary flight bans around major international events and high-level ceremonies. [Japan Today]

The plan comes amid the country's heightened focus on counterterrorism and critical infrastructure protection, aligning domestic security rules with emerging threats seen globally as drones become more capable and harder to intercept.

Mongolia: Government to boost economic freedom, privatize state-owned enterprises

(fs) Mongolia's government held an extraordinary meeting on December 15 during which it decided to submit a draft framework law on economic freedom to parliament, alongside amendments to the Investment Law and changes to nine related laws.

The initiative aims to guarantee the constitutional rights of individuals and legal entities to conduct business, reduce state intervention in economic activity, and improve the investment climate. Officials noted that more than 200 laws currently regulate economic activity, while over 40 laws restrict or prohibit foreign investment, and that no overarching legislation exists to safeguard economic freedom and property rights.

The draft law sets out principles to protect economic freedom, defines state obligations, prohibits certain actions by public authorities, and establishes a formal public-private consultation mechanism through an Economic Policy Council. Related legislative changes seek to remove restrictions on foreign investment in selected sectors.

The cabinet also approved a proposal to submit to parliament a plan to privatize and restructure state-owned enterprises between 2025 and 2028. Under the plan, shares in 18 state-owned companies across sectors including aviation, energy, finance, mining, insurance, and trade would be partially offered to the public, while full privatization, mergers, or restructuring are planned for others. The measures aim to reduce the number of fully state-owned enterprises and expand publicly listed companies. [iToim, in Mongolian]

Mongolia: New deputy ministers appointed amid government restructuring

(fs) The ruling Mongolian People's Party (MPP) has approved a major restructuring of government staffing, including the dismissal of around 440 managerial, supervisory, and advisory positions and the appointment of new deputy ministers.

Following cabinet discussions, 14 deputy ministers nominated by the MPP's Governing Council were formally appointed. The party indicated that up to 16 deputy ministers are planned in total, though a final decision is pending for the Ministry of Education and the Ministry of Urban Development, Construction, and Housing, which are overseen by a coalition partner. [Bloomberg TV]

Mongolia: Industrial output rises in 2025 driven by manufacturing, energy growth

(fs) Preliminary data for the first 11 months of 2025 show that Mongolia's total industrial output reached approximately USD 13.27 billion, an increase of about USD 212 million compared with the same period in 2024. Manufacturing output grew by 9 percent, while the electricity, gas, steam, and air conditioning supply sector expanded by 33.6 percent, contributing to an overall production increase of around USD 2.11 billion.

Food production rose by roughly USD 105 million, and output of non-metallic mineral products increased by about USD 39 million. In the mining and extractive industries, production of brown coal, zinc concentrate, iron ore and copper concentrate, and fluorspar increased by between 3.6 percent and 66.6 percent year on year. Manufacturing output of products such as liquid milk, cement, flour, lime, cathode copper, and combed cashmere rose sharply.

However, production of unrefined gold, crude oil, hard coal, and silver concentrate declined, alongside decreases in several processed goods. Total industrial sales reached about USD 14.6 billion, up USD 1.27 billion year on year, with mining accounting for the majority of growth. External sales totaled approximately USD 10.26 billion, largely driven by mining exports. [Qazinform]

North Korea: State-organized cryptocurrency heists at record high

(co) North Korea–linked hacking groups carried out fewer but far larger cryptocurrency heists in 2025, stealing about USD 2.02 billion—more than 60 percent of global crypto thefts—according to a report by Chainalysis, an U.S.-based blockchain data analytics company.

The figure marks a 51 percent increase from a year earlier and brings Pyongyang's cumulative crypto theft to roughly USD 6.75 billion, even as the number of incidents fell.

The findings indicate a shift toward highly targeted, high-impact attacks, with North Korean groups responsible for a record share of major service-level breaches worldwide. [Chainalysis] [The Nation]

Meanwhile, U.S. tech firm Amazon has blocked more than 1,800 job applications from suspected North Korean agents seeking remote IT positions using stolen or fabricated identities, according to its chief security officer.

He said the applicants aimed to secure employment and funnel wages back to fund Pyongyang's weapons programs, warning that similar attempts are occurring across the U.S. tech industry.

U.S. and South Korean authorities have echoed the concern, citing a rise in so-called "laptop farms" that enable North Korean workers to operate remotely under false identities. [BBC]

South Korea: Ruling and opposition parties agree on special probe into Unification Church bribery scandal

(co/dql) The ruling Democratic Party (DP) on December 22 agreed to a proposal by the main opposition People Power Party (PPP) and the minor opposition New Reform Party to launch a special counsel probe into the Unification Church scandal. Party leaders said the special council should comprehensively examine illegal donations and influence peddling across both ruling and opposition parties ahead of the 2022 presidential election, with the two sides set to begin formal talks. [Yonhap News Agency]

The agreement comes shortly after new investigation carried out by a special counsel concerned with the Unification Church scandal revealed that the push to advance the project of an undersea tunnel linking South Korea and Japan was a core part of the religious group's demands in exchange for funds and luxury items given to former Oceans Minister Chun Jae-soo who resigned earlier this month (see AiR No. 50, December/2025, 3).

The project has never gone beyond a small exploratory tunnel, as experts raise concerns over economic and technical feasibility. The tunnel plan resurfaced after the arrest of Yun Young-ho, the Unification Church's former global headquarters chief, in September on charges of paying KRW 100 million (USD 75,000) to PPP lawmaker Kweon Seong-dong in 2022, allegedly in exchange for political favors—including support for the project—should Yoon Suk-yeol win the presidency.

Yun has since cooperated with investigators, alleging that Chun accepted illicit funds from the church to

push the plan. Chun has continued to deny the claims. [The Korea Herald]

In addition, court testimony and message records indicate that senior figures linked to the Unification Church actively sought to back Yoon after he secured the PPP's presidential nomination in 2021, aiming to trade electoral support for political influence. Evidence presented by special prosecutors showed the church explored providing votes, campaign organization, and funding in exchange for leverage over ambassadorial appointments to the US and Japan, positions within the presidential office, and nominations to the National Assembly. The messages also suggest a deliberate focus on cultivating ties with the conservative PPP rather than the then-ruling DP, with church intermediaries coordinating outreach to key campaign figures as Yoon's candidacy advanced. [Hankyoreh]

South Korea: Ruling party passes special tribunal bill as opposition launches record-long filibuster

(co) The ruling Democratic Party (DP) unilaterally passed a bill establishing special tribunals for insurrection and treason cases linked to former President Yoon Suk Yeol's martial law imposition, ending a record-long filibuster by the main opposition People Power Party (PPP).

After 24 hours of debate, the National Assembly voted to cut off the filibuster and immediately approved the bill, as opposition lawmakers boycotted the vote. The revised legislation mandates dedicated panels at the Seoul Central District Court and the Seoul High Court, with judges selected through internal judicial procedures to address earlier concerns over political interference.

The PPP denounced the move as unconstitutional and harmful to judicial independence, urging President Lee Jae Myung of the DP to veto the bill. The ruling party countered that the special tribunals would protect judicial independence amid suspicions of collusion between opposition figures and the courts and would help expedite long-delayed trials. [The Korea Herald 1] [The Korea Herald 2]

The confrontation deepened partisan brinkmanship, as the ruling party moved on to advance the revision of the Information and Communications Network Act, another contentious bill, prompting the opposition to launch a new filibuster. [The Korea Herald 3]

South Korea: Police officers come under scrutiny for role in martial law imposition

(co) More than 60 police officers have come under internal scrutiny over their roles in former President Yoon Suk Yeol's brief imposition of martial law last December, with 65 officers placed under inspection and three senior figures referred to the disciplinary committee, including former Seoul police chief Kim Bong-sik. [Yonhap News Agency]

The scrutiny follows the Constitutional Court's December 18 decision to uphold the National Assembly's impeachment of National Police Agency Commissioner General Cho Ji-ho, who was immediately removed from office. The court found that Cho obstructed parliamentary proceedings by deploying police to block access to the National Assembly and violated the independence of the National Election Commission by assisting military seizures of its offices, actions justified by Yoon with unproven claims of election fraud.

This marks the first time a sitting national police chief has been removed by the court. [AP News]

Meanwhile, the defense ministry unveiled that it is seeking disciplinary action against around ten officials, including military personnel, over alleged involvement in the December 3, 2024, martial law declaration.

The move follows the ministry's internal audits and the launch of a task force under the Lee Jae Myung administration's broader investigation into misconduct across government bodies linked to the decree by former President Yoon Suk Yeol. Officials said cases will be referred sequentially for disciplinary review once the findings are finalized. [The Korea Herald]

South Korea: Former President Yoon questioned in wife's corruption probe

(co) Former President Yoon Suk Yeol appeared before a special counsel team on December 20 for questioning as a suspect in corruption allegations linked to his wife, Kim Keon Hee, marking his first appearance before the probe launched in July.

Investigators are examining whether Yoon was complicit in his wife's alleged receipt of free opinion polls and luxury gifts, as well as a possible violation of

election law, with the inquiry set to conclude on December 28.

Separately, Lee Jun-seok, then-leader of the People Power Party and now leader of the minor New Reform Party, underwent nearly ten hours of questioning over allegations of election meddling involving the former first lady and Yoon Suk Yeol during the 2022 parliamentary by-elections. [Yonhap News Agency] [The Korea Times]

South Korea: Infighting within ruling party rises ahead of Supreme Council by-election

(co) Internal divisions within the ruling Democratic Party (DP) are deepening ahead of a January Supreme Council by-election that is expected to influence the party's trajectory in the months ahead.

The race for three vacant seats has exposed a deepening rift between factions aligned with President Lee Jae Myung and those backing party chair Jung Chung-rae, with disputes centering on leadership coordination between the government office and the ruling party.

Observers warn that a strong showing by pro-Lee candidates could weaken Jung's grip on the party and potentially trigger broader leadership changes. [The Korea Herald]

South Korea: Ruling party fast-tracks Daejeon–South Chungcheong merger ahead of local elections

(co/dql) The ruling Democratic Party (DP) is accelerating plans to merge the city of Daejeon with South Chungcheong Province, leveraging its absolute majority in the National Assembly to fast-track the merger. The party argues the move would curb regional decline and reduce the country's heavy demographic and economic concentration around Seoul.

The government aims to pass enabling legislation by March, complete the merger by July, and elect the first leader of the new administrative unit in the June local elections, with strong backing from President Lee Jae Myung and the Interior Ministry.

Last week, Lee proposed the merger during a meeting with DP lawmakers from the area, aligning with Lee's broader push for regionally tailored development strategies.

The main opposition People Power Party (PPP) has condemned the rapid timetable, accusing the ruling bloc of using administrative reform to gain an advantage in the elections and of reversing its earlier opposition without sufficient public debate.

The dispute has revived broader discussions on merging other regions, such as Gwangju and South Jeolla Province, highlighting how territorial reorganization is becoming a contested political tool as parties position themselves ahead of upcoming elections. [The Korea Herald] [Yonhap News Agency]

South Korea: National assembly launches parliamentary probe into Jeju plane crash incident

(co) The National Assembly launched a special parliamentary committee to investigate the cause of last year's Jeju Air crash that killed 179 people. The 18-member committee will examine factors including the bird strike, runway safety structures, and possible aircraft defects, as well as potential shortcomings or cover-ups in the government's investigation.

The committee was established after the government abruptly dropped plans earlier this month to release interim findings from its investigation. Families of the victims had voiced strong opposition against the plan, calling for genuine accountability through an independent and more thorough investigation. They have condemned the cancellation and postponement of public hearings and denounced official briefings as opaque and dismissive. Families accuse investigators of excluding them, resisting scrutiny, and attempting to frame the disaster in ways that deflect institutional responsibility. [Yonhap News Agency] [The Guardian]

They have filed criminal complaints against 15 individuals, including South Korea's transport minister and the airline's chief executive, on charges of professional negligence, and have also sued Boeing in an effort to hold those responsible to account. [Anadolu Ajansı]

South Korea: Court ruling on dating violence reignites need to revise legislation

(co) A South Korean court upheld the conviction of a 33-year-old man in Jeonju whose repeated assaults on his girlfriend led to her death.

The case has renewed scrutiny of South Korea's handling of dating violence, which advocates say remains a legal blind spot treated largely as a private dispute rather than a public crime. Despite a steady rise in reported cases and mounting evidence of systemic failure, the absence of a dedicated law leaves police with limited authority to intervene unless victims explicitly seek punishment.

Women's rights groups and legal experts are pressing lawmakers to enact comprehensive legislation that reflects the dynamics of intimate partner violence and enables earlier intervention and stronger protection. [The Korea Herald]

South Korea: Government targets dollar shortages to stabilize won

(co) The government unveiled a package of measures to overhaul its foreign exchange framework, aiming to address structural supply-demand imbalances behind the won's recent weakness after it fell to an eight-month low against the dollar. [The Korea Economic Daily]

The measures include temporarily suspending foreign-currency liquidity stress tests, raising caps on banks' currency forward positions, and easing restrictions on the domestic use of foreign currency loans to boost dollar supply.

Authorities also announced steps to encourage capital inflows, such as facilitating foreign investors' market access, amid equity outflows that have added pressure on the won. Separately, the presidential office convened an emergency meeting with leaders of major conglomerates, including Samsung, SK, Hyundai Motor, LG, Lotte, Hanwha and HD Hyundai, to discuss forex market conditions, amid concerns that firms' reluctance to convert dollar earnings has exacerbated the currency's decline. [The Korea Herald]

South Korea: Unionized rail workers strike starting put on hold

(co) An indefinite railroad strike planned for December 23 was put on hold after the government proposed revising the bonus payment system that had prompted protests by unionized workers at Korea Railroad Corp.

The union accused authorities of attempting to roll back agreed changes to the performance-based bonus scheme, under which bonuses are currently capped at 80 percent of base pay. Under a provisional agreement, the government offered a phased increase to 90 percent in 2026 and 100 percent in 2027, meeting the union's core demand for normalization.

The union said a final decision will hinge on the outcome of a steering committee meeting later in the day, leaving some uncertainty over labor stability. [Yonhap News Agency]

Korail runs Korea's major train systems, such as the high-speed KTX, and is part of the metro networks in the greater Seoul area.

South Korea: United Nations Command insists on sole control over DMZ

(co) The United Nations Command (UNC) issued a statement reaffirming its claim to exclusive authority over the Demilitarized Zone (DMZ), amid efforts by South Korean lawmakers to grant Seoul partial control of the buffer zone.

Reflecting Seoul's broader strategy of restoring ties with Pyongyang through balanced engagement, lawmakers earlier this year introduced a bill calling for limited South Korean control over the DMZ. The proposal seeks to allow non-military access and promote the zone's peaceful use. The UNC objected to the bill, stating that administration of the buffer zone falls solely within its remit.

While the unification ministry has expressed support for the legislation, the foreign and defence ministries have raised objections, viewing the UNC framework as the preferred administrative mechanism. The disagreement has highlighted internal divisions within the Lee Jae Myung government and raised questions about policy coherence in its approach to North Korea. [Yonhap News Agency]

The UNC, established in 1953, is a multinational military force under the auspices of the UN that

administers the DMZ and enforces the Armistice Agreement signed in the same year. It's also responsible for coordinating allied forces and facilitating diplomacy between North and South Korea.

South Korea: Unification and foreign ministries clash over sanctions relief toward North Korea

(co) South Korea's unification ministry placed sanctions relief for inter-Korean and multilateral cooperation projects on its 2026 agenda, advocating a reassessment of sanctions to enable dialogue and economic exchanges with North Korea.

Unification Minister Chung Dong-young argued that the effectiveness of sanctions has eroded and suggested openness to lifting the May 24 measures, framing such steps as necessary to revive inter-Korean ties and facilitate a potential North Korea–U.S. summit.

The foreign ministry responded cautiously, stressing that any move on sanctions must be weighed against international conditions, allied coordination, and Seoul's broader strategic interests, while describing the unification ministry's proposals as overly idealistic. [The Korea Herald 1]

The May 24 measures are unilateral sanctions imposed by South Korea in response to the sinking of the Navy corvette *Cheonan* in 2010, an incident Seoul and an international investigation attributed to a North Korean torpedo attack. North Korea has consistently denied any involvement, and while the South Korean government maintains its conclusion, the cause of the sinking continues to be disputed by Pyongyang.

President Lee steps in to settle inter-ministerial disagreement on North Korean policy

President Lee Jae Myung on December 19 sought to ease tensions between the foreign ministry and the unification ministry over leadership on North Korea policy, emphasizing that responsibility for reducing inter-Korean hostility should lie with the latter.

Speaking at a joint policy briefing in Seoul, Lee called for a patient and proactive approach to lowering tensions, warning that current inter-Korean relations appear to be deteriorating beyond previous cycles of confrontation. He argued that sustained hostility carries concrete economic costs and criticized hardline policies that, in his view, have pushed both sides toward genuine animosity.

Lee pointed to North Korea's recent construction of border fortifications as evidence of deep security anxieties, while also condemning Pyongyang's designation of the two Koreas as "hostile states" for leaving little room for dialogue. Despite these challenges, he stressed that Seoul must persist in seeking peaceful coexistence through dialogue, diplomacy, and engagement.

Lee's remarks came amid ongoing consultations with the United States to align policies on North Korea, even as the talks proceeded without the participation of the unification ministry, highlighting underlying interministerial differences. [The Korea Herald 2]

Repatriating unconverted prisoners from North Korea via China being considered

Against this backdrop, Lee is floating the possibility of repatriating long-term unconverted prisoners in South Korea to North Korea via China, as inter-Korean negotiations remain stalled.

During a briefing from the Ministry of Unification, he noted that Pyongyang has not responded to Seoul's repatriation proposals and suggested indirect routes, such as transit through a Chinese city like Shenyang, while acknowledging uncertainty over whether North Korea would accept the individuals.

Lee also raised broader humanitarian concerns, including South Korean abductees and prisoners of war, lamenting that with communication channels fully severed, Seoul has little leverage to secure cooperation from the North. [The Korea Herald 3]

Unconverted prisoners are North Korean citizens detained in South Korea, who never renounced Juche, the state ideology of North Korea and the official ideology of the Workers' Party of Korea.

Military revises border guidelines to prevent accidental clashes with North Korea

Meanwhile, South Korea's military has updated internal guidelines for defining the inter-Korean land border to reduce the risk of accidental clashes, amid repeated incursions by North Korean soldiers near the Military Demarcation Line (MDL) during construction activities.

Under the revised rules, troops prioritize physical MDL markers and apply both South Korean and UN Command reference lines more flexibly, allowing restraint in ambiguous cases while maintaining deterrence and preventing unintended escalation. [Yonhap News Agency]

South Korea: Court convicts contractors over leaking classified military information to Taiwan

(co) A South Korean court has convicted two contractors involved in Taiwan's submarine program of leaking classified torpedo-launch system designs, warning the case could become a "major diplomatic burden" for Seoul.

The court sentenced one contractor's chief executive to two and a half years in prison and imposed jail terms on two employees of another firm for exporting strategic technology without approval from the Defense Acquisition Program Administration (DAPA).

The court noted that the transfer of sensitive military information to Taiwan, with which South Korea lacks formal diplomatic ties, posed risks to national security and regional stability. [Reuters]

Taiwan: Political polarization deepens as opposition moves to impeach president and premier

(acl) Taiwan is facing an unprecedented political confrontation as opposition lawmakers move to impeach both Premier Cho Jung-Tai and President Lai Ching-Te over their handling of the new revenue law, recently pushed though the parliament by the majority of opposition parties—the Kuomintang (KMT) and Taiwan People's Party (TPP)—against the ruling Democratic Progressive Party (DPP).

On December 15, Premier Cho refused to countersign the revenue law, which reallocates funds from the central government to local governments, marking the first time in Taiwan's history that the Executive Yuan has declined to countersign legislation (see AiR No. 50, December/2025, 3). Cho cited constitutional concerns, arguing that the law violated the separation of powers by infringing on executive authority, was passed without sufficient deliberation or cross-party consensus, and would force the central government to borrow USD 8.46 billion, exceeding the Public Debt Act ceiling.

President Lai's office supported Cho's stance, warning that the amendments would weaken central government finances, hinder policy implementation, and impair national security. In response, KMT and TPP

lawmakers characterized the refusal as unconstitutional and an erosion of legislative authority. [Reuters] [South China Morning Post 1]

On December 18, the parliamentary Judiciary and Organic Laws Committee approved two censure motions against Cho, introduced by KMT and TPP legislators. The motions will be forwarded to the Control Yuan, Taiwan's government watchdog body, which will determine whether to initiate impeachment proceedings. DPP legislators opposed the motions, warning against politicizing the process. [Focus Taiwan 1]

The following day, the opposition announced plans to seek the impeachment of President Lai over the same revenue law standoff, accusing him of "undemocratic practices" for declining to promulgate the amendment. KMT caucus convener Fu Kun-Chi argued that Lai disregarded public opinion and constitutional norms, while TPP caucus convener Huang Kuo-Chang noted that the president was required under the constitution to promulgate the bill within 10 days after the legislature rejected the Cabinet's motion for reconsideration on December 5. [South China Morning Post 2]

Under Taiwan's constitution, initiating an impeachment against the president or vice president requires support from at least half of all lawmakers and approval by two-thirds of the legislature before referral to the Constitutional Court. Observers note that the opposition, controlling only a simple majority of 62 of 113 seats (against DPP's 51 seats), is unlikely to meet the required majority for approval.

Despite the apparent futility of the impeachment plans, the opposition parties are expected to draft a timetable for the impeachment process, including public hearings and a summons for Lai to provide explanations. DPP lawmakers have warned that such proceedings could become platforms used by the opposition for political attacks and for mobilizing public opinion against the government and the DPP. [Taipei Times] [Focus Taiwan 2]

These developments highlight the deep partisan divides and political deadlock in Taiwan that exposes the vulnerability of a divided government, ever since the DPP won the presidency but lost its legislative majority in 2024.

Compounding this vulnerability, until its December 19 ruling (see article below), the Constitutional Court had been unable to function since seven justices' terms expired in October 2024 and all of Lai's nominees were

rejected by the KMT-TPP bloc, leaving only eight justices and making the court unable to meet a ten-justice quorum set by controversial opposition-backed amendments. [Modern Diplomacy] [New Bloom] [Taiwan News]

Taiwan: Constitutional Court overturns law that paralyzed its operations

(yl) The Constitutional Court struck down amendments to the Constitutional Court Procedure Act that had effectively frozen the court's operations for nearly a year, allowing it to resume hearings and rulings. The amendments, passed when only eight of the court's 15 justices were in office, required a minimum of 10 justices to adjudicate and nine to back any unconstitutional ruling, blocking the court from functioning.

The decision, supported by five justices, bypassed oral arguments and a public announcement, and three justices publicly dissented, calling the ruling "invalid" and insisting the proper solution is to fill vacancies constitutionally rather than overturn legislation.

The amendments had been backed by the KMT and TPP and opposed by the DPP, which hailed the court's ruling as restoring citizens' access to legal remedies. Opposition lawmakers condemned it as unconstitutional and a historic low in Taiwan's constitutional history, with the KMT announcing plans to file criminal complaints against the five judges striking the amendments, accusing them of abusing their authority. The party added that it will also seek a legislative motion condemning them. [Focus Taiwan] [Jurist News] [Taiwan News 1]

Meanwhile, a coalition of Taiwanese civil society organizations and legal professionals has strongly backed the court's decision, arguing that it restored the court's ability to operate and upheld constitutional democracy. In their joint statement, the NGOs and lawyers argued that the amendment suffered from serious procedural defects, having been passed without sufficient transparency, deliberation, or public scrutiny. They maintained that legislation adopted in violation of democratic legislative standards must be deemed unconstitutional, regardless of political intent. [Taiwan News 2]

Taiwan: Former opposition party chairman Ko Wen-je denies bribery charges in prominent corruption case

(dql) Former Taipei mayor and Taiwan People's Party founder Ko Wen-je has denied corruption charges during court hearings over the Core Pacific City development case, insisting he neither directed the project nor knew about controversial increases to its floor area ratio.

Prosecutors argue that Ko accepted bribes of more than USD 470,00 from real estate tycoon Sheen Ching-jing in exchange for favorable planning decisions, citing internal spreadsheet entries and political donations allegedly linked to regulatory changes. Ko rejected the accusations, accusing prosecutors of building a case without concrete evidence.

Ko is among multiple defendants indicted in a high-profile corruption case, with prosecutors seeking a 29-year prison sentence for alleged bribery and misuse of political donations. [Focus Taiwan] [TVBS]

The case centers on the Core Pacific City redevelopment project in Taipei, a long-running real estate proposal backed by Core Pacific Group chairman Sheen Ching-jing. While the project faced repeated regulatory obstacles during earlier city administrations, prosecutors allege that after Ko office as mayor in 2014, the Taipei City government approved major revisions, including sharp increases to the project's floor area ratio. Investigators claim these changes were granted in exchange for bribes and improper political donations, allegations Ko has consistently denied.

Taiwan: Court convicts opposition party officials over forged signatures in failed recall campaign

(dql) A district court has convicted ten members of the Chiayi County branch of the main opposition party, the Kuomintang (KMT), of forging signatures during a failed recall effort against ruling Democratic Progressive Party (DPP) legislator Chen Kuan-ting. The defendants, including a senior local party official, received prison sentences of up to nearly two years, all suspended.

The court found they had fabricated recall petitions by copying data from party membership lists and using a nominal figurehead to front the campaign.

Separately, prosecutors have launched a new investigation into alleged forgeries tied to another unsuccessful recall attempt against a different DPP lawmaker in Chiayi City, prompting searches of a local KMT office. [Taiwan News]

Taiwan: Suspended Hsinchu mayor to return to post after acquittal

(acl) Suspended Hsinchu Mayor Kao Hung-An returned to her post on December 18 after the Ministry of the Interior (MOI) approved her reinstatement, following a Taiwan High Court ruling that overturned her corruption conviction, ending a 17-month suspension. The Hsinchu City government submitted the reinstatement application after the ruling was issued on December 16.

While the High Court acquitted Kao of corruption, it upheld a conviction for causing public officials to commit document forgery, sentencing her to six months' imprisonment commutable to a fine; further appeals remain possible. This marks a significant reduction from the original sentence of seven years and four months issued by the Taipei District Court.

Prosecutors alleged that Kao inflated assistant salaries and overtime pay claims, obtaining around USD 3,700 in illicit gains during her tenure as an opposition Taiwan People's Party legislator from February 2020 to December 2022. However, the High Court found that, based on the legislative history of the Legislative Yuan Organization Act, legislative assistant expenses function as a subsidy allowing flexible allocation.

As Kao had separately hired two additional assistants beyond the allocated funds, the court concluded she lacked criminal intent to commit corruption. [Focus Taiwan 1] [Taipei Times] [Focus Taiwan 2]

Taiwan: Civic groups flag systemic human rights gaps

(yl) A coalition of 33 civic groups released a parallel report assessing Taiwan's implementation of the ICCPR and ICESCR from 2022 to 2025, warning of persistent structural shortcomings despite official commitments. The report criticizes the National Human Rights Commission for lacking systemic monitoring capacity and highlights the prolonged paralysis of the

Constitutional Court as undermining human-rights protection.

It also points to entrenched problems in Taiwan's migrant labor system, including broker monopolies and limited job mobility, as well as ongoing concerns affecting LGBTQ+ and Indigenous rights. The findings will be submitted for international expert review and to lawmakers to press for legal reforms. [Focus Taiwan]

Taiwan: Cabinet approves tougher national security amendments

(dql) The Cabinet has approved draft amendments to the National Security Act and related laws aimed at tightening safeguards against external threats. The changes would ban public advocacy or promotion of foreign states or hostile forces seeking to wage war against Taiwan or undermine Taiwan's sovereignty through non-peaceful means, with penalties including substantial fines.

Online platforms would be required to remove prohibited content and provide data to authorities, with penalties for noncompliance.

The draft also strengthens protections for national core technologies, introducing harsh prison sentences and heavy fines for illegally obtaining sensitive trade secrets.

Penalties would be further increased for active-duty military personnel or civil servants who intentionally violate the law. [Taiwan News] [Taipei Times] [Focus Taiwan]

Taiwan: Long-delayed F-16V Block 70 fighters enter ground testing in U.S.

(dql) Taiwan's long-delayed F-16V Block 70 fighter jets have entered ground testing in the United States, with online photos and official confirmation showing at least one Taiwan-bound aircraft conducting taxi and systems checks. [Taiwan News 1]

The testing marks the clearest sign yet that the program has moved into a substantive evaluation phase, even as Taipei continues to press Washington and Lockheed Martin to accelerate delivery amid repeated delays.

The jets are part of a NTD 247.2 billion (USD 7.8 billion) deal for 66 aircraft approved in 2019. Deliveries were originally set to begin in 2023 but have slipped due to supply-chain disruptions, Covid-19 impacts and complex systems integration. Taiwanese officials have slowed payments and warned that completing deliveries on the revised timeline carries significant risk, though production is now reportedly accelerating.

The aircraft seen in testing are fitted with conformal fuel tanks and advanced avionics, electronic warfare systems and helmet-mounted targeting, underscoring their enhanced capabilities compared with Taiwan's existing F-16 fleet. [South China Morning Post]

Taiwan Air Force test-fires indigenous air-launched anti-ship missile

Separately, Taiwan has successfully conducted a test launch of an air-launched Hsiung Feng III anti-ship missile from an indigenous defense fighter, marking a key milestone in the weapon's development. Defense officials said the trial advances the "Hsiung Chih Project," with additional tests planned before moving to operational evaluation.

The missile, which uses a ramjet engine and sea-skimming flight profile, has a reported range of more than 150 kilometers. Its development is closely linked to broader efforts to modernize Taiwan's IDF fleet, including upgrades to sensors and electronic warfare capabilities. [Taiwan News 1]

The Hsiung Chih Project is Taiwan's indigenous program to develop an air-launched version of the Hsiung Feng III (HF-3) supersonic anti-ship missile and integrate it onto the Air Force's Indigenous Defense Fighter (IDF) fleet. The project strengthens Taiwan's asymmetric deterrence by enabling air-delivered strikes against surface combatants, complicating Chinese naval operations near the Taiwan Strait and reducing reliance on foreign-supplied systems while enhancing the combat relevance of the IDF fleet.

Indigenous naval short-range air-defense system completes operational evaluation

In addition, the National Chung Shan Institute for Science and Technology—Taiwan's state-run defense research and development organization—has confirmed that the Sea Oryx short-range air-defense missile system completed operational testing in October, successfully intercepting target drones during ship-based trials. Following the evaluation, the Navy is expected to move toward formal proposals and mass

production, though details remain undisclosed for security reasons.

Designed as a ship's last line of defense, the Sea Oryx system comes in multiple naval and land-based variants and has a range of about 15 kilometers. It incorporates advanced warhead technology classified as a national core capability. [Taiwan News 2]

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Bangladesh: Killing of youth leader triggers nationwide unrest and media attacks ahead of national election

(lm) Bangladesh has seen a sharp escalation in political violence, unrest and public anxiety following the killing of Sharif Osman Hadi, a prominent youth protest leader and opposition-linked activist, days after the announcement of the schedule for the country's next national elections.

Hadi, was a senior leader and spokesperson of Inqilab Mancha, a student-led protest platform that played a key role in the July 2024 uprising which ousted former prime minister Sheikh Hasina. He was shot by masked attackers in Dhaka on December 12, a day after the Election Commission announced that parliamentary elections would be held on February 12, 2026. After initial treatment in Bangladesh, Hadi was airlifted to Singapore, where he died on the night of December 18. [The Daily Star 1] [Daily Mirror]

News of his death triggered widespread protests and violence, particularly in Dhaka but also in other parts of the country. Hundreds of supporters gathered in public squares in the capital, and demonstrations quickly turned violent. Protesters vandalized and set fire to the main offices of The Daily Star and Prothom Alo, Bangladesh's two most prominent newspapers, in the Karwan Bazar area of Dhaka. Several floors of the buildings were looted and burned, with documents, computers, furniture and personal belongings destroyed. Journalists were temporarily trapped inside during the attacks, and firefighters later rescued staff as security forces struggled for hours to regain control. [Dhaka Tribune 1] [Dhaka Tribune 2]

During the violence, the editor of *New Age* and president of the Editors' Council was physically harassed and assaulted by members of the crowd while attempting to intervene, with video footage showing him being pushed, verbally abused and accused of political affiliation. In parallel incidents, protesters also attacked cultural organizations and vandalized or set fire to houses linked to Awami League leaders. One high-profile target was Dhanmondi 32, a historically significant residence associated with Sheikh Mujibur Rahman, Bangladesh's founding leader and father of Sheikh Hasina. [Dhaka Tribune 3] [Dhaka Tribune 4]

The interim government responded by declaring a day of national mourning and announcing that Hadi's murder case would be tried under the Speedy Trial Tribunal Act, 2002, which requires completion of the trial within a maximum of 90 days after submission of the police report. Law adviser Asif Nazrul said the move was intended to ensure swift justice amid growing public pressure. [Dhaka Tribune 5]

Political parties across the spectrum condemned the killing and demanded accountability. Student groups and activist organizations staged protests at Dhaka University, calling for the resignation of the home affairs adviser over alleged failures to maintain law and order. Nahid Islam, convener of the National Citizen Party, alleged that the attacks on media houses were planned, had political backing and involved elements within the government, and called for a fair investigation into both the murder and the subsequent violence. [The Daily Star 2] [The Daily Star 3]

The unrest has unfolded against a broader deterioration in law and order since the election schedule was announced. In recent days, political rallies, counter-rallies, arson attacks and killings have increased across the country. Separate incidents, including the killing of a man accused of blasphemy in

Mymensingh and the burning to death of a child in Lakshmipur, have further intensified public fear. [The Daily Star 4]

Minority community leaders have also raised alarms, accusing authorities of failing to prevent violence against religious and ethnic minorities and warning that insecurity could undermine free participation in the upcoming elections. Human chains and protest marches have been held demanding accountability, protection for minorities and credible investigations into recent killings. [The Daily Star 5]

Bangladesh: Police block march toward Indian diplomatic mission as protests widen after shooting of opposition activist

(lm) Bangladeshi police on December 17 blocked a protest march toward the Indian High Commission in Dhaka, as several hundred demonstrators demanded the repatriation of deposed former prime minister Sheikh Hasina and others who fled to India during and after the July–August 2024 uprising. The march was organized in the wake of the shooting of Sharif Osman Hadi—an independent parliamentary aspirant for a Dhaka constituency—amid reports that the prime suspect and an associate may have escaped across the border.

Separately, later the same evening, a student group held an "Azadi" march at Dhaka University—Bangladesh's most prominent public university—protesting alleged foreign interference in domestic affairs. [The Daily Star]

Bangladesh: Return of long-exiled opposition leader imminent as party prepares for February 2026 elections

(lm) Bangladesh's main opposition force, the Bangladesh Nationalist Party (BNP)—one of the country's two dominant political parties and the principal rival of the ousted Awami League—is preparing for a major political moment as its long-exiled acting leader Tarique Rahman is scheduled to return to the country on December 25 after nearly two decades abroad. His return is expected to shape opposition strategy ahead of parliamentary elections planned for February 2026. [The Daily Star 1] [The Daily Star 2]

Party officials said Rahman will register as a voter on December 27, a necessary step for formal political participation, following meetings between a BNP delegation and the Election Commission of Bangladesh in Dhaka. [The Daily Star 3]

Rahman has lived in the United Kingdom since 2008, after leaving Bangladesh during a period of military-backed caretaker rule amid a sweeping anti-corruption drive. Although not formally holding the party chairmanship, he has directed the BNP from abroad for nearly two decades. Following the 2024 uprising and the subsequent change in government, several court cases and verdicts against him were overturned or resolved through legal processes, removing the principal legal obstacles to his return. [AiR No. 50, December/2025, 3]

His homecoming comes amid uncertainty over the health of his mother, Khaleda Zia, a former prime minister and chairperson of the BNP. She remains in Dhaka in stable but fragile condition after a medical board advised against travel abroad. Rahman's wife, Zubaida Rahman, who had arrived earlier to accompany Khaleda Zia to London for treatment, left Dhaka for London on December 20 after the overseas trip was cancelled. [The Daily Star 4] [Dhaka Tribune 1]

At the organizational level, the BNP has intensified preparations for the election. During a lengthy meeting with prospective candidates, party leaders warned that inaccurate disclosure of pending or past criminal cases could lead to nomination cancellations, noting that Bangladesh's electoral law bars candidates convicted of offences involving moral turpitude and sentenced to at least two years' imprisonment from contesting elections for five years after release. The deadline for filing nomination papers is December 29. The party also discussed campaign discipline, compliance with the electoral code of conduct, and seat-sharing talks with allied opposition groups to avoid vote fragmentation. [The Daily Star 5]

In parallel, the broader opposition landscape remains fluid. Jamaat-e-Islami, an Islamist party that has at times aligned with the BNP, said its leader Dr Shafiqur Rahman did not meet the BNP's acting leader during a recent brief visit to the United Kingdom, emphasizing that the trip was limited to meetings with British officials. [Dhaka Tribune 2]

Bangladesh: Faction of former swing party signals conditional election participation

(lm) One faction of the Jatiya Party, a long-standing but now fragmented political party in Bangladesh, has indicated that it intends to take part in the country's upcoming 13th national parliamentary election, while warning that the deteriorating law-and-order situation and alleged political harassment could undermine a credible vote.

The statement reflects the position of one faction led by GM Quader within the Jatiya Party. Founded in 1986 by former military ruler Hussain Muhammad Ershad, a brother of Quader, the party for decades functioned as a parliamentary "swing force" between Bangladesh's two dominant parties – the Awami League of ousted ex-Prime Minister Sheikh Hasina and the Bangladesh Nationalist Party.

It no longer operates as a unified organization. Instead, it has splintered into multiple rival factions, but the Quader-led faction controls the party symbol. [The Daily Star]

Bangladesh: Smaller nationalist party dissolves, leadership joins main opposition ahead of elections

(lm) The Bangladesh Jatiya Party, a small political party led by Syed Ehsanul Huda, has formally dissolved, with its chairman and party leaders joining the Bangladesh Nationalist Party (BNP), Bangladesh's main opposition party.

At the ceremony, Huda said the decision was taken amid what he described as a critical period for the country ahead of the upcoming parliamentary elections. He stated that he and his party colleagues had decided to join the BNP to move forward together politically, citing shared nationalist ideals. He did not announce any formal agreement beyond joining the party.

Huda is currently campaigning in the Kishoreganj-5 constituency for the upcoming parliamentary election. However, the BNP has already nominated Mujibur Rahman Iqbal, a member of its central executive committee, as its candidate for that seat. Fakhrul said no decision has yet been made on whether Huda will contest the election or from which constituency, adding that candidate matters will be addressed later when nominations are finalized. [The Daily Star]

Bangladesh: Tribunals, courts and investigators advance post-uprising cases against former leadership

(lm) Bangladesh's judicial and investigative authorities have taken a series of parallel steps advancing accountability cases linked to the July–August 2024 mass uprising and alleged abuses under the former Awami League government, while related corruption proceedings continue in the regular courts.

Former inspector general of police Chowdhury Abdullah Al-Mamun has filed an appeal with the Appellate Division against the five-year prison sentence imposed on him by International Crimes Tribunal-1 (ICT-1) for crimes against humanity committed during the 2024 uprising. The appeal was filed on December 17. The International Crimes Tribunal (ICT) system consists of special domestic courts established in 2010 to prosecute serious international crimes; while originally mandated to try atrocities committed during Bangladesh's 1971 Liberation War, it has since been used to address later crimes-against-humanity cases under domestic law. [Dhaka Tribune 1]

In the same November 17 verdict, ICT-1 sentenced ousted prime minister Sheikh Hasina and former home minister Asaduzzaman Khan Kamal to death, ordered the confiscation of their assets, and directed the authorities to provide compensation to families of those killed and injured during the uprising. The tribunal also imposed life imprisonment on both Hasina and Kamal on a separate charge. On December 15, prosecutors appealed those life sentences, seeking the death penalty instead. Al-Mamun had testified as an approver (court witness) in the case, which involved testimony from 54 witnesses and was, for the first time, partially broadcast live.

Beyond that verdict, the ICT system has moved forward on additional cases arising from the same period. ICT-1 has formally framed charges against Sheikh Hasina and 12 others, including several former senior military intelligence officials, over allegations of enforced disappearances, illegal detention in clandestine facilities known as *Aynaghar*, torture, and complicity through failure to act. Prosecutors allege that at least 26 individuals perceived as political opponents were abducted and held between 2015 and August 2024. Discharge petitions were rejected, and trial proceedings are scheduled to begin on January 19, 2026. Three accused are currently in custody and have pleaded not guilty, while the remaining defendants, including Hasina, are listed as fugitives. Prosecutors

have indicated they may call around 40 witnesses. [The Daily Star 1]

In a related proceeding, ICT-1 has appointed state-funded defence counsel for Sajeeb Wazed Joy, Sheikh Hasina's son and a former adviser on information and communication technology, who is named as an absconding accused in a separate crimes-against-humanity case linked to the July uprising. The tribunal cited procedural requirements to ensure legal representation even in the absence of the accused and scheduled the next hearing for January 7, 2026. [The Daily Star 2]

Parallel proceedings are also underway against senior figures associated with the former ruling party. The prosecution has submitted formal charges to International Crimes Tribunal-2 (ICT-2) against Obaidul Quader, general secretary of the Awami League, and six other senior party and affiliated-organization leaders, including figures from its youth and student wings. [The Daily Star 3]

Alongside the tribunal cases, a Dhaka court has imposed travel bans on 17 individuals, including Sheikh Hasina and Obaidul Quader, in a corruption case filed by the Anti-Corruption Commission (ACC). The case concerns alleged irregularities in a 2016 toll-collection contract awarded to Computer Network Systems Limited through a single-source tender. Investigators say the arrangement resulted in payments exceeding BDT 4.89 billion (approximately USD 40.1 million) in service charges. The ACC filed the case on October 12. [Dhaka Tribune 2]

Alongside these judicial developments, the government's law adviser has publicly criticized recent bail decisions involving supporters of the ousted leadership, arguing that granting bail in such cases would be inconsistent with judicial standards given alleged threats against individuals linked to the July uprising. While emphasizing the judiciary's formal independence, he warned that unusually frequent bail orders by some High Court benches risk undermining public safety and public confidence during the transition period ahead of national elections. [The Daily Star 4]

Additionally, it is worth noting that ongoing nationwide law-and-order operations themed "Operation Devil Hunt Phase-2" has been accompanied by an unusually expansive enforcement directive from Home Adviser Jahangir Alam Chowdhury, who publicly instructed police to detain individuals he described as "Awami League criminals" even where no formally registered

cases exist, warning that officers who fail to comply could face disciplinary action. [The Daily Star 5]

Bangladesh: Outgoing chief justice frames 2024 uprising as constitutional correction, not rupture

(lm) Bangladesh's outgoing chief justice said the July 2024 mass uprising did not seek to overturn the constitution but aimed to "purify" the country's engagement with it, emphasizing transparency, accountability, and responsiveness as the core demands that emerged during the unrest. Speaking at a farewell event, Chief Justice Syed Refaat Ahmed argued that, amid political uncertainty following the collapse of the previous government, the judiciary remained the only fully functioning constitutional institution and therefore had to act with restraint while ensuring that constitutional rights and institutions were not rendered ineffective.

Separately, Law Adviser Asif Nazrul, who also met the chief justice on his final working day, reiterated concerns about what he described as problematic bail decisions by some High Court benches, reflecting ongoing tensions between the executive and judiciary over law-and-order and post-uprising accountability. Chief Justice Refaat Ahmed is due to retire on December 27, with the government expected to announce his successor in the coming days. [The Daily Star]

Bangladesh: Government approves ordinance allowing official 'disappeared' status after five years

(lm) Bangladesh's interim authorities have approved the Enforced Disappearance Prevention and Redress (Amendment) Ordinance 2025, introducing a provision that allows a tribunal to formally declare a person as "disappeared" if they have remained missing for at least five years without returning.

The ordinance also strengthens the institutional framework of the Enforced Disappearance Prevention and Redress Tribunal by allowing the government to appoint additional public prosecutors on the recommendation of the National Human Rights Commission, and by granting victims or complainants the right to be represented by lawyers of their own choice. To ease practical hardships for families, the

amendment permits spouses or dependent family members of a disappeared person to use the individual's property without prior approval from the commission. [The Daily Star]

Bangladesh: Journalist jailed under anti-terrorism law as scrutiny grows over its use against media and civil servants

(lm) Bangladesh's interim authorities have continued to apply the Anti-Terrorism Act in cases linked to labor unrest and media activity, prompting growing concern domestically and internationally as the country moves toward national elections.

A Dhaka court has sent senior journalist Anis Alamgir to jail after the completion of a five-day police remand in a case filed under Bangladesh's Anti-Terrorism Act. The order was issued by a metropolitan magistrate after investigators from the Detective Branch of the Dhaka Metropolitan Police produced Alamgir before the court and requested his continued detention. Defense lawyers sought jail-division facilities, which the court said should be handled in line with prison regulations. [Dhaka Tribune]

Alamgir was detained on December 14 after being taken by police for questioning and later formally arrested following a complaint filed in northern Dhaka. The case, lodged by a member of a group calling itself the "July Revolutionary Alliance," accuses Alamgir and three others of conspiracy to destabilize the state and of inciting banned organizations. The other accused include an actress, a model, and a television presenter.

According to the case statement, the allegations are linked to political developments following the ouster of former prime minister Sheikh Hasina in 2024 and claim that the accused used social media posts and talk-show appearances to promote banned groups and encourage activities aimed at undermining state institutions [see AiR No. 50, December/2025, 3].

Human rights and press freedom organizations have publicly commented on Alamgir's case and similar proceedings. Amnesty International and the Committee to Protect Journalists (CPJ) have warned that the use of counterterrorism legislation against journalists and civil servants raises concerns, particularly in the run-up to national elections. CPJ has pointed to Alamgir's detention as part of a wider pattern of arrests, legal cases, and pressure on journalists reported in Bangladesh during 2025. [The Daily Star 1]

In parallel developments, at least 14 government employees from several ministries and the Cabinet Division have been suspended after being arrested under the same law for their role in protests inside the Bangladesh Secretariat, the country's main administrative complex. Those protests were related to demands for a higher allowance, and police alleged conspiracy to disrupt government functions and endanger public safety. [The Daily Star 2]

Bangladesh: High Court to hear challenge to government contract for major seaport terminal

(lm) Bangladesh's High Court Division, which is one of the two divisions of the country's Supreme Court, has assigned a single-judge bench to hear and decide a writ petition challenging the government's decision to award a container-handling contract at a major seaport terminal to a foreign logistics operator.

The case concerns the New Mooring Container Terminal, a key container facility at Chattogram Port, Bangladesh's largest and most important seaport, which handles the majority of the country's international trade. The contract was awarded to DP World, a Dubai-based state-owned global ports and logistics company that operates terminals in multiple regions worldwide.

The assignment follows a split verdict delivered on December 4 by a two-judge High Court Division bench, in which the senior judge declared the government's decision unlawful, while the junior judge rejected the petition. Under Bangladesh's judicial procedure, such dissenting rulings are referred to the chief justice for reassignment.

The writ petition was filed by Bangladesh Jubo Arthanitibid Forum, a civic organization, and challenges the legality of awarding the contract without an open tender process. Earlier, in July, the High Court Division issued a rule asking the relevant authorities to explain why the contract award should not be declared illegal.

The hearing will take place after the annual judicial vacation, during which both divisions of the Supreme Court — the High Court Division and the Appellate Division — are closed from December 21 and are scheduled to reopen on January 4, 2026. [The Daily Star]

Bangladesh: Nearly 6,000 arrested as nationwide security crackdown enters second phase

(lm) Bangladesh's security forces have arrested 5,949 people under Operation Devil Hunt Phase-2, a nationwide joint security operation relaunched on December 13. The operation is aimed at restoring law and order, recovering illegal weapons, and curbing criminal activity ahead of the country's upcoming national parliamentary elections.

Within the first five days, authorities reported at least 4,232 arrests, with the total rising to 5,949 as operations continued. Law enforcement agencies have carried out extensive checkpoints and searches across the country, inspecting more than 20,000 motorcycles and nearly 18,000 cars in the latest official tally. During these checks, 356 illegally operated motorcycles were seized for registration and legal violations.

Security forces have also reported limited but notable weapons recoveries, including one shotgun, three crude bombs, four locally made weapons, and three rounds of ammunition, with five arrests directly linked to these seizures. [The Daily Star] [Dhaka Tribune]

Bhutan: Anti-corruption watchdog clears crisis lending of criminal wrongdoing but orders recoveries and sanctions

(lm) Bhutan's Anti-Corruption Commission has completed its investigation into allegations related to loans issued under the government's Economic Stimulus Programme, a state-backed lending scheme introduced in 2024 to support economic recovery following the COVID-19 pandemic. The Commission found no grounds for criminal prosecution in the approval or disbursement of loans for four medium-scale projects that received financing ranging from BTN 10 million to BTN 100 million (approximately USD 120,000 to USD 1.2 million).

At the same time, the investigation identified administrative lapses, regulatory failures, and misuse of funds, leading the Commission to order loan recoveries, cancellation of undisbursed amounts, and administrative sanctions against involved financial institutions and responsible officials. The Commission concluded that while appraisal and approval processes generally followed program guidelines, weaknesses in post-disbursement monitoring and enforcement resulted in non-compliance in several cases.

In addition to project-specific measures, the Commission issued directives under the Anti-Corruption Act requiring the program's steering committee to submit an action taken report and directing the Royal Monetary Authority to conduct a comprehensive review of all medium-scale loans issued under the program and report on corrective measures within specified timelines. [Kuensel]

Bhutan: Preparatory work resumes on long-delayed hydropower project amid major cost escalation

(lm) Preparatory work has resumed on Bhutan's Punatsangchhu-I Hydropower Project, a 1,200-megawatt dam located on the Punatsangchhu River in central Bhutan. The project marks the first concrete restart after years of suspension caused by geological and technical problems. It was launched in November 2008 under a bilateral agreement between Bhutan and India and was originally scheduled for completion in 2016. Construction was halted in 2019 due to persistent slope-stability challenges. The original contractor, Larsen and Toubro, has now resumed work. No revised completion date has been announced.

The project's financial scale has expanded substantially. Initial cost estimates of BTN 35 billion (USD 420 million) have risen to around BTN 100 billion (USD 1.20 billion), with approximately BTN 86 billion (USD 1.03 billion) already spent. Officials have indicated that the final revised cost is still under assessment but is expected to exceed BTN 135 billion (USD 1.62 billion).

An editorial published alongside the restart notes concerns about the condition of project components constructed years earlier, including tunnels and powerhouse structures, which were built on the assumption of timely completion. It also records that responsibility for the project has spanned four successive governments since 2008. [Kuensel 1] [Kuensel 2]

Bhutan: Growth outlook strengthened for 2025 as debt levels edge down but hydropower exposure remains central

(lm) Bhutan's economy is projected to grow by 8.82 percent in 2025, an upward revision of 0.27 percentage

points from the previous quarter, according to the first-quarter macroeconomic update for fiscal year 2025–2026 issued by the Ministry of Finance. The revision reflects stronger performance in the services and industry sectors, which is offsetting slower growth in electricity generation following heavy rainfall that disrupted hydropower output. Tourism-related services, construction activity, and major infrastructure projects are key contributors to the revised outlook. Growth is projected at 8.25 percent in 2026 and 7.43 percent in 2027, with average annual growth of 8.11 percent expected between 2025 and 2029. [Kuensel 1]

Against this backdrop, Bhutan's national debt stood at BTN 302.71 billion (USD 3.63 billion) as of September 2025, equivalent to 86.9 percent of estimated gross domestic product, marking a modest decline from the previous quarter. The reduction was driven mainly by lower corporate borrowing, while government debt continued to rise. External debt dominates the debt profile, totaling BTN 280.8 billion (USD 3.37 billion), compared with BTN 21.91 billion (USD 263 million) in domestic debt. Government external borrowing increased further to finance the budget, hydropower projects, and loans on-lent to state-owned enterprises.

Hydropower-related liabilities remain central, amounting to BTN 169.08 billion (USD 2.03 billion), with most debt denominated in Indian rupees, reflecting Bhutan's close economic and energy ties with India. Debt servicing costs for fiscal year 2025–2026 are projected at BTN 28.33 billion (USD 340 million), or 32.7 percent of domestic revenue, remaining below the government's policy ceiling. [Kuensel 2]

Bhutan: Upper House calls special committee after criticizing health system review as inadequate

Members of Bhutan's parliamentary upper house, the National Council, have criticized a recently tabled Review Report on the Healthcare System in Bhutan as incomplete, prompting the formation of a special parliamentary committee to examine the concerns. The report was presented to the House on December 12 by the Economic Affairs Committee.

During the debate, several members argued that the report failed to reflect key issues in the health sector, including the working conditions of health staff, disparities between rural and referral hospitals, health workforce shortages, and the absence of long-term human resource planning. Concerns were also raised about limited specialist availability, weak coordination

in overseas patient referrals, and the lack of input from private health workers and civil society organizations involved in health services.

While some members requested that deliberations be deferred to a later parliamentary session, the presiding officer decided that a special committee would be formed within two days, with discussions to continue on December 25. [Kuensel]

Bhutan: Climate finance gap estimated at USD 20.49 billion as risks intensify

(lm) Bhutan faces an estimated USD 20.49 billion climate finance requirement between 2020 and 2050 to address rising climate risks, according to a regional study by the International Centre for Integrated Mountain Development. The assessment highlights Bhutan's high climate vulnerability alongside limited institutional and financial readiness, with growing exposure to biodiversity loss, water stress affecting hydropower, health risks, and ecosystem degradation.

On a per capita basis, Bhutan's annual climate finance requirement is estimated at USD 2,126.5, equivalent to about 57 percent of per capita gross domestic product and well above international benchmarks for lower-middle-income countries. By contrast, actual climate finance flows between 2018 and 2021 totaled USD 724 million, with USD 38.9 million disbursed during that period. Climate finance entering Bhutan has been split almost evenly between adaptation and mitigation, but long-term needs are heavily skewed toward adaptation.

Between 2021 and 2050, Bhutan's adaptation finance requirement alone is estimated at USD 14 billion (BTN 1,166.7 billion), accounting for nearly 94 percent of total needs. Priority areas include human settlements and climate-smart cities, followed by water systems, agriculture and livestock, forests and biodiversity, energy, and health. On the mitigation side, the country is projected to require about USD 6.5 billion (BTN 541.7 billion) between 2021 and 2035, with more than 90 percent needed for surface transport.

The report also notes heavy reliance on external public finance—mainly from multilateral lenders—with loans making up over 60 percent of inflows, raising concerns about fiscal sustainability. [Kuensel]

Bhutan: King outlines nationwide ownership model for new special administrative city

(lm) During Bhutan's 118th National Day address, the King announced that Gelephu Mindfulness City, a major new urban and economic development project near Bhutan's southern border with India, will be structured as a publicly owned national initiative, ensuring that every Bhutanese citizen holds a stake in its future. Under the proposed land-share ownership model, private landowners within the project area will receive equity shares in exchange for their land, while all Bhutanese citizens will collectively hold stakes in the remaining 94 percent of state-owned land within the roughly one-million-acre zone. [Kuensel 1]

To provide long-term financial backing, Bhutan will allocate 10,000 bitcoin, valued at approximately USD 1 billion, as a strategic reserve for the project. Authorities stressed that the bitcoin will not be sold, but used through collateralized lending and carefully managed yield strategies to finance development while preserving sovereign digital assets. Bhutan currently holds an estimated 11,286 bitcoin, largely accumulated through hydropower-powered mining using surplus renewable energy. [Kuensel 2]

Complementing this framework, Bhutan also announced the launch of TER, a sovereign-issued, physical gold-backed digital token designed for use within the new city's financial ecosystem. Each TER token represents 0.01 grams of allocated physical gold held under institutional custody, giving it intrinsic value and price stability compared with unbacked cryptocurrencies. [Kuensel 3]

India: Contentious rural employment bill clears parliament

(ppms) The parliament has passed the Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (Gramin), or G-RAM-G Bill 2025, a legislation aimed at reforming employment in India's rural areas. The move repeals the two-decade-old Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

The legislation was cleared by the Upper House in a post-midnight session on December 18, following its passage in the Lower House earlier that day amid unprecedented scenes of protest, including Opposition MPs tearing copies of the bill in the well of the House.

While the government hailed the new framework for increasing guaranteed work from 100 to 125 days of paid unskilled work per year to rural households whose adults volunteer for such labor, a rift has emerged within the ruling Bharatiya Janata Party (BJP) and the BJP-led National Democratic Alliance (NDA) alliance. Several coalition members advocated for the bill to be referred to a House Panel for deeper scrutiny, citing concerns over the potential electoral fallout of removing "Mahatma Gandhi" from the title and the increased financial burden on states under a new 60:40 fund-sharing pattern. [India Today] [Live Law] [News on Air]

The Opposition, led by the Congress party, has launched a nationwide campaign against the move, describing the renaming as a "petty" attempt to erase history and an "insult" to the Father of the Nation. Senior Congress leader Shashi Tharoor and MP Priyanka Gandhi Vadra spearheaded the criticism, with Gandhi alleging the bill stems from the government's "obsession and prejudice" rather than a genuine desire to help the poor.

Beyond nomenclature, the Congress and allies like the Trinamool Congress (TMC) and Rashtriya Janata Dal (RJD)—two major regional parties who staged a 12-hour overnight sit-in protest at the Parliament complex—argued that the bill "kills the soul" of a rights-based law. They expressed deep concern over provisions that allow the government to "pause" works for up to 60 days during peak agricultural seasons, which they claim forces laborers into low-wage private work at the mercy of landlords. [New Indian Express] [Indian Express 1] [Indian Express 2]

Rural Development Minister Shivraj Singh Chouhan defended the overhaul, asserting that the original 2005 Act did not bear Gandhi's name until 2009 and accusing the Congress party of using the Mahatma's legacy for "political gains" while overseeing a scheme "riddled with corruption". He emphasized that the G-RAM-G Bill integrates rural work with the Prime Minister Gati Shakti master plan to build climate-resilient infrastructure.

Amidst this battle, economic data has challenged claims that such schemes cause farm labor shortages, suggesting instead that rural youth are moving toward urban construction and service sectors due to rising education and migration trends.

Despite the legislative defeat, the Opposition has announced plans for a "nationwide agitation," warning that the "streets won't be quiet" over what they term a "black law". [India Today] [PRS India]

India: Special Intensive Revision sees over 10 million names removed from draft voter lists

(ppms) The Election Commission of India's (ECI's) ongoing Special Intensive Revision (SIR)—a comprehensive, large-scale revision of the voter list—has resulted in the removal of approximately 10.2 million names from the draft electoral rolls across five states and Union Territories. This massive reduction represents a 7.6 percent shrinkage in the total number of electors in these regions compared to previous lists. The exercise, intended to "purify" the rolls, has seen the highest volume of deletions in Uttar Pradesh, where nearly 8 million names were struck off, followed by significant reductions in West Bengal and Tamil Nadu.

The data reveals that the vast majority of these removals—roughly 90 percent were categorized under "Absent, Shifted, or Dead" (ASD). The ECI has shared these lists with political parties at the booth level to facilitate re-verification and ensure that no genuine voter is disenfranchised.

However, the scale of the deletions has intensified the political debate surrounding the SIR, with the government defending it as a necessary step for electoral integrity and the Opposition raising concerns over potential mass disenfranchisement of marginalized communities.

Detailed trends from West Bengal provide a nuanced layer to the exercise. In that state, constituencies with high Muslim populations reportedly have the lowest number of "unmapped" voters—electors whose details cannot be verified against old records. This suggests a higher level of documentation or successful verification in these specific areas compared to others.

As the SIR enters its next phase, the ECI is encouraging new eligible citizens to submit Form 6 for inclusion before the final rolls are published in early 2026. [Indian Express] [The Hindu]

India: Controversial nuclear energy bill enacted

(dql/ppms) On December 22, President Droupadi Murmu signed the SHANTI Act, 2025 into law, days after the parliament passed the bill, a sweeping reform

that opens much of the country's civil nuclear sector to private participation. [News on AiR] [DD News]

The new law aligns equity infusion in the nuclear sector with existing Foreign Direct Investment (FDI) guidelines established by the Department for Promotion of Industry and Internal Trade (DPIIT). A key area of focus for this capital is the manufacturing value chain for Small Modular Reactors (SMRs), which are considered essential for keeping nuclear energy a commercially competitive base-load alternative to coal-fired power.

To address long-standing investor concerns that have stifled foreign involvement, the new law contains critical amendments to the nuclear liability framework. It dilutes a controversial section of the 2010 Civil Liability for Nuclear Damage Act (CLNDA), which currently exposes equipment suppliers to broad and uncertain liability risks in the event of an accident. The new law introduces graded liability caps and provides a clearer definition of a "supplier," distinguishing between primary technology owners and smaller sub-vendors. [Discovery Alert]

The law has triggered heightened controversy. The Modi government presents the legislation as essential for clean energy expansion and technological modernization. Its nuclear strategy positions atomic power as a core pillar of long-term energy security, with a target of 100 GW by 2047, implying a massive scale-up from today's limited installed base. Achieving this goal will require closer coordination between state planning and private-sector capacity, marking a structural shift in how India develops strategic energy infrastructure.

Critics, however, argue it weakens safety oversight, dilutes accountability, and prioritizes investor confidence over public welfare. Opposition figures, led by Congress MP Shashi Tharoor, warn that the law allows profit-driven firms to operate across the entire nuclear fuel cycle under broad discretionary powers, raising risks to public safety, environmental protection, and victims' rights. The most contentious element is the unchanged cap on nuclear accident liability, which critics say effectively shields suppliers and operators while making the government the insurer of last resort. [Grand Pinnacle Tribune]

India: Prime Minister Modi lays USD 1.18 billion fertilizer plant foundation

(dql) Prime Minister Narendra Modi has laid the foundation stone for a 1.18 billion USD brownfield

ammonia-urea plant in Dibrugarh, Assam. [Prime Minister, India]

Scheduled for 2030 commissioning, the plant is expected to produce 1.27 million tons of urea annually, strengthening local supply, reducing logistics costs, and supporting farmers across Assam, the northeast, and parts of eastern India.

During the event, Modi criticized the opposition Congress party for neglecting the Namrup facility, failing to modernize fertilizer technology, and harming farmers' interests by allowing production units to shut down. He framed the project as a corrective measure by his government to boost agricultural support, generate hundreds of direct and thousands of indirect jobs, and stimulate regional industrial growth, while advancing broader initiatives such as energy efficiency and the palm oil mission. [The Tribune]

India: Army tests indigenous long-range drone

(dql) The Army's Western Command has successfully tested an indigenously developed long-range, fixed-wing drone designed to operate under intense electronic warfare conditions, marking a step forward in domestic military drone capabilities.

With a range of around 100 km, the system was developed jointly by Indian startups and Army engineers and is built to resist jamming, spoofing, and GPS disruption.

The trial reflects the Army's broader push for self-reliance and its effort to adapt doctrine and tactics based on recent combat experience, including clashes with Pakistan and lessons from global conflicts such as Ukraine. [The Tribune]

India: Defense manufacturing strengthened through new collaboration with French defense major

(dql) State-owned defence manufacturing company India Optel Limited (IOL) has signed a collaboration agreement with Safran Electronics & Defense—a French multinational company specializing in aerospace, defense, and security technologies—to locally manufacture two combat-proven, high-precision systems.

The agreement centers on transferring the production of the SIGMA 30N Digital Ring Laser Gyro Inertial Navigation System and the CM3-MR Direct Firing Sight. These systems are critical for artillery, air defence, and anti-drone operations, bolstering the Indian Army's operational effectiveness. IOL will handle manufacturing, assembly, testing, quality control, and full life-cycle support in India, while leveraging Safran's expertise in inertial navigation and fire-control technologies. [Devdiscourse]

The partnership aims to strengthen India's defence manufacturing base and enhance the operational readiness of the Indian Army's artillery, air defence, and anti-drone capabilities. It marks the latest step in India's "Make in India" push for defence production.

Safran has multiple strategic collaborations with India across aerospace and defence sectors. Recent initiatives include a joint venture with Bharat Electronics Limited (BEL) to co-produce the HAMMER smart air-launched weapon. Safran also partners with the Gas Turbine Research Establishment (GTRE) of the defense ministry's Defence Research and Development Organisation to develop engines for India's fifth-generation Advanced Medium Combat Aircraft (AMCA), and with Hindustan Aeronautics Limited (HAL) through the SAFHAL JV to co-develop helicopter engines like Shakti/Ardiden and the future Aravalli engine.

Other collaborations cover inertial navigation systems for fighter aircraft (Tejas, MiG-29, Jaguar); maintenance, repair, and overhaul (MRO) facilities for military engines including Rafale's M88 engine, as well as defence electronics and avionics, with some ventures involving full transfer of critical technologies. [The Tribune]

Maldives: Main opposition party advances local election preparations while managing internal leadership competition

(lm) The main opposition Maldivian Democratic Party has confirmed that 154 candidates will contest its internal primaries for local councils, Women's Development Committees, and city councils, as the country moves toward local council elections scheduled for April 4, 2026. The party has brought its primaries forward to January 16, 2026, following a decision by the Election Commission to open a mid-January nomination window.

Of the total, 129 candidates are contesting local council seats and 23 candidates are contesting Women's

Development Committee seats, local-level bodies responsible for women's development and community welfare. The party also acknowledged that some candidates have been granted party tickets without going through the primary process, though no details were provided. [The Sun 1] [The Sun 2]

Within the same local election cycle, the party is also contesting key city-level races, including the mayoral election in Malé City, which is held as part of the local council elections. Former member of parliament Ali Azim has launched his bid for mayor in the party primary, outlining proposals focused on exercising council powers under the Decentralization Act, recovering unpaid public revenues, reducing household utility costs, and unlocking development of unused plots. His candidacy has been publicly endorsed by Mohamed Nasheed, a former president and long-time central figure in the party. [The Sun 3] [The Sun 4] [The Sun 5]

At the same time, the opposition is seeking to present greater internal unity during the local campaign. Nasheed and Ibrahim Mohamed Solih, whose rivalry divided the party ahead of the 2023 presidential election, are expected to campaign jointly. Solih has confirmed that discussions are under way. Nasheed, who left the party in 2023 and returned in mid-2025 after dissolving a separate political group, has publicly backed cooperation for the local polls. [The Sun 6]

Campaigning has also sharpened the party's public critique of the government. At rallies in Male' City, senior MDP figures framed the local council elections as a referendum on governance standards, transparency, and accountability. Ibrahim Nazil, the parliamentary minority leader, accused the government of attempting to influence voters through financial inducements and warned that vote-buying would undermine local representation. He also raised concerns about the cost and transparency of major dredging and land-reclamation projects, alleging inflated pricing. [The Sun 4]

Campaign messaging has intensified alongside these organizational moves. At rallies in Male, senior party figures have framed the local council elections as a vote on governance standards, transparency, and accountability. The parliamentary minority leader accused the government of attempting to influence voters through financial inducements and raised concerns about the cost and transparency of major dredging and land-reclamation projects. [The Sun 8]

Behind this effort to project unity, longer-term leadership competition remains unresolved. The party

is simultaneously preparing for the 2028 presidential election, with several senior figures, including Nasheed, Solih, party president Abdulla Shahid, and former party chairperson Fayyaz Ismail, widely discussed as potential contenders. During the campaign, Fayyaz Ismail has also delivered direct criticism of Mohamed Muizzu, citing recent policing directives, rising public debt, pressure on small businesses, and declining living standards.

Maldives: Ex-President Yameen warns jailing attempt would backfire as he attacks government on economy

(lm) At a "RESET" rally on December 17, former President Abdulla Yameen Abdul Qayoom—who led the Maldives from 2013 to 2018 and now heads the opposition People's National Front (PNF)—said there was "no legal basis" for imprisoning him and argued that any renewed attempt to jail him would become a political liability for President Mohamed Muizzu's administration. [The Sun 1]

The remarks come against the backdrop of Yameen's prior imprisonment: he was convicted in December 2022 on bribery and money-laundering charges linked to the leasing of a state island and sentenced to 11 years, but the conviction was overturned in April 2024 and a retrial was ordered, after which he was released —meaning his legal exposure depends on the outcome of the retrial process.

In the same rally speech, Yameen challenged the government's claims of economic recovery, citing a deterioration in perceived corruption rankings and saying inflation had reached 25 percent; he also pointed to the exchange rate, saying USD 1 was trading at MVR 21. [The Sun 2]

Separately, the PNF alleged that STELCO—the state-owned electricity utility—refused to provide power to the rally site and removed cables, which the party framed as political obstruction. [The Sun 3]

Maldives: Lawmaker questions legality of Hirimaradhoo island council dissolution

(lm) A Maldivian lawmaker has raised legal concerns over the reported dissolution of the Hirimaradhoo Island Council, arguing that the process may violate constitutional and decentralization laws. The issue was

raised by Abdul Ghafoor Moosa, a member of parliament and interim chair of the main opposition Maldivian Democratic Party.

Hirimaradhoo is a small island in northern Maldives with a registered population of 589, though only around 200 residents currently live on the island due to migration. Authorities have reportedly instructed residents to vote as residents of the neighboring island Hanimaadhoo without formally relocating them, a move the lawmaker said contradicts legal requirements.

A Hirimaradhoo councilor said the council has not received any formal notification confirming its dissolution, stating that election officials had only issued administrative instructions. The Housing Development Corporation has been contracted to provide housing and municipal services for relocated residents in Hanimaadhoo over the next six years.

Separately, a contract worth MVR 4.1 million (approximately USD 266,500) was awarded in November to establish a waste and resource management center on Hirimaradhoo, raising further questions about the island's administrative status amid the reported council dissolution. [The Sun]

Maldives: Dispute over stalled transfer of municipal services in Hulhumale'

(lm) A member of the Male' City Council, Adam Azim, has alleged that the long-planned transfer of municipal services in Hulhumale' to the city council has stalled due to a lack of support from President Mohamed Muizzu. Hulhumale' is a planned urban island near the capital Male' and is currently administered by the state-owned Housing Development Corporation (HDC).

According to Azim, despite repeated discussions and an agreed timeline, both the council and HDC have refrained from completing the handover, leaving HDC to continue providing services on a temporary basis. He said the Finance Ministry and HDC are prepared to proceed, but the transfer remains incomplete nearly two years after a memorandum of understanding signed in January 2024, which committed to transferring all municipal services in Male' and Vilimale' to the council.

The original proposal to transfer Hulhumale's services dates back to early 2022, when Muizzu was serving as mayor of Male'. HDC officials have previously cited operational challenges, including the potential transfer

of approximately 300 HDC employees to the council. Under Maldivian law, local councils are mandated to provide municipal services within their jurisdictions. [The Sun]

Maldives: Anti-corruption body receives judicial inquiry records months after Supreme Court dismissals

(lm) Six months after two Supreme Court justices were removed from office, the Anti-Corruption Commission (ACC) has obtained investigative statements from the Judicial Service Commission (JSC), the independent body tasked with overseeing judicial conduct and discipline.

The case concerns former Supreme Court justices Dr. Azmiralda Zahir and Mahaz Ali Zahir, who were suspended in February after the ACC informed the JSC that criminal cases were forthcoming. The JSC simultaneously announced an inquiry into alleged "behavioral issues." A third justice resigned shortly thereafter. In May, the JSC decided to dismiss Azmiralda and Mahaz, and Parliament—where the government holds a supermajority—formally removed them from office without what the judges said was an adequate opportunity to respond.

The suspensions occurred shortly after the Supreme Court of the Maldives scheduled hearings in a politically sensitive case challenging a constitutional amendment that would strip members of parliament of their seats if they defected from their parties. The proximity of these events prompted domestic criticism and allegations that anti-corruption and judicial oversight mechanisms were being used to interfere with the court's work.

Only after the dismissals did the ACC formally request that the JSC obtain and forward the judges' prior statements. Although some members of the JSC objected, citing a lack of legal basis to share internal disciplinary materials, the commission—dominated by government appointees—ultimately complied. Former justice Mahaz publicly condemned the delay as an injustice, while Azmiralda has alleged that the initial referral to the JSC was procedurally improper and aimed at influencing judicial decision-making; her complaint against senior anti-corruption officials has been accepted for investigation. [The Sun 1] [The Sun 2]

Maldives: Former state utility chief appeals corruption conviction and four-year prison sentence

(lm) A former chief executive of Fenaka Corporation, the Maldives' state-owned electricity and utility provider, has filed an appeal with the High Court against a four-year prison sentence imposed in September following a corruption conviction linked to a 2018 procurement contract. The appeal has been submitted, but the court has not yet registered the case.

The conviction relates to a contract worth MVR 848,000 (USD 55,120) awarded by Fenaka, in which an investigation by the Anti-Corruption Commission found that payments were made to a private supplier before the contracted work was completed and without verification. Notably, charges against a former procurement official linked to the same case remain unresolved.

The former executive is also on trial in a separate corruption case involving a MVR 11.3 million (USD 734,500) contract signed in 2023 for the purchase of an ice plant in Maamendhoo, an island in Lhaviyani Atoll. Prosecutors allege the plant was purchased at a highly inflated price, that procurement procedures were bypassed, and that the decision was taken despite internal assessments indicating the project was not financially viable. He has pleaded not guilty in that case.

The conviction came shortly after the Auditor General's Office released a special audit identifying MVR 2.2 billion (USD 143 million) in financial irregularities at the state utility between 2021 and 2023 and recommending criminal investigations into multiple procurement practices. [The Sun]

Maldives: Detained fishermen released after sea protest over tuna policy

(lm) All eight fishermen and union members detained following a large sea-based protest off Malé have been released from custody, according to the Bodu Kanneli Masveringe Union (BKMU), a trade union representing yellowfin tuna fishermen. The protest, staged on December 10 to mark Fishermen's Day, saw around 50 fishing boats sail from Hulhumalé toward Malé's main jetty, accusing the government of failing to honor commitments to purchase and market yellowfin tuna and to ensure stable income for fishermen.

Police intervened on December 11, boarding the vessels and detaining eight protesters, including both Maldivian and expatriate workers. Four Maldivians, among them a sitting member of parliament from the main opposition Maldivian Democratic Party, were charged with obstruction and initially remanded in police custody, while four expatriates were handed over to immigration authorities. One detainee was released earlier on medical grounds, and the remaining individuals were freed this week, bringing all eight out of custody. [The Sun]

Maldives: Rights groups raise concerns over nighttime police checks targeting migrant workers

(lm) Local human rights organizations have expressed concern over new nighttime police checks targeting migrant workers in the Maldives, following instructions issued by President Dr. Mohamed Muizzu for police to stop and question migrant workers in public spaces between twelve midnight and six a.m. The president stated that the measure was introduced in response to claims that some migrant workers were engaging in activities at night that disturb public order and conflict with community standards.

The groups referred to constitutional provisions guaranteeing equality before the law and prohibiting discrimination, and argued that public measures singling out one group for collective suspicion undermine these protections. They also stated that broad and arbitrary enforcement actions directed at a specific community do not meet standards of necessity and proportionality under domestic and international law.

The statement further noted that exploitation of migrant workers in the Maldives is well documented, including wage theft, passport confiscation, unsafe working and living conditions, exclusion from minimum wage protections, and barriers to accessing justice. The organizations warned that recent government measures affecting migrant workers could increase fear, profiling, and vulnerability to abuse and exploitation.

The groups called on the government to ensure that public safety measures comply with constitutional guarantees and international human rights obligations. They also urged the Human Rights Commission of the Maldives and the Attorney General's Office to review the legality of the measures and assess their

compliance with constitutional and international standards. [The Sun]

Maldives: Debt servicing absorbs one-quarter of state revenue as fiscal pressures intensify

(lm) The Maldivian government has spent MVR 9.5 billion (roughly USD 618 million) so far in 2025 on loan repayments and financing and interest costs, accounting for about 25 percent of total state revenue, according to the latest weekly fiscal developments report released by the Ministry of Finance.

As of December 11, the state recorded MVR 36 billion (USD 2.34 billion) in revenue and grants, while total expenditure reached MVR 37.9 billion (USD 2.46 billion). Of the debt-related spending, MVR 4.4 billion (USD 286 million) was used for refinancing and interest payments—slightly below this year's budget allocation but broadly in line with last year—while MVR 5.1 billion (USD 332 million) went toward loan repayments, exceeding the budgeted amount by MVR 1.2 billion (USD 78 million).

Combined debt servicing costs are now MVR 2 billion (USD 130 million) higher than total spending under the Public Sector Investment Program (PSIP), underscoring the growing strain that debt obligations are placing on public finances. The finance ministry data also indicate that loan repayments in 2025 are significantly higher than in 2024, when repayments totaled MVR 2.3 billion (USD 150 million).

Fiscal pressures are expected to intensify further next year. The Maldives faces USD 1.1 billion in external debt repayments in 2026, including a USD 500 million single repayment, a heavy burden for an economy that relies heavily on tourism revenue and external financing.

Reflecting these risks, international credit rating agencies have downgraded the country's sovereign credit ratings. Moody's lowered the Maldives from CAA1 to CAA2, while Fitch cut its rating from CCC+ to CC, both citing heightened default risk. The World Bank has also warned that the deteriorating debt situation is likely to make it more difficult for the Maldives to secure foreign financing and external assistance to manage its fiscal challenges. [The Sun 1]

These pressures coincide with scrutiny over government spending. The President's Office exceeded its approved 2025 budget by MVR 7.1 million (USD

462,000), although overall expenditure remains lower than during the same period last year. Spending has been influenced in part by increased travel by Mohamed Muizzu to the atolls and by community meetings in Male ahead of upcoming local council elections. [The Sun 2]

Maldives: Mounting financial strain in state-owned enterprises amid governance and cost controls

(lm) Maldives' state-owned enterprises (SOEs) continue to face significant financial pressure, according to multiple official disclosures released in December.

According to the Privatization and Corporatization Board (PCB), total SOE debt reached MVR 37.08 billion (approximately USD 2.41 billion) by the end of the first quarter of 2025. The largest debtor is Maldives Airports Company Limited, with liabilities of MVR 12.98 billion (USD 843.7 million). The Housing Development Corporation, responsible for large-scale housing and urban development projects, carried MVR 9.3 billion (USD 604.5 million) in liabilities, despite a slight year-on-year decline. Debt among budget-supported SOEs rose faster, increasing 24 percent year on year to MVR 3.97 billion (USD 258.1 million). Overall SOE debt rose 7 percent compared with the same period in 2024, while combined revenues declined 9 percent, even as reported net profits increased 10 percent, indicating uneven performance across the sector and continued reliance on state backing for weaker firms. [The Sun 1]

Loss-making utilities and contractors remain a central concern. Fenaka Corporation, the state electricity and water utility, recorded MVR 208 million (USD 13.5 million) in losses in 2024, an improvement from MVR 811 million (USD 52.7 million) in 2023, but still ended the first quarter of 2025 with a further MVR 33.72 million (approximately USD 2.19 million) loss. The Road Development Corporation, responsible for major road and construction projects, posted MVR 229 million (USD 14.9 million) in losses in 2024, up from MVR 173 million (USD 11.2 million) the previous year, and recorded an additional MVR 113.73 million (USD 7.39 million) loss in the first quarter of 2025. RDC has not been audited since 2021, adding to transparency concerns. [The Sun 2]

Disclosure and oversight issues persist. The Maldives Transport and Contracting Company, a publicly listed firm responsible for transport services and large public works, has again delayed publication of its third-quarter 2025 financial report, missing multiple

statutory deadlines and seeking extensions from the Capital Market Development Authority without providing public explanations. [The Sun 3]

Fiscal exposure has also increased through direct state support. In 2024, the government provided MVR 2.0 billion (approximately USD 130.0 million) in capital injections, MVR 3.6 billion (approximately USD 234.0 million) in subsidies, and MVR 221 million (approximately USD 14.4 million) in additional support to SOEs. Employment across SOEs rose to around 39,000 workers, exceeding total civil service staffing levels.

Against this backdrop, President Mohamed Muizzu announced a policy change aimed at reducing costs associated with appointing retired officials to senior posts. Retirees appointed to government-appointed or elected positions will no longer receive their retirement allowance while serving, ending the practice of drawing both a pension and a full salary. The change follows public criticism over appointments of retired military and police officers to lead major SOEs, including Fenaka, MTCC, HDC, Maldives Ports Limited, and Maldives Industrial Fisheries Company. [The Sun 4]

Maldives: Detention backlogs, penal reform debate, and prison capacity pressures

(lm) Maldives authorities are confronting mounting strain across the criminal justice and prison system, as prolonged pretrial detention, high recidivism linked to drug abuse, and record-length sentences fuel debate over legal reform and incarceration capacity.

President Dr. Mohamed Muizzu has pledged that the trials of suspects held in custody for more than one year under court-ordered indefinite remand will be completed by the end of March 2026. Speaking at a public meeting in Hulhumale', he said all such cases would reach closure—either through conviction or release—within three months. According to the Prosecutor General's Office, as of March 2025 four suspects had been jailed for six years awaiting trial, eight for five years, and 22 for four years. The government has already introduced a monitoring mechanism allowing limited release with ankle bracelets for eligible detainees, excluding suspects charged with serious crimes such as murder, terrorism, child sexual abuse, and major drug trafficking. [The Sun 1]

Judicial criticism of the penal system has also intensified. During a remand hearing, a Criminal Court judge warned that the current system is failing to rehabilitate offenders or reduce reoffending, particularly in cases linked to drug addiction and petty theft. Official data show that most convictions involve drug offenses, often accompanied by theft to fund drug use. The judge stressed that repeated short detentions are costly and ineffective, calling for systemic reform rather than continued reliance on incarceration. [The Sun 2]

At the same time, sentencing practices themselves have come under scrutiny. Former home minister Umar Naseer has argued that fraud cases should be addressed under Islamic law (Sharia) instead of imposing extremely long prison terms that create long-term financial burdens for the state. His remarks followed a Criminal Court ruling that imposed a 109-year prison sentence and a fine of MVR 7 million (approximately USD 455,000) on a defendant convicted on 23 fraud counts involving fake telegraphic transfers. Although the court found that USD 123,000 had been laundered, it said it lacked authority to order recovery of the funds. The sentence is reported to be the longest ever issued in the Maldives.

Against this backdrop, prison overcrowding is becoming a growing concern. The Maldives Correctional Service has announced plans to add around 140 new prison places within two months—70 at Hulhumale' Prison and 70 at Asseyri Prison in Kaafu Atoll—on top of 124 places added since the current administration took office. A civil society group has estimated the prison population at 1,347 as of June 2024. [The Sun 3] [The Sun 4]

Maldives: New chair appointed to national drug agency after leadership gap

(lm) Ahmed Siddeeq, a state minister at the Ministry of Homeland Security, has been appointed chairperson of the National Drug Agency (NDA), ending a two-month vacancy at the top of the body responsible for coordinating the Maldives' response to drug abuse and trafficking.

Siddeeq replaces Lubna Zahir, also a state minister at the Homeland Security Ministry, who had chaired the NDA since June 2024 but was transferred to the Foreign Ministry in October, leaving the post vacant.

The leadership change comes amid continued institutional strain at the agency. The NDA has been

operating without a chief executive officer for more than a year, following the dismissal of Imad Solih in July 2024. Critics have repeatedly argued that the agency has struggled to respond effectively to the country's drug problem, which remains a major social and public health concern in the Maldives. [The Sun]

Maldives: Police step up gang crackdown in capital region

(lm) Maldivian police have intensified gang suppression operations in Malé City—the Maldives' densely populated capital and political, commercial, and administrative center—and Hulhumalé, a nearby planned urban island developed to relieve congestion in the capital. According to the Maldives Police Service, the Gang Crime Suppression Department carried out 654 searches over a 48-hour period in identified gang activity hotspots across the two urban areas. [The Sun]

Nepal: Ousted ex-prime minister secures third consecutive term as party chair ahead of 2026 elections

(ec/lm) Former prime minister KP Sharma Oli has been reelected chair of the Communist Party of Nepal–Unified Marxist–Leninist (CPN–UML) for a third consecutive term, following voting at the party's 11th general convention in Kathmandu. Oli defeated his main challenger, senior party leader Ishwar Pokhrel, by a wide margin of 1,663 votes to 564, with 2,227 delegates participating. The result gave Oli's panel sweeping control over the party's central committee and key office-bearer positions.

The leadership contest was closely watched as a test of Oli's authority after his government was ousted earlier in the year amid Gen Z–led protests that escalated into a broader political crisis. Despite calls within the party for generational change and accountability following those events, Oli retained strong backing from party delegates. His reelection was made possible by internal rule changes adopted at a statute convention in September, which removed the two-term limit and the seventy-year age cap for senior party posts—changes that directly enabled Oli, now in his early seventies, to stand again.

Pokhrel's challenge was widely viewed as a proxy contest reflecting deeper internal rifts within the CPN–UML. His candidacy drew informal support from

figures aligned with Bidya Devi Bhandari, Nepal's president from 2015 to 2023, who had sought to return to active party politics after leaving the presidency. Her attempted reentry, and the party leadership's decision to block her membership, intensified factional tensions and contributed to Pokhrel's bid. However, the scale of Oli's victory indicated that backing associated with Bhandari did not translate into decisive delegate support.

Beyond the chairmanship, Oli's dominance was reinforced by the election of loyalists to most senior positions, including the reelection of Shankar Pokhrel as general secretary, ensuring continuity within Oli's inner leadership circle. While a small number of figures from the rival camp secured positions, the overall outcome strengthened Oli's grip on the party apparatus.

Nonetheless, Oli's third term is expected to be politically contentious. He is due to face questioning by an inquiry commission examining the state's use of force during the Gen Z protests, a panel whose authority he has publicly challenged. The party has also petitioned the Supreme Court over the dissolution of parliament that followed the crisis, and has questioned whether early elections scheduled for March 5, 2026, will proceed as planned. In post-election remarks, Oli warned of nationwide agitation if action is taken against him or the party leadership, framing his victory as a rejection of efforts to marginalize him within Nepal's largest left-wing party. [The Kathmandu Post 1] [The Kathmandu Post 2] [The Kathmandu Post 3] [Republica]

Nepal: Divisions over House restoration and March elections cut across parties and Gen Z movement

(lm/ec) Nepal's political landscape remains deeply divided over whether to restore the dissolved House of Representatives or proceed with snap parliamentary elections scheduled for March 5, 2026, with the split running not only through established political parties but also through the Gen Z movement that helped bring down the previous government.

Among mainstream parties, former lawmakers from the Nepali Congress and the Communist Party of Nepal (Unified Marxist–Leninist), which together led the coalition government prior to the House's dissolution, are pursuing legal action to reinstate Parliament. They argue that they are close to securing the signatures required to demonstrate a majority in the 275-member

House that was dissolved on September 12 following the Gen Z–led protests. The Supreme Court of Nepal has registered their petitions and issued show-cause notices to the government, the President's Office, the Election Commission, and other constitutional bodies, but has so far declined to suspend the dissolution while substantive hearings continue. [The Kathmandu Post 1] [The Kathmandu Post 2]

While the Congress and CPN-UML are simultaneously preparing for the March elections and challenging the dissolution in court, other major parties are firmly backing elections as the only viable path forward. Pushpa Kamal Dahal, coordinator of the Nepali Communist Party, which brings together several leftist parties including the formerly main opposition CPN (Maoist Centre) and CPN (Unified Socialist), has stated that holding elections on March 5 is essential and warned against attempts to derail the process. He argued that public confusion is being fueled by competing legal and political strategies.

The Rastriya Swatantra Party, which was the fourth-largest force in the dissolved House and part of the opposition prior to its dissolution, has also reiterated its support for elections. Its leadership has publicly aligned with the interim government on the need to proceed with polls rather than restore the previous legislature. [The Kathmandu Post 3]

A similar fault line is visible within the Gen Z movement itself. On December 22, Kathmandu's District Administration denied permission for a youth-led protest after organizers sought approval on the day of the planned demonstration, citing procedural requirements. Police dispersed protesters at Maitighar Mandala, where slogans were raised demanding the resignation of the interim prime minister and the formation of a consensus government. One prominent Gen Z grouping has stated that it will not participate in the March elections unless broader institutional demands—such as a directly elected prime ministerial system—are addressed. [The Kathmandu Post 4]

Other Gen Z activists have taken opposing positions. Some argue that elections should be halted unless constitutional changes are agreed upon in advance, while others insist there is no alternative to timely polls and that reforms must be pursued through a newly elected parliament. Public exchanges among youth leaders have reflected growing internal disagreements, including accusations that efforts to delay elections risk destabilizing the transition, countered by claims that excluding dissenting voices undermines democratic legitimacy. [The Kathmandu Post 5]

Nepal: Interim government advances election preparations despite unresolved fallout from Gen Z protests

(ec/lm) Nepal's interim government is pressing ahead with preparations for snap parliamentary elections scheduled for March 5, 2026, even as unresolved political, legal, and accountability issues stemming from the September Gen Z–led protests continue to shape the environment. Those protests led to the resignation of former prime minister KP Sharma Oli, the formation of an interim government under Sushila Karki, and the dissolution of the House of Representatives on September 12.

In the electoral domain, President Ramchandra Paudel has issued an ordinance amending the law governing elections to the House of Representatives to revise proportional representation seat allocations. The amendment updates representation quotas to reflect population data from the 2021 national census, replacing figures based on the 2011 census that were used in the 2022 elections. The revision follows an agreement between the government and the Election Commission and recommendations from a six-member expert panel. The timing is critical, as political parties must submit closed proportional representation candidate lists on December 29 and 30, with final lists due on January 3. [The Kathmandu Post 1] [The Kathmandu Post 2]

At the same time, Prime Minister Karki has convened broad political consultations to shore up confidence in the election process. She called a high-level meeting bringing together leaders of seven major political parties, the Election Commission, security agencies, and civil society representatives to review preparations for the March 5 elections, including security arrangements, election laws, and logistical readiness. Formal briefings by the Home Ministry and the Election Commission were followed by political discussions on whether conditions are sufficient for polls to proceed as scheduled.

However, the consultations have so far not included the top leadership of the two largest parties in the dissolved House—the Nepali Congress and the Communist Party of Nepal (Unified Marxist–Leninist). Prime Minister Karki has previously met second-tier leaders from these parties, but senior figures from other political parties and legal experts at parallel meetings stressed that direct engagement with their top leadership is necessary to reduce polarization and stabilize the political environment ahead of the vote.

Moreover, a major point of contention is the government's proposal to introduce new voting provisions through an ordinance ahead of the elections, including voting rights for Nepalis living abroad, out-of-constituency voting within Nepal, and a "no-vote" option. Several political figures cautioned that altering election rules after the process has begun could trigger disputes and undermine credibility, while legal experts stressed that such changes would normally require parliamentary legislation. Given compressed timelines and looming electoral deadlines, they warned of technical and constitutional complications. [The Kathmandu Post 3] [The Kathmandu Post 4]

Despite these challenges, Prime Minister Karki has publicly rejected speculation that elections could be postponed or canceled. In an address marking her first 100 days in office, she reiterated the government's commitment to holding the polls on time, in a single phase, and under secure conditions. She confirmed that an integrated election security plan has been approved, that the Nepali Army will be deployed as part of the process, and that progress has been made in restoring security infrastructure damaged during the protests. The government has allocated NPR 6.73 billion (approximately USD 49.1 million) to the Election Commission and amended voter registration rules to allow around 837,000 new young voters to participate despite the election date already having been announced. [The Kathmandu Post 5]

Alongside election preparations, the institutional aftermath of the Gen Z uprising remains unresolved. A high-level judicial inquiry commission investigating the security crackdown, in which 77 people were killed, has requested a one-month extension to complete its work. The commission is preparing to question KP Sharma Oli and the home minister in office at the time of the protests. Its mandate was expanded under a ten-point agreement signed on December 10 between the government and Gen Z representatives, formally recognizing the September events as a "people's movement" and authorizing investigations into alleged extrajudicial killings and detentions linked solely to protest participation. [The Kathmandu Post 6] [The Kathmandu Post 7]

Nepal: Interim government moves to unblock stalled constitutional legislation ahead of new parliament

(lm) Nepal's interim government has announced that it is preparing 121 new and amended bills to be

submitted to the federal parliament, seeking to address long-standing legislative gaps that have prevented full implementation of the 2015 Constitution of Nepal. Parliamentary committee assessments show that, as of mid-2023, only 111 of the 151 laws required under the constitution had been enacted, leaving core areas of governance legally incomplete nearly a decade after promulgation.

The delays have practical consequences for Nepal's federal system. Several constitutionally mandated reforms—most notably the transfer of authority over school education to local governments and the creation of a federal civil service framework—remain unimplemented because earlier bills lapsed when parliament was dissolved in the wake of the Gen Z mass protests in September. Other key legal areas, including health governance, citizenship regulation, and the formal powers of the President and Vice President, also lack updated statutory foundations.

Parliamentary reviews further highlight that many laws still in force date back to the 1950s and the Panchayat era (1961–1990), reflecting a significant mismatch between Nepal's current constitutional order and its operative legal framework. While parliamentary committees have repeatedly instructed successive governments to modernize these laws, progress has been slow due to both executive inaction and delays within parliamentary committees. [The Kathmandu Post]

Nepal: Madhesh Province stabilizes leadership as speaker elected and chief minister secures confidence vote

(lm) Political developments in Nepal's Madhesh Province have moved toward short-term institutional stabilization, with the provincial assembly electing a new speaker and the chief minister formally securing majority support through a vote of confidence.

On December 21, the Madhesh Province Assembly elected Ram Ashish Yadav as Speaker. A lawmaker from the Janata Samajbadi Party, Nepal, he secured 72 votes out of 96 cast, while 24 members voted against him. As he obtained a clear majority on the first proposal, a rival nomination submitted by the Communist Party of Nepal (Unified Marxist–Leninist) (CPN-UML) was automatically rendered void under assembly procedure. His election followed an agreement among the ruling seven-party alliance that the Janata Samajbadi Party, Nepal would hold the speaker's post. [The Kathmandu Post 1]

In parallel, Krishna Prasad Yadav moved to regularize his mandate as Chief Minister. Appointed in early December under constitutional provisions requiring proof of majority support within 30 days, he tabled a motion of confidence in the provincial assembly on December 19. All 92 lawmakers present voted in favor, well above the 54 votes required in the 107-member assembly. The vote included support not only from coalition partners but also from opposition lawmakers, including members of the CPN-UML.

Krishna Prasad Yadav leads the parliamentary party of the Nepali Congress in the province and was appointed chief minister with the backing of a multi-party alliance. He took the oath of office in early December and has since expanded his cabinet to include representatives from additional coalition partners. At present, the provincial cabinet has six members, with several ministries yet to be fully constituted. [The Kathmandu Posti 2] [Setopati]

Nepal: Former home minister secures bail, signals political comeback with talks ahead of March elections

(lm/ec) Rabi Lamichhane, chair of the Rastriya Swatantra Party—a reform-oriented party founded in 2022—has been released on bail in connection with an ongoing cooperative fraud and organized crime case and has immediately resumed political activity ahead of Nepal's parliamentary elections scheduled for March 5, 2026.

Lamichhane was released following a court order granting bail subject to financial guarantees equivalent to the alleged loss, restrictions on foreign travel, and compliance with future court decisions. The case remains pending, with proceedings continuing against another accused who remains in custody. No conviction has been issued, and legal experts cited by Nepali media have stated that Lamichhane's legal status does not bar him from contesting the upcoming elections. [The Kathmandu Post 1] [The Kathmandu Post 2] [The Kathmandu Post 3] [The Kathmandu Post 4]

Following his release, Lamichhane publicly resumed his role as party chair and rejected calls by larger parties for reinstatement of the dissolved House of Representatives. He argued that there is "no alternative" to proceeding with elections and said that demands raised during recent Gen Z–led protest movements must be addressed through the electoral process. He reiterated his party's support for elections,

governance reform, and accountability, while warning against efforts to disrupt the polls. [The Kathmandu Post 5]

Within days of his release, Lamichhane held late-night talks in Kathmandu with Balendra Shah, the mayor of Kathmandu, to explore possible political cooperation ahead of the elections. Shah is widely known as a prominent figure associated with youth-driven and Gen Z–supported protest sentiment in recent years. The discussions, described by participants as cordial and exploratory, took place at the residence of a former Rastriya Swatantra Party lawmaker and included senior party figures and civil society personalities.

According to individuals present, the meeting was framed as an "icebreaker," involving both one-on-one and group discussions. The two sides reached an agreement in principle to continue dialogue and explore cooperation in some form, though no specific arrangement or alliance was announced. Both Lamichhane and Shah agreed to continue discussions in the coming days. [The Kathmandu Post 6]

Nepal: Government's human rights report to UN disputed by civil society

(lm) Nepal has submitted its report to the United Nations Human Rights Council ahead of its upcoming fourth Universal Periodic Review on January 21, 2026, claiming that most recommendations accepted during the third review cycle in January 2022 have been implemented. The government report highlights alleged progress in strengthening the autonomy of the National Human Rights Commission, addressing conflict-era violations, criminalizing torture, improving birth registration, and reducing discrimination.

Human rights organizations and civil society groups contest these claims, stating that implementation has been limited or incomplete. They argue that proposed amendments to the National Human Rights Commission Act remain at a preliminary stage, that allegations of torture and custodial deaths have not led to prosecutions, and that transitional justice mechanisms remain stalled due to the absence of implementing regulations. Civil society submissions further state that progress has been particularly weak on child rights, sexual and gender-based violence, and non-discrimination. [The Kathmandu Post]

Nepal: Human rights commissioner withdraws resignation after assurances on independence of work

(lm) A commissioner of Nepal's National Human Rights Commission (NHRC) has withdrawn her resignation after receiving assurances that she will be able to carry out her duties without interference. Lily Thapa, the only woman member of the constitutionally mandated human rights watchdog, had submitted her resignation earlier this month, citing restrictions on her ability to work independently.

Thapa said she decided to reverse her resignation after being assured by the commission's chair, Top Bahadur Magar, that there would be no obstruction to her initiatives going forward. The dispute had centered on her allegations that the commission's secretary, Murari Kharel, who heads the administrative bureaucracy of the institution, was blocking her work

The tensions became public after Kharel opposed Thapa's proposal to conduct a study on child marriage and the legal age of marriage, an issue linked to ongoing government preparations to amend existing legislation that sets the minimum age at 20 years. Officials said the disagreement escalated when budget approval for the proposed study was questioned, leading Thapa to threaten to make the matter public.

The episode has highlighted broader internal frictions within the NHRC. A former senior commissioner resigned in September, citing the need for new leadership in a changed political context, leaving the five-member commission operating with four members. Commission officials have alleged a pattern in which approvals and budget releases for initiatives proposed by commissioners are delayed or withheld, particularly after the earlier resignation.

The secretary at the center of the dispute has previously been controversial. His promotion to the post was challenged internally and later in the Supreme Court, and at least one commissioner formally objected to his appointment, alleging misuse of resources and failure to act in a sexual harassment case. Despite these objections, the commission leadership had recommended his promotion based on a selection process conducted the previous year. [The Kathmandu Post]

Nepal: Government withdraws expanded medical testing requirements and higher

fees for migrant workers

(lm) Nepal's interim government has withdrawn newly introduced medical testing standards and higher fees for outgoing migrant workers, reversing a policy adopted in mid-November after complaints from workers and recruitment agencies that the higher costs were not in the interest of migrant workers.

The previous, expanded testing regime had been based on recommendations from a 30-member expert task force on migrant workers' health assessments, formed in 2024, which had proposed stricter laboratory standards and broader examinations to reduce health risks and workplace accidents abroad. In March, the previous government had also adopted a seven-point resolution to strengthen the health testing system for migrant workers, drawing on existing health institution standards and regulations under the foreign employment framework. As part of that process, the government evaluated medical testing centers nationwide, approving 171 institutions and removing 29 that failed to meet revised criteria.

Official data cited by the authorities show that approximately 1000 Nepali migrant workers die abroad each year, with causes ranging from workplace and road accidents to suicide and various health-related conditions. [The Kathmandu Post]

Nepal: USD 100 million concessional loan with ADB signed for public finance reforms

(lm) Nepal has signed a USD 100 million concessional loan agreement with the Asian Development Bank (ADB) to support reforms in public finance management and strengthen devolved service delivery under the country's federal system. The agreement backs the Strengthening Public Finance Management and Devolved Service Delivery Programme, which focuses on improving how public funds are planned, managed, and spent across central, provincial, and local governments. [The Kathmandu Post]

Pakistan: Jailed ex-prime minister sentenced to 17 years in corruption case as protests and dialogue calls unfold

(lm) A Pakistani court has sentenced former prime minister Imran Khan and his wife Bushra Bibi to 17

years' imprisonment each in a corruption case linked to the Toshakhana, the state-run repository that records and regulates gifts received by public office holders from foreign dignitaries. Under Pakistani law, such gifts may only be retained if they are properly declared and purchased at assessed market value, with any subsequent sale fully disclosed.

The case, filed in July 2024 and commonly referred to as the Toshakhana-II case, centers on a luxury jewelry set gifted to Bushra Bibi while Khan was prime minister between 2018 and 2022. Prosecutors argued that the couple undervalued the gift, acquired it from the Toshakhana at a reduced price, and later sold it in violation of disclosure rules. The court imposed 10 years for criminal breach of trust and seven years under anti-corruption law, along with a fine of PKR 16.4 million. The ruling is separate from an earlier Toshakhana conviction and adds to Khan's growing list of legal setbacks since his removal from office in 2022. [Arab News 1] [Deutsche Welle]

Khan, who has been jailed since August 2023 and is facing multiple cases, rejected the verdict and announced that he would appeal to the Islamabad High Court. Through messages relayed by his lawyers —since he has no access to social media in jail—he called for nationwide protests and instructed party leaders to prepare a street movement, arguing that the decision was rushed, unsupported by evidence, and delivered without due process. His party, Pakistan Tehreek-e-Insaf, described the sentence as unconstitutional and politically motivated, alleging victimization, procedural violations, and restrictions on family access. PTI leaders have also raised claims of double jeopardy and criticized the treatment of Bushra Bibi in detention. [Daily Mirror]

At the same time, Prime Minister Shehbaz Sharif has renewed an offer of dialogue with the PTI, saying political harmony is essential for Pakistan's stability and economic progress. Speaking to the cabinet, Sharif said the government was ready for talks on legitimate political issues, while ruling out what he described as unlawful or coercive demands. PTI's current leadership has signaled conditional openness to dialogue, arguing that political engagement should continue alongside any protest movement. [Arab News 2]

Pakistan: Court hands lengthy sentence in incitement case linked to banned religious party

(lm) A Pakistani anti-terrorism court has sentenced a senior figure of Tehreek-e-Labbaik Pakistan, a hardline religio-political party known for mass street mobilization around blasphemy issues, to a combined 35 years in prison for incitement and related offenses. The case stems from a 2024 public speech targeting a former chief justice over a blasphemy judgment that overturned a death sentence against a member of a religious minority.

The verdict follows the government's decision earlier in 2025 to ban Tehreek-e-Labbaik Pakistan under the Anti-Terrorism Act after violent clashes with police in Punjab. [Arab News]

Pakistan: Final nationwide polio drive of 2025 vaccinates 44.6 million children

(lm) Pakistan has completed its final nationwide anti-polio vaccination campaign of 2025, immunizing more than 44.6 million children under the age of five during a seven-day drive conducted from December 15 to 21, according to the federal body overseeing polio eradication efforts. The campaign was carried out simultaneously in Pakistan and Afghanistan, the only two countries where wild poliovirus transmission has never been fully interrupted, underscoring their central role in global eradication efforts.

Health authorities reported 30 confirmed polio cases in 2025, down from 74 cases in 2024, and said no new cases have been recorded since September 2025, pointing to measurable progress compared with the previous year. Polio, a viral disease that can cause irreversible paralysis, has no cure and can only be prevented through repeated oral vaccination.

At the same time, officials stressed that eradication efforts remain vulnerable. Persistent challenges include vaccine hesitancy and misinformation, security threats to vaccination teams and their escorts, particularly in parts of Khyber Pakhtunkhwa and Balochistan, and disruptions caused by natural disasters, including flooding. During the December campaign, a gun attack in Bajaur district resulted in the deaths of a police officer and a civilian, highlighting ongoing security risks. [Arab News 1] [Arab News 2] [Arab News 3]

Pakistan: Government approves USD 700 million to ease power sector liquidity

pressures

(lm) Pakistan's Economic Coordination Committee has approved a PKR 200 billion (USD 700 million) technical supplementary grant to address cash-flow constraints in the electricity sector, as part of ongoing efforts to stabilize state-owned utilities and advance structural reforms. The decision was taken at a meeting chaired by the finance minister and is intended to support equity investment in electricity distribution companies, which are responsible for billing, revenue recovery, and grid maintenance.

The power sector continues to face severe liquidity stress linked to Pakistan's long-standing "circular debt," a buildup of unpaid bills and subsidies that has disrupted supply, discouraged investment, and added fiscal pressure. The government has committed to restructuring and privatizing selected distribution companies under its reform agenda, which is aligned with obligations under the International Monetary Fund program agreed last year.

In the same meeting, the committee also approved PKR 4.775 billion (USD 16.7 million) in compensation payments to families of individuals classified as missing by the national inquiry commission, with disbursements to be supervised under established procedures.

Reviewing macroeconomic conditions, the committee noted that average inflation for the period July to November stood at 5 percent, down from 7.9 percent during the same period a year earlier, attributing the decline to tighter fiscal management, price stabilization measures, and market monitoring. [Arab News]

Pakistan: Tax-to-GDP ratio projected to plateau despite one-off FY2025 gains

(as) Pakistan's tax-to-GDP ratio is expected to remain broadly flat through fiscal year 2030, despite a one-off improvement in fiscal year 2025, according to the International Monetary Fund (IMF). The Fund projects Federal Board of Revenue (FBR) collections to stabilize at around 11.1 percent of GDP, signaling persistent structural constraints in revenue mobilization.

The federal tax ratio rose by 1.4 percentage points in fiscal year 2025, driven by additional revenue measures totaling USD 8.93 billion (PKR 2.50 trillion). FBR receipts increased from 8.9 percent of GDP in fiscal year 2024 to 10.3 percent, but still fell short of the IMF program target of 10.7 percent. For fiscal year

2026, collections are projected at PKR 13.98 trillion (USD 49.93 billion), implying a shortfall of PKR 328 billion (USD 1.17 billion) under current assumptions.

The IMF attributed revenue underperformance mainly to faster-than-expected disinflation, weaker growth, and unresolved tax litigation. While tax revenues missed targets, total revenues rose to 15.9 percent of GDP, supported by higher petroleum levies and increased profit transfers from the State Bank of Pakistan.

Provincial governments have begun implementing agriculture income tax reforms and expanding general sales tax coverage to services, but the IMF warned that weak information-sharing between federal and provincial tax authorities remains a key obstacle.

The IMF reiterated that countries sustaining a tax-to-GDP ratio near 15 percent achieve stronger long-term income growth than those, like Pakistan, where the ratio remains near 10–11 percent. The consolidated fiscal deficit is projected to narrow from 5.4 percent of GDP in fiscal year 2025 to 2.8 percent by fiscal year 2030. [DAWN]

Pakistan: Government advances privatization of loss-making national airline with three bidders remaining

(lm) Pakistan's government has moved forward with the privatization of its loss-making national airline, receiving three bids for the sale of a 75 percent stake in Pakistan International Airlines. The remaining bidders include two investor consortiums led by Lucky Cement and Arif Habib Corporation, and the private airline Airblue, after Fauji Fertilizer Company, part of a military-linked conglomerate, withdrew from the process. The government plans to retain the airline's name and branding, while eventually offering the remaining 25 percent stake at a later stage.

Privatization of the airline is a central element of Pakistan's economic reform agenda under a USD 7 billion International Monetary Fund program, aimed at reducing losses from state-owned enterprises and easing pressure on public finances. The airline has accumulated more than USD 2.5–2.8 billion in losses over years of chronic mismanagement, political interference, overstaffing, and operational failures. Its financial position deteriorated further after a 2020 ban on flights to the European Union, the United Kingdom, and the United States, imposed following a pilot licensing scandal.

This is Pakistan's third attempt to privatize the carrier, following a failed 2024 auction that attracted only a single bid far below government expectations. Islamabad is targeting around USD 302 million in privatization proceeds this year, though officials have stressed that restoring sustainable airline operations and expanding the fleet and route network under new ownership are higher priorities than maximizing short-term revenue.

The airline's sale forms part of a broader five-year privatization plan covering 24 state-owned entities between 2024 and 2029, as Pakistan seeks to curb recurring fiscal losses, improve governance of public enterprises, and rebuild investor confidence. [Arab News 1] [Arab News 2]

Pakistan: World Bank engagement combines macroeconomic reform financing with push for private-sector growth

(lm) Pakistan has deepened its engagement with the World Bank Group through a combination of large-scale public-sector reform financing and parallel discussions on mobilizing private investment and job creation, as the government seeks to transition from short-term stabilization toward more durable, private-sector-led growth.

On the public finance side, the World Bank has approved USD 700 million in new financing for Pakistan under the Public Resources for Inclusive Development – Multiphase Programmatic Approach (PRID-MPA), a multi-year reform framework under which total support could reach USD 1.35 billion. Of the approved amount, USD 600 million will support federal-level reforms, while USD 100 million is allocated to a provincial reform program in Sindh. The funding is results-based, with disbursements tied to the achievement of agreed policy actions and performance benchmarks, rather than released upfront.

The financing is intended to strengthen macroeconomic stability, improve public finance management, and support basic service delivery, and follows a USD 47.9 million World Bank grant earlier in 2025 aimed at improving primary education in Punjab. [Arab News 1]

In parallel, Pakistani officials have held talks with the International Finance Corporation (IFC)—the World

Bank Group's private-sector arm—to review steps to mobilize private investment and expand employment opportunities. The discussions focused on how IFC financing and advisory services could help unlock business activity in key sectors, complementing public-sector reforms. [Arab News 2]

Pakistan: ADB backs flagship railway upgrade

(lm) Pakistan and the Asian Development Bank reaffirmed their commitment to advancing Main Line-1 (ML-1), a long-delayed railway modernization project that is central to the country's economic reform and connectivity agenda under an International Monetary Fund stabilization program.

The project concerns the upgrading of Pakistan Railways' main north–south corridor, which links the port city of Karachi with major population and industrial centers in Punjab and Khyber Pakhtunkhwa and carries the bulk of passenger and freight traffic. Originally promoted as a flagship transport project under the China–Pakistan Economic Corridor, it faced repeated delays due to high projected costs, debt sustainability concerns, and weak project readiness. In response, Pakistan has shifted toward broader multilateral engagement. [Arab News]

Pakistan: Authorities pledge tougher action as extortion complaints rise in main commercial hub

(lm) Pakistan's authorities have pledged intensified action against extortion and related criminal networks after businesses reported a rise in threats targeting the country's largest economic center. The issue has drawn attention following complaints from builders and developers that extortion calls have increased in recent months, with some demands traced to phone numbers operating from outside Pakistan.

Latest police data indicate that, nationwide, 171 extortion cases were registered during 2025. Of these, 75 were confirmed as genuine extortion cases, and investigators say 71 have been traced, a rate of about 95 percent. According to the police, 128 suspects were identified in these confirmed cases, with 91 arrested and six killed during encounters. The remaining cases initially reported as extortion were later classified as disputes linked to land, finances, or personal conflicts.

The business complaints are concentrated in Karachi, Pakistan's largest city and principal commercial and financial center, which accounts for a substantial share of national trade, industry, and tax revenue. Builders told provincial authorities that at least ten firms had received extortion demands totaling about PKR 50 million (USD 178,000), with some calls traced to numbers based abroad, including in parts of the Gulf and Middle East.

In response, the government of Sindh, the province where Karachi is located, has pledged a tougher crackdown on extortion and land-grabbing networks, promising closer coordination between police and investigative units. Business groups have welcomed the assurances but continue to warn that persistent extortion risks undermining investor confidence and economic stability in Pakistan's primary commercial hub, which has a long history of organized crime and politically linked violence affecting traders and developers. [Arab News 1] [Arab News 2]

Seychelles: cabinet relaunches unemployment scheme, advances decentralization, and expands regional and financial engagement

(lm) Seychelles' Cabinet has approved a package of social, administrative, and external engagement measures following its meeting of December 17.

Cabinet approved the re-introduction of the Unemployment Relief Scheme (URS) from January 2026. The program will support 250 participants annually through six-month paid work placements, extendable upon review, aimed at improving employability. Cabinet also approved the URS Bill and Regulations and the creation of a dedicated URS Unit to manage and monitor the scheme.

To strengthen decentralization, Cabinet approved the creation of an Inner Islands Affairs and Community Delivery Department on Praslin, covering Praslin, La Digue, Silhouette, and other inner islands. The department will fall under the Ministry of Local Government and Inner Islands and is intended to improve coordination, project oversight, and local service delivery.

In education governance, Cabinet approved the re-establishment of an autonomous statutory agency under the Ministry of Education and Human Resource Development to manage government scholarships,

education pathways, and national career guidance, replacing the current administrative arrangement. The new body will operate with an independent board and a dedicated scholarship award committee.

On external engagement, Cabinet approved Seychelles' hosting of the fifty-ninth Plenary Assembly of the SADC Parliamentary Forum in June 2026. The SADC Parliamentary Forum is the parliamentary body of the Southern African Development Community, and the meeting is expected to bring together around 200 regional parliamentary delegates. Cabinet also approved hosting the seventeenth CONFEJES Board meeting in March 2026. CONFEJES is a Francophone intergovernmental body coordinating youth and sports policy across forty-two member states.

Cabinet further approved the ratification of the African Legal Support Facility (ALSF) treaty, which formalizes access to specialized legal assistance for complex commercial transactions and sovereign debt matters, and endorsed Seychelles' accession to the Africa Finance Corporation (AFC), a pan-African development finance institution. [State House, Seychelles]

Sri Lanka: Fragile economic recovery comes under significant pressure following major cyclone

(lm/ss) Sri Lanka's fragile economic recovery has come under renewed pressure following Cyclone Ditwah, a severe tropical cyclone that struck the island in late November, causing widespread flooding, landslides, and infrastructure damage across all 25 districts.

According to a World Bank rapid damage assessment, the cyclone caused an estimated USD 4.1 billion in direct physical damage—equivalent to about 4 percent of gross domestic product—affecting nearly 2 million people and around 500,000 families. Infrastructure damage accounted for the largest share (about USD 1.7 billion), followed by residential housing (USD 985 million) and agriculture (USD 814 million), including major losses to paddy fields and food crops. Environmental impacts have also been severe, with pollution along roughly 200 nautical miles of coastline, threatening fisheries and livelihoods. [Daily Mirror 1] [Daily Mirror 2] [Daily Mirror 3] [Daily Mirror 4]

In response to the immediate shock, the International Monetary Fund (IMF) approved USD 206 million in emergency financing under its Rapid Financing Instrument (RFI)—a facility designed to provide quick-disbursing funds to countries facing urgent balance-of-

payments needs following external shocks such as natural disasters. The IMF emphasized that while Sri Lanka's reform agenda under its ongoing Extended Fund Facility (EFF)—a multi-year IMF lending program tied to fiscal, monetary, and structural reforms—has helped stabilize inflation, rebuild reserves, and raise revenues, the economy remains vulnerable and output has yet to return to pre-crisis levels. [Daily Mirror 5]

The IMF warned that the cyclone has created significant new fiscal and external financing pressures, prompting the deferral of the fifth review of the EFF until early 2026 to reassess debt sustainability and recovery needs. [Daily Mirror 6]

Domestically, Sri Lanka's parliament has approved a supplementary budget of LKR 500 billion (approximately USD 1.5 billion)—one of the largest post-disaster fiscal packages in recent years—to fund reconstruction, livelihood restoration, and support for households, agriculture, fisheries, and small businesses. The government has already begun distributing cash grants of LKR 25,000 (around USD 75) to flood-affected families, with hundreds of thousands of households reached so far. President Anura Kumara Dissanayake cautioned lawmakers that the scale of emergency spending could fuel inflation unless accompanied by a production-led recovery strategy. [Daily Mirror 7] [Daily Mirror 8] [Daily Mirror 9] [Daily Mirror 10] [Daily Mirror 11]

The cyclone's impact has also intensified debate over Sri Lanka's debt trajectory. A group of 121 international economists, including Nobel laureates Joseph Stiglitz and Thomas Piketty, has called for an immediate moratorium on external sovereign debt payments, arguing that existing restructuring terms are inadequate to absorb climate-driven shocks. They note that even after debt restructuring, Sri Lanka faces external debt service obligations equivalent to about 25 percent of government revenue, leaving limited fiscal space for reconstruction. The economists urged a rethinking of debt frameworks to treat climate disasters as systemic rather than exceptional events, warning that continued prioritization of debt servicing risks deepening economic vulnerability. [Daily Mirror 12]

Opposition figures have echoed these concerns domestically, arguing that the government should seek amendments to the IMF's EFF, including extending debt relief beyond 2028, to reflect the altered economic baseline following the cyclone. [Daily Mirror 13]

Sri Lanka: Prime Minister reiterates plan to abolish executive presidency through new constitution

(lm) Sri Lanka's Prime Minister Harini Amarasuriya has told parliament that the executive presidency will be abolished through a proposed new constitution, reaffirming a central pledge of the ruling National People's Power manifesto. She said preliminary work on drafting the constitution has already begun, with earlier committee reports and reform proposals currently under review, and that a concept paper will be submitted to the cabinet.

The prime minister emphasized that abolishing the executive presidency cannot be done through ordinary legislation and requires the adoption of a new constitution. Studies are therefore underway on the legal and institutional steps needed for such a change. [Daily Mirror]

The executive presidency, introduced in 1978, concentrates extensive powers in the hands of the president, combining the roles of head of state, head of government, and commander-in-chief. Its authority has fluctuated over time through constitutional amendments—most notably strengthened under amendments adopted in 2010 and 2020, and partially curtailed following the 2022 political and economic crisis.

Sri Lanka: Ruling party suffers multiple local budget defeats in Colombo and other councils

(lm) The ruling National People's Power (NPP) government experienced further setbacks in its control of local authorities over the past days as several budget proposals were defeated in councils it leads, illustrating political challenges at the local level.

On December 22, the NPP lost the budget vote at the Colombo Municipal Council (CMC), the country's largest local authority, by a margin of 60 votes against to 57 in favor, despite the party's mayor being elected in June. The defeat is politically significant because the CMC is currently headed by an NPP mayor, Vraie Cally Balthazaar, who was elected in June through a secret ballot. Opposition figures have argued that the outcome highlights fragile control within the council, noting that an open vote for the mayoral election might have produced a different result. [Daily Mirror 1]

Under Sri Lanka's Local Government Ordinance, the CMC administration is permitted to present a revised budget within 14 days. A senior council member also noted that the minister responsible for local government has the legal authority to approve a third budget proposal if required. [Daily Mirror 2]

Following the vote, opposition parliamentarian Mujibur Rahman said the Joint Opposition intends to take effective control of the CMC, claiming the mayor would be reduced to a nominal role if opposition councillors consolidate their position. [Daily Mirror 3]

Earlier in the week, on December 19, the NPP suffered additional defeats in two other local authorities it controls. At the Peliyagoda Urban Council, the budget presented by the NPP chairman was rejected by a one-vote margin, and at the Ratnapura Municipal Council, the 2026 budget was defeated again after a second reading, with the council voting 14 against and 13 in favor. Observers characterized the votes against the budgets as narrowly decided but significant, noting that in both cases opposition members joined against the proposals. [Hiru News]

Under Sri Lankan local government law, a defeated budget can create administrative and political challenges for the ruling party in a local authority. While failed budgets do not automatically dissolve councils or remove chairpersons in the first two years of their term, repeated defeats and the inability to secure consensus can affect the local body's capacity to finance services and projects, and may lead to questions about leadership effectiveness ahead of future local decision-making.

Sri Lanka: Court schedules corruption case against former ruling-party figure for February

(lm) A Colombo High Court has fixed February 16, 2026, for further proceedings in a long-running corruption case involving Namal Rajapaksa, a Member of Parliament from the Sri Lanka Podujana Peramuna (SLPP), the party that dominated government until the 2022–2024 political and economic crisis. Rajapaksa is also the son of former president Mahinda Rajapaksa, a central figure in Sri Lanka's post-war political order.

The case stems from allegations that LKR 70 million (approximately USD 230,000) provided by the local arm of an Indian real estate company was misappropriated. According to the prosecution, the funds were given for the development of rugby in Sri Lanka but were

allegedly diverted for other purposes. The Attorney General has indicted Rajapaksa on charges of criminal misappropriation. [Daily Mirror]

Sri Lanka: Justice and environmental law reforms move forward with public input

(lm) Sri Lanka's government has outlined parallel reform tracks in counterterrorism legislation and environmental regulation, emphasizing consultation and procedural updates rather than finalized outcomes at this stage.

The Justice Minister said a draft bill to replace the Prevention of Terrorism Act is not final and will be amended after public review. The draft, prepared by a committee led by a senior legal counsel, has been published in all three official languages on the Justice Ministry's website, with public comments invited until February 28, 2026. Submissions will be reviewed by the same drafting committee before the bill is sent to the Cabinet or Parliament, with the government stressing the importance of public input in shaping a more balanced and sensitive law. [Daily Mirror 1]

Separately, the Central Environment Authority (CEA)—Sri Lanka's main environmental regulator—said long-pending amendments to the CEA Act are nearing completion and are expected to be tabled in Parliament within three to four months. Officials said the revisions would strengthen the legal basis of environmental evaluations and align them with ongoing initiatives, including a National Development Index Map and a broader digitalization roadmap for environmental oversight.

Alongside the legislative update, authorities launched a new score-based tool for Environmental Impact Assessments. The system assigns numerical scores to areas such as air and water quality, biodiversity, climate impact, social displacement, and public health, aiming to reduce subjectivity in project assessments, improve transparency, and support more consistent, evidence-based decision-making while retaining expert review and public consultation. [Daily Mirror 2]

Sri Lanka: Inland Revenue posts record tax collection in 2025

(lm) Sri Lanka's Inland Revenue Department (IRD) has achieved and exceeded its annual revenue target for

2025 ahead of schedule, marking the highest tax collection in its history. According to the IRD, revenue reached LKR 2,203 billion (USD 7.5 billion) by December 19, surpassing the government-assigned target before the end of the year.

Finance ministry figures indicate that collections ultimately exceeded the original target by an additional LKR 50 billion (USD 170 million), underscoring a sharp improvement in tax performance. The improved performance has also translated into a higher tax-to-gross domestic product ratio, which has risen to 15.4 percent and is projected to reach 16 percent by year's end, compared with roughly 10 percent during earlier periods marked by weak fiscal governance. [Daily Mirror 1] [Daily Mirror 2]

Sri Lanka: World Bank approves USD 50 million digital transformation project

(ss) The World Bank has approved a USD 50 million project to support Sri Lanka's digital transformation. The project will fund an integrated online portal for citizen services, secure data-sharing systems across government agencies, a digital document locker, and a scalable government cloud platform. It will also include training programs to help citizens and public servants effectively use new digital services.

Beyond public administration, the initiative seeks to boost Sri Lanka's technology and start-up ecosystem through a digital start-up accelerator, support for mid-sized technology firms to access international markets, and measures to encourage female entrepreneurship. The World Bank expects these efforts to attract around USD 10 million in private investment over time. [Daily Mirror]

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

Cambodia: Phnom Penh imposes citywide drone ban as border conflict drags on

(dql) Phnom Penh authorities have imposed a citywide ban on drone use as the Cambodia–Thailand conflict enters continues, citing public safety and security concerns.

The decision follows similar restrictions in several other provinces and comes amid defence ministry claims that Thai forces have used drones in attacks on civilian areas.

Police and military units have been ordered to intensify monitoring and enforcement across the city. [Kiripost]

Cambodia: Crackdown on online scams detains nearly 5,000

(mi) Cambodian authorities have reported that they have intensified efforts against technology-enabled fraud, with courts currently handling 35 major cases involving 168 alleged ringleaders and accomplices from countries including China, Vietnam, Japan, South Korea, Indonesia, Myanmar, Malaysia, and Cambodia.

A nationwide crackdown from June 27 to December 18, 2025, involved raids at 118 sites across 18 provinces, resulting in the detention of 4,983 suspects of 23 nationalities, and the deportation of 4,039 foreign nationals. [Khmer Times]

Indonesia: Police “double jobs” dispute deepens as President Prabowo moves to reassert control after court ruling

(ms) Indonesia’s government is preparing a new regulation to govern whether and how active police

officers may hold civilian posts, following a growing dispute that has exposed tensions between the National Police, the Constitutional Court and the executive branch. The move comes after the National Police issued an internal decree allowing active-duty officers to serve across at least 17 ministries and state institutions, a step that has drawn accusations of constitutional defiance and forced President Prabowo Subianto to step in.

The controversy is rooted in a November 2025 ruling by the Constitutional Court of Indonesia that clarified long-standing ambiguities in the 2002 National Police Law. In its decision, the court struck down a provision that had allowed police officers to be assigned to civilian posts through a "mandate" from the police chief. Petitioners argued that the clause had functioned as a loophole, enabling active officers to occupy civilian bureaucratic positions without resigning from the force. The court agreed, ruling that active police officers must resign or retire before taking civilian roles, reaffirming the post-1998 reform principle that law enforcement must remain institutionally separate from civilian administration. [see AiR No. 46, November/2025, 3]

Despite the ruling, the National Police moved ahead with Polri Regulation (Perpol) No. 10 of 2025, signed on December 9 by National Police chief Listyo Sigit Prabowo. The regulation lays out procedures for deploying police personnel outside the force's formal structure, including assignments in ministries, regulatory bodies and commissions. Civil society groups and legal scholars immediately criticized the move, arguing that an internal police regulation cannot override a Constitutional Court decision and warning that it undermines judicial authority. [see AiR No. 50, December/2025, 3]

Listyo has rejected those claims, insisting that the decree does not violate the court ruling. Speaking to reporters, he argued that the court removed only the police chief's authority to make assignments, not the broader practice of seconding officers, and said the regulation was intended to clarify limits and implementation. "The clause in the regulation is clear, and improvements will be made," he said, framing the Perpol as a technical response rather than an act of defiance.

The stakes extend beyond legal wording. Over the past decade, particularly under former president Joko "Jokowi" Widodo, thousands of active police officers were embedded across Indonesia's bureaucracy, from financial regulators and anti-corruption bodies to regional governments and state agencies. Supporters

argued these placements improved coordination and governance, while critics said they expanded police influence deep into civilian administration, weakening oversight and politicizing law enforcement.

Faced with escalating criticism, the government has now moved to draft a government regulation (Peraturan Pemerintah/PP) to comprehensively define which civilian posts, if any, may be held by active police officers. Coordinating Minister for Law, Human Rights, Immigration and Corrections Yusril Ihza Mahendra said the drafting is being treated as urgent and is expected to conclude by January 2026. The regulation, he said, will be based on the Police Law, the Civil Servants Law and the Constitutional Court ruling, with input from multiple ministries and reported directly to the president.

The process is being linked to a newly formed Police Reform Acceleration Commission, chaired by former Constitutional Court chief justice Jimly Asshiddiqie, which has been tasked with proposing reforms to improve police accountability, professionalism and public trust. Yusril has also left open the possibility of revising the police law itself, though he indicated such a step would not be immediate. [Antara 1] [Antara 2] [The Jakarta Post]

The dispute unfolds amid a broader recalibration of power within Indonesia's security sector under Prabowo, a former army general. While police reform is publicly framed as an accountability measure, the administration has simultaneously expanded the military's role in civilian affairs, including agriculture, logistics and food security. In that context, the confrontation over police "double jobs" may reflect not only a legal disagreement but a struggle over institutional influence.

Indonesia: Regional leaders of largest Muslim organization float snap election as leadership crisis deepens

Senior regional leaders of Nahdlatul Ulama (NU) have raised the possibility of a snap leadership election as internal divisions over the group's top post show little sign of easing.

The move follows a December 22 *musyawarah kubro* (grand deliberation) in Kediri, East Java, attended by more than 500 regional executives and clerics. The meeting was convened to address competing claims of authority after NU's supreme religious council (*Syuriah*) dismissed chairman Yahya Cholil Staquf earlier this

month and appointed an acting leader — a decision Yahya has rejected.

At the heart of the conflict is a dispute over NU's dual leadership structure. While the *Syuriah* holds religious authority, day-to-day administration rests with the executive board, led by an elected chairman. Yahya argues that the *Syuriah* has no mandate to remove an elected executive, while his critics say the council acted to protect the organization amid internal turmoil.

Tensions have been building for months. Yahya faced backlash from senior clerics after inviting a pro-Israel speaker to an internal forum in August, a move seen by critics as contradicting NU's long-standing pro-Palestinian stance. This was followed by allegations of financial mismanagement within the executive board, deepening mistrust between NU's governing bodies.

The Kediri meeting proposed a three-step solution: immediate reconciliation talks, the formation of a neutral committee to organize a leadership congress if talks fail, or — as a last resort — an early election next year. [The Jakarta Post]

Indonesia: Government faces backlash over refusal of foreign aid amid deadly flood

(ms) Indonesia's central government is facing mounting criticism after blocking foreign humanitarian assistance during devastating floods in Sumatra, a decision that has strained local recovery efforts and sparked public protest in some of the worst-hit areas.

Severe flooding across Aceh, North Sumatra and West Sumatra has affected more than 1 million people, overwhelming regional administrations as they struggle to provide food, shelter and medical support. Despite the scale of the disaster, Jakarta has declined to declare a national emergency, a legal step required before foreign state-to-state aid can be accepted.

The policy came into sharp focus when the Medan city administration returned 30 tons of rice and hundreds of aid packages donated by the United Arab Emirates, following guidance from the central government. Local officials said the decision was made after consultations with the Defense Ministry and the National Disaster Mitigation Agency (BNPB).

The move drew sharp criticism from local lawmakers and civil society groups, who described the rejection of aid as insensitive amid visible shortages on the ground.

In parts of Aceh, evacuees have raised white flags along roadsides to protest what they describe as slow and insufficient assistance.

Government officials argue the stance reflects long-standing disaster management rules and a broader policy of self-reliance. Under Indonesian law, foreign assistance is permitted only after a national emergency is declared. Jakarta has instead classified the floods as regional disasters, keeping responsibility with provincial and district governments.

Analysts say political and security considerations are also at play. Since the 2004 Aceh tsunami, Indonesia has tightened controls on foreign involvement in disaster zones, citing sovereignty concerns and coordination challenges. The current administration has further emphasized national capacity and independence, wary of perceptions that Indonesia cannot manage large-scale crises on its own.

Critics warn the approach risks undermining humanitarian outcomes as climate-driven disasters intensify. With flooding becoming more frequent and severe, they argue that rigid restrictions on foreign aid may leave vulnerable communities exposed when local resources are stretched thin. [The Jakarta Post]

Indonesia: Riau court hands death sentence in 40-kg meth smuggling case

(ms) A court in Riau, has sentenced an men to death after convicting him of trying to smuggle nearly 40 kilograms of methamphetamine from Malaysia, according to local officials. Judges said the shipment was tied to an international narcotics network and cited the volume of drugs as an aggravating factor, adding they found no mitigating circumstances during the trial.

Prosecutors said they had sought the maximum penalty under Indonesia's 2009 Narcotics Law, arguing the case went far beyond street-level dealing. Indonesian authorities have long flagged the Indonesia–Malaysia border as a persistent smuggling route, with officials warning that numerous informal crossing points complicate monitoring and enforcement.

While courts continue to impose capital punishment in major drug cases, executions in Indonesia have become infrequent in practice. Indonesia's last executions were carried out in July 2016, when one Indonesian and three foreigners were executed by

firing squad. Indonesian government data cited by the AP put about 530 people on death row, most for drug-related crimes. [The Jakarta Post]

Indonesia: Plans to fast-track 8,200 free meal kitchens in remote regions by 2026 amid rollout gaps

(ms) Indonesia plans to accelerate the construction of 8,200 free nutritious meal kitchens in underdeveloped, frontier, and outermost (3T) regions in 2026, as the government moves to close major infrastructure gaps in its flagship Free Nutritious Meal (MBG) program.

The National Nutrition Agency (BGN) said the accelerated rollout is necessary to meet a national target of 82.9 million beneficiaries, after progress in remote areas fell sharply short of expectations in 2025. Of the 8,200 kitchens originally planned for 3T regions this year, only around 190 units are expected to be completed by year-end.

Under BGN's roadmap, the government aims to operate 32,000 to 33,000 kitchens nationwide by next year, including at least 25,400 units in densely populated urban areas. By the end of 2025, BGN is targeting 19,000 operational kitchens across Indonesia.

The program is already one of the largest state-funded social initiatives. As of December 15, the MBG program had absorbed IDR 52.9 trillion (USD 3.2 billion), or 74.6 percent of its IDR 71 trillion (USD 4.3 billion) budget. More than 50.7 million people have received meals, and the program currently employs over 740,000 workers through 17,555 kitchen units.

Food safety remains a concern. In West Java, fewer than 900 of 1,548 kitchens applying for hygiene certification have passed inspections, highlighting regulatory and oversight challenges as the program scales up rapidly. [Antara] [Tempo]

Indonesia: FX bonds to retain natural resource export earnings onshore

(ms) Indonesia will introduce new investment instruments, including domestically issued foreign-currency bonds, as part of tighter rules requiring natural resource exporters to keep their export earnings onshore, a senior finance ministry official said on December 18.

The move follows regulations taking effect on January 1 that mandate exporters of commodities such as palm oil, coal, nickel and tin to retain all foreign-currency export proceeds in state-owned banks for at least one year. The policy is aimed at boosting onshore U.S. dollar liquidity and stabilizing the rupiah, which has faced pressure from persistent capital outflows. [see AiR No. 49, December/2025, 2]

Under the new framework, exporters will be allowed to convert only up to 50 percent of their foreign-currency earnings into Indonesian rupiah. The cap is designed to close a loophole under earlier rules that allowed exporters to convert proceeds into rupiah, bypass retention requirements, and subsequently move funds offshore.

Industry groups have criticized the tighter rules, arguing that exporters require more rupiah liquidity for day-to-day operations. The government has responded by suggesting exporters seek rupiah financing from banks if needed beyond the 50 percent conversion limit.

Officials also said the policy is unlikely to significantly disrupt liquidity at private banks, as the requirement applies only to natural resource exporters. The government maintains that the measures are necessary to strengthen foreign-exchange reserves and reinforce currency stability amid volatile global conditions. [Reuters]

Indonesia: Formalization drive draws 15 millions of micro enterprises into official economy

(ms) Indonesia recorded 14.7 million informal micro enterprises entering the formal economy in 2025, reflecting growing uptake of registration, certification and financing programs aimed at integrating small businesses into the national economy.

The Ministry of Micro, Small and Medium Enterprises said the shift was driven by easier licensing, expanded access to credit and broader market incentives rather than compulsory measures. Indonesia has one of the largest informal sectors in the world, employing an estimated 60–65 percent of the workforce, or more than 80 million people, with much of that activity historically operating outside formal banking and regulatory systems.

Officials said formalization has been encouraged through simplified registration under the Online Single

Submission platform, large-scale halal and Indonesian National Standard (SNI) certification programs, and state-backed financing. In 2025, 6.5 million products obtained halal certification, while more than 1 million micro enterprises secured SNI status, improving eligibility for government procurement and modern retail channels.

Financing has been a key driver. Disbursement under the People's Business Credit (KUR) scheme reached IDR 257.9 trillion (around USD 15.4 billion) by mid-December, benefiting 4.38 million borrowers, with more than 60 percent directed to productive sectors, according to the ministry.

The government stressed that the move is not aimed at immediate tax collection. Most micro enterprises remain below taxable income thresholds or fall under a 0.5 percent final turnover tax, limiting near-term fiscal impact. Instead, officials view formalization as a way to improve financial inclusion, data accuracy and long-term productivity.

Registered micro enterprises also gain access to public programs, export facilitation and supply chains. More than 12,700 MSMEs are now involved in the government's Free Nutritious Meals program, illustrating how formal status is increasingly linked to participation in national economic initiatives.

The government said reforms will continue in 2026, focusing on digital marketing, alternative financing and helping micro enterprises scale sustainably within the formal economy. [Antara]

Indonesia: Subsidized housing loans reach USD 2 billion

(ms) Indonesia's subsidized housing loan program has disbursed IDR 32.67 trillion (USD 1.95 billion) as of December 19, covering 263,017 housing units, according to government data released after a mass loan-signing event attended by President Prabowo Subianto.

The figure includes 50,030 subsidized mortgages signed simultaneously across 33 provinces, the largest single signing of its kind. The loans are part of the government's 3 Million Housing Program, which targets low-income households through interest subsidies and long-term mortgage support.

Most of the financing is channeled through the Housing Financing Liquidity Facility (FLPP), a state-

backed scheme that allows participating banks to offer mortgages at below-market interest rates, typically with long tenors and fixed installments. The program is designed to reduce Indonesia's long-standing housing backlog while keeping monthly payments affordable for lower-income families.

The December signing involved 39 banks, 22 developer associations, and nearly 8,000 housing developers operating in 401 cities and districts. Subsidized homes under the program are generally built on 60-square-meter plots, with standard building sizes around 30 square meters, reflecting cost and land constraints.

Government officials say the housing loans are intended not only to expand home ownership but also to support employment in construction, materials supply, and related local services. The administration has signaled that subsidized mortgage disbursement will continue to expand in 2026 as part of broader efforts to address poverty, stimulate domestic demand, and stabilize the property sector. [Antara]

Indonesia: Expansion of "Red and White" fishing villages as part of broader local economy strategy

(ms) Indonesia plans to scale up its "Red and White" fishing village program to 1,000 locations nationwide, after completing an initial phase of pilot projects aimed at lifting coastal incomes and restructuring the small-scale fisheries economy. The initiative is part of a wider state-led push to strengthen local production, cooperatives, and domestic supply chains under the banner of the national colors—*Merah Putih* (red and white).

The fishing village program, overseen by the Ministry of Marine Affairs and Fisheries, is designed to transform traditional coastal settlements into integrated economic hubs. Each village combines physical infrastructure with cooperative-based management. Facilities typically include cold storage warehouses, ice plants, fish markets, boat docks, fuel stations for fishermen, and small-scale processing units. The goal is to reduce post-catch losses, cut operating costs, and allow fishermen to capture more value beyond raw fish sales.

The "Red and White" label is not limited to fisheries. It reflects a broader economic strategy under President Prabowo Subianto that emphasizes state-backed cooperatives, local ownership, and domestic supply chains across sectors. Similar branding has been

applied to Red and White Village Cooperatives, which manage logistics, credit distribution, and essential goods at the local level, as well as to programs in agriculture, food security, and coastal development.

According to earlier government planning, each fishing village requires an investment of roughly IDR 20–22 billion (about USD 1.3–1.4 million), with funding drawn from the state budget and cooperative financing. Management is handed to village or subdistrict cooperatives, rather than private operators, to keep profits within local communities. Officials have said the long-term target is up to 4,000 fishing villages, potentially generating hundreds of thousands of jobs in coastal areas.

Supporters argue the program addresses long-standing structural problems in Indonesia's fisheries, including fragmented production, weak bargaining power, and dependence on middlemen. Critics, however, warn that success will depend on transparent cooperative management and sustained funding, rather than infrastructure alone. [Antara]

Indonesia: Nusantara will function as political capital by 2028 despite delays and funding strains

(ms) Indonesia's Nusantara Capital Authority (OIKN) said the country's new capital city in East Kalimantan will be ready to function as Indonesia's political capital by 2028, even as the project continues to face logistical, financial, and political challenges.

OIKN Secretary Bimo Adi Nursanthyasto said all ongoing construction at Nusantara is focused on enabling the relocation of the core functions of government by 2028. The statement followed the signing of six supervision contracts covering roads, reservoirs, retention ponds, and supporting infrastructure in the legislative and judicial zones.

According to OIKN, 26 of 28 work packages for Phase Two development (2025–2028) have now been signed, including 14 physical construction packages and 12 management and supervision contracts.

However, the Nusantara project has struggled to maintain momentum. Private investor interest has been slower than initially projected, forcing the government to rely more heavily on state funding amid broader budget pressures. Land acquisition disputes, environmental concerns, and delays in basic

infrastructure — including water supply and housing for civil servants — have also complicated the timeline.

Political uncertainty has further weighed on the project, with critics questioning whether future administrations will sustain the same level of commitment and funding. While key government buildings are under construction, large parts of the planned city remain undeveloped. [Antara]

Indonesia: President Prabowo pitches energy independence agenda

(ms) President Prabowo Subianto is pressing an energy self-sufficiency agenda that he says could save the state more than IDR 250 trillion (over USD 15 billion) a year by cutting Indonesia's fuel import bill, which he put at roughly IDR 520 trillion (USD 31 billion] annually. Speaking at the State Palace on December 16, Prabowo urged ministers and regional leaders—especially from Papua—to accelerate domestic supply, arguing Indonesia has enough resources to meet demand without relying on imports.

Prabowo pointed to biofuels and renewables as the core of the strategy. He floated expanded planting of oil palm, cassava, and sugarcane to produce biodiesel and bioethanol, including plans to grow these feedstocks in Papua. Even if Prabowo wants Papua to become a new base for biofuel feedstocks, scaling up is unlikely to be straightforward. Papua's palm oil sector has already become a flashpoint, with environmental groups warning that a new plantation push could replicate the deforestation-and-disaster pattern seen in western Indonesia. The proposal is landing amid heightened scrutiny of extractive industries after deadly floods and landslides in Aceh, North Sumatra and West Sumatra last month—disasters critics have linked to degraded watersheds and land clearing. In that context, expanding oil palm in Papua faces not only logistical hurdles tied to distance, infrastructure and supply chains, but also an intensifying political and reputational fight over land use, forest loss and social impacts—making any rapid plantation rollout far more contentious than the government's energy-security framing suggests. [The Jakarta Post]

He also underscored solar and hydropower for remote regions, arguing that falling solar costs and the wider use of mini-hydro could help electrify areas still vulnerable to outages and high logistics costs.

But Indonesia's energy transition is colliding with the reality of where power demand is growing fastest: industry. A December 18 Reuters report citing the Just Energy Transition Partnership (JETP) said Indonesia would need about USD 31 billion by 2030 and USD 92 billion by 2050 to decarbonize "captive" power—electricity generated by companies for their own use—an area that has expanded rapidly in recent years, particularly in nickel industrial estates. JETP estimated captive power capacity reached 25.9 gigawatts in 2024, with more than 75 percent fueled by coal, and another roughly 11 gigawatts in development, most of it also coal-based. The report said investment needs through 2030 would center on renewable deployment and battery storage—led by solar PV and hydropower—alongside efficiency upgrades and, in some cases, switching fuels to gas.

Regional ambitions are also testing the system. West Nusa Tenggara (NTB), for example, is framing "independence" not only as reliability but as control over supply—trying to shift from being an end-user of the Java-Bali system to a producer of green power for the wider Lesser Sunda region. Yet officials and analysts acknowledge the constraints: intermittent renewables require storage and stronger transmission; large projects need regulatory certainty and local workforce capacity; and biofuel expansion raises questions about land use and sustainability even as it promises import substitution.

Prabowo's pitch is simple—replace imports with domestic production and cheaper renewables. Delivering it, however, will hinge on whether Indonesia can mobilize tens of billions of dollars, modernize grids outside Java, and curb coal dependence in the industrial power boom that is currently moving faster than decarbonization. [Antara 1] [Antara 2] [Reuters]

Indonesia: Launch of first domestically built Arrowhead 140 frigate as naval modernization accelerates

(ms) Indonesia has launched KRI Balaputradewa-322, the first of two new "Red and White" (domestically build) frigates, marking a significant milestone in the country's broader military modernization drive and its ambition to strengthen domestic defense manufacturing.

The frigate was named and launched on December 19 at the Surabaya shipyard of PT PAL Indonesia, making it the largest principal surface combatant ever constructed in the country. The ship is based on the

Babcock International Arrowhead 140 design and forms part of Indonesia's effort to modernize its navy while reducing long-term dependence on foreign-built warships.

Balaputradewa is named after a ruler of the ancient Sriwijaya maritime kingdom, a symbolic reference to Indonesia's ambition to reassert itself as a major naval power in Southeast Asia.

The frigate program sits within a wider modernization push that includes new submarines, patrol vessels, aircraft acquisitions, and upgraded command-and-control systems, as Jakarta seeks to address aging platforms and expand its ability to secure vast maritime territories. The Indonesian Navy has long struggled with readiness gaps caused by decades of underinvestment and a fleet composed largely of second-hand or legacy systems.

Although built domestically, the Merah Putih-class frigates rely heavily on foreign technology. The ships are expected to integrate Turkish-made combat systems, including sensors, radars, combat management systems, and missile components, reflecting Indonesia's increasingly diversified defense partnerships beyond traditional Western suppliers.

Following the launch, KRI Balaputradewa will undergo an extended outfitting and systems integration phase, followed by harbor and sea trials. No official commissioning date has been announced, and details on the launch timeline for the second frigate remain undisclosed. [Naval News] [The Jakarta Post]

Indonesia: Government agencies sign five-year pact to strengthen national cybersecurity

Indonesia's National Cyber and Crypto Agency (BSSN) and the Ministry of National Development Planning have signed a five-year cooperation agreement aimed at strengthening national cybersecurity and integrating cyber resilience into the country's broader development agenda.

The memorandum of understanding was signed in Jakarta on December 18 by BSSN head Nugroho Sulistyo Budi and National Development Planning Minister Rachmat Pambudy, according to an official statement. The agreement sets out cooperation in cybersecurity and cryptography, including electronic certification, data and information sharing, and technical support for national development planning.

A separate technical cooperation agreement was also concluded between the two institutions' secretary-generals to deepen coordination on operational matters, financing mechanisms, and investment related to cybersecurity programs. Officials said this is intended to ensure that cybersecurity initiatives are implemented in a more structured and sustainable manner across government institutions.

The partnership places strong emphasis on human capital development. Joint education and training programs, competency development, and public awareness campaigns are planned to improve digital literacy and foster a stronger information security culture within both the public sector and society at large.

The agreement comes as Indonesia accelerates digital transformation across government services and the economy, increasing exposure to cyber threats. BSSN data shows Indonesia continues to face large volumes of malware attacks, denial-of-service incidents, unauthorized access attempts, and increasingly sophisticated social engineering campaigns, including those using artificial intelligence. [Antara] [OpenGov Asia]

Laos: Preparations for reduced aid as United Nations Least Developed Countries graduation nears

(ms) Laos is stepping up preparations to graduate from the United Nations' list of Least Developed Countries (LDCs) in 2026, a move that will gradually reduce access to preferential aid and trade benefits while increasing pressure to sustain growth through investment and domestic revenue.

Officials from the Ministry of Foreign Affairs briefed businesses, development partners and civil society in Vientiane on the transition strategy, which runs from 2026 to 2029. Laos has met the three United Nations criteria for graduation—gross national income per capita, human asset development and reduced economic vulnerability—and is expected to formally exit LDC status at the end of 2026, followed by a three-year adjustment period.

Authorities warned that official development assistance is declining globally and will increasingly shift toward co-financing and concessional loans rather than grants. As a result, the government is urging the private sector to improve productivity and competitiveness, particularly as Laos prepares to lose

preferential market access under the European Union's "Everything But Arms" scheme.

The transition plan focuses on macroeconomic stabilization, including addressing public debt and reviewing tax reforms such as a possible reintroduction of a 10 percent value-added tax. It also prioritizes trade diversification, human capital development after pandemic-related setbacks, and greener growth policies, including tighter controls on new mining projects.

Officials stressed that LDC graduation does not signal an end to poverty challenges, but rather a shift toward a more self-reliant economic model aimed at building long-term investor confidence. [Asia News Network]

Laos: New tourism strategy presented as one key pillar of economic growth

(ms) Authorities in Vientiane have outlined a new tourism development strategy aimed at expanding accommodation capacity, improving service standards, and increasing income for local businesses, as the capital seeks to play a larger role in Laos' economic growth.

The plan was presented on December 16 during the 10th ordinary session of the fourth legislature of the Vientiane People's Council. Officials said the strategy focuses on upgrading tourist sites, strengthening inspections of hotels and restaurants, and ensuring fair pricing to protect visitors and local operators alike.

Community-based tourism is a key pillar of the plan, with villages increasingly involved in managing sites and collecting revenue. Authorities are also promoting water-based tourism along the Mekong River and around the Nam Ngum Bridge area, as well as night-time tourism linked to major markets and events.

Tourism already plays a meaningful role in Laos' economy. Before the pandemic, the sector was estimated to contribute around 4 to 5 percent of gross domestic product and support hundreds of thousands of jobs directly and indirectly. Under national development plans, the government has signaled ambitions to raise tourism's contribution to as much as 7 to 10 percent of gross domestic product over the medium term, particularly by attracting higher-spending visitors and extending stays. [Lao News Agency]

Laos: People's assembly concludes session on development plans and oversight

(ms) The 10th Ordinary Session of the Vientiane People's Assembly, Term IV, concluded on December 19, after several days of deliberations on development planning, budget performance, and public oversight.

Lawmakers reviewed and approved the mayor's report on the implementation of Vientiane's socio-economic development plan and the five-year budget framework for 2021–2025, alongside targets and work plans for 2026. Reports on the implementation of two national agendas over the same period were also endorsed, with future policy directions outlined.

The assembly approved audit findings on the 2024 state budget deficit and reviewed inspection reports from both central and city-level oversight bodies, including follow-up actions linked to earlier audit results. Reports from the people's courts and procuracies were likewise examined.

Urban management issues featured prominently, with discussions covering drainage canal maintenance, wastewater treatment systems, and oversight of potash salt exploration in line with national resolutions. [Lao News Agency]

Laos: Midpoint in repairs to strategically important National Road 22

(ms) Laos has completed nearly half of ongoing repair works on National Road 22, a key transport artery damaged by heavy rainfall and landslides earlier this year, authorities said on December 19.

More than 47 percent of the rehabilitation has been finished, with the most difficult sections concentrated between kilometer markers 21+300 and 33. Repairs between kilometers 31 and 34, as well as 40 to 68, have already been completed, restoring traffic flow after weeks of disruption.

National Road 22 is critical for northern Laos, linking remote districts to regional markets and serving as an important route for cross-border trade and tourism, particularly traffic moving toward China and Thailand. Damage to the road had severely affected heavy transport vehicles and local supply chains. [The Laotian Times]

Laos: State electric provider steps up reforms to cut debt and stabilize power costs

(ms) Électricité du Laos, the countries Energy-SOE, is accelerating internal reforms aimed at reducing debt, improving efficiency, and easing pressure on electricity prices as losses at state-owned enterprises continue to weigh on public finances. The utility outlined the measures during a State Enterprise Reform Committee meeting on December 17, where management detailed steps taken to stabilize cash flow and improve operations.

The reforms come after fully state-owned enterprises reported combined losses of more than LAK 2,358 billion, equivalent to about USD 108 million, in 2024. Électricité du Laos has responded with repeated restructuring, cutting 395 management positions and establishing new departments focused on oversight, contracts, information technology, and performance monitoring. Operating costs fell by 21 percent in 2025, while revenue rose by nearly 13 percent.

Debt restructuring remains central. Annual debt repayments have been reduced from roughly USD 600–700 million to about USD 350–400 million through loan refinancing and extended maturities, easing short-term liquidity pressure. The utility has also intensified bill collection, with unpaid retail electricity bills expected to be fully cleared by early 2026.

On pricing, Électricité du Laos is renegotiating power purchase agreements with 55 producers, a move estimated to save around USD 20 million annually. Tariffs will be adjusted gradually to better reflect costs, as authorities seek to stabilize the power sector while keeping electricity affordable and reducing fiscal risk over the longer term. [The Laotian Times]

Malaysia: Barisan Nasional considers internal organizational reform to navigate political landscape

(tl) Barisan Nasional (BN) is weighing the possibility of rebranding or establishing a new entity, to adapt to current political realities, according to coalition chairman Ahmad Zahid Hamidi. He said the issue will be discussed by BN's supreme council, noting that the coalition's decades-old constitution makes internal reform difficult because any amendment requires unanimous agreement from all member parties.

Zahid explained that these constitutional limits prevent affiliate groups, known as Friends of BN, from being upgraded to full membership. As a result, BN leaders are now debating whether a new branding or organizational model would better reflect today's political landscape. [Malay Mail]

BN, the third largest political coalition in Malaysia, with 30 seats in the House of Representatives, after Pakatan Harapan (PH) with 82 seats and Perikatan Nasional (PN) with 74 seats. The coalition currently consists of four main parties: United Malays National Organisation (UMNO), Malaysian Chinese Association (MCA), Malaysian Indian Congress (MIC), and United Sabah People's Party (PBRS).

Malaysia: High Court rejects ex-PM Najib's house arrest bid

(ea) Malaysia's High Court on December 22 dismissed an application by former prime minister Najib Razak to serve the remainder of his prison sentence under house arrest. The court ruled that a purported royal document issued by the previous king, which Najib claimed authorized such an arrangement, was not legally valid, as any pardon-related decision must involve the Pardons Board in accordance with the Federal Constitution.

Najib has been imprisoned since August 2022 following his conviction for abuse of power, criminal breach of trust, and money laundering involving USD 10 million (MYR 42 million) linked to SRC International, a former subsidiary of 1MDB. He had sought to compel Malaysian authorities to confirm and implement an "addendum order," arguing that it formed part of a pardon granted by the former king and entitled him to serve the remainder of his sentence at home.

While Malaysia's king plays a largely ceremonial role, the constitution confers the power to grant pardons. The High Court reaffirmed, however, that such powers must be exercised within constitutional limits. Judge Alice Loke ruled that any pardon must be considered and approved by the Pardons Board under Article 42 of the Federal Constitution. [Free Malaysia Today] [Al Jazeera]

Najib's lead counsel Shafee Abdullah confirmed that his client will appeal the decision and indicated that a fresh pardon application could be submitted to the current king, Sultan Ibrahim Iskandar.

The verdict drew strong reactions from Najib's supporters, including UMNO leaders and party youth, some of whom questioned the limits on royal prerogative and called for Barisan Nasional (BN) coalition to adopt a stronger opposition stance.

Analysts noted the ruling clarifies the constitutional role of the Pardons Board, reinforces judicial independence, and reduces immediate political pressure on the government, while leaving Najib's legal path open mainly through appeals. [The Straits Times]

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Malaysia: Anti-corruption agency steps up international investigation into law firm over 1MDB case

(ea) The Anti-Corruption Commission (MACC) has intensified a cross-border investigation into an international law firm allegedly involved in the embezzlement of funds from the sovereign wealth fund 1Malaysia Development Berhad (1MDB).

Authorities believe the law firm facilitated the diversion of approximately USD 1 billion (MYR 4 billion), including the transfer of around USD 700 million (MYR 2.8 billion) to an offshore entity beyond 1MDB's control. New information has reportedly emerged concerning former 1MDB chief business development executive Tang Keng Chee, also known as Casey Tang, who is suspected of involvement in the transaction.

Launched in 2009 during Najib Razak's tenure as Malaysia's Prime Minister, 1MDB was a state-owned investment fund that became the center of a major international corruption and money-laundering scandal involving billions of dollars misappropriated from public funds. Officials estimate that various actors diverted up to MYR 42 billion (USD 10.3 billion) from the fund over several years. The probe draws on intelligence gathered through cooperation with multiple countries, focusing on cross-border financial transactions and the role of professional intermediaries in the 1MDB scandal.

To date, MACC reports that approximately 70 percent of the stolen assets linked to the wider 1MDB scandal have been recovered. The commission continues to pursue remaining funds and gather information from additional individuals believed to have knowledge of the alleged embezzlement, underscoring Malaysia's ongoing efforts to recover assets linked to the scandal. [Malay Mail]

Malaysia: Prime Minister suggests media council as advisory body on government's media reforms

(tl) Malaysian Prime Minister Anwar Ibrahim said that the Malaysian Media Council (MMC) could serve as the advisory body to accommodate the government's effort to boost the media freedom, including reviewing laws that may restrict the media practices. He suggested that the council should clearly define the scope and limit of media freedom, especially in Malaysia's multiracial and multireligious context where race and religion remain as the sensitive issues.

Speaking at a briefing session with local and international editors and media, Anwar said that MMC could propose legal reforms and submit recommendations to the Cabinet and the Communication Minister for consideration.

The Malaysian Media Council (MMC) Bill 2025, officially promulgated in June, formalizes the long-standing efforts to establish an independent body to protect media freedom and uphold the professional standards. The MMC's board was formed in November this year, with representatives from media organizations, journalists' groups and civil society. [Malay Mail]

Malaysia: Human Rights Commission urges government not to deploy observers in Myanmar's upcoming elections

(tl) Malaysia's Human Rights Commission (Suhakam) has recommended that the government not send election observers to Myanmar's upcoming polls or engage with the ruling military authorities, arguing that such actions would risk legitimizing an unlawful regime. The commission said the planned vote does not meet basic standards of a credible election, given ongoing repression and conflict in the country.

Suhakam stressed that declining the junta's invitation could serve as diplomatic pressure within Asean to push Myanmar's military leaders towards genuine political reform. It added that Malaysia has standing to speak out, as the prolonged conflict has driven many Myanmar nationals to seek refuge in the country, making it a regional humanitarian concern rather than an internal issue.

The commission argued that raising human rights concerns should not be viewed as violating Asean's non-interference, calling instead for a shift towards a "non-indifference" approach since ASEAN's current stance only deepened Myanmar's crisis.

While reaffirming support for Myanmar's democratic aspirations, Suhakam said elections held amid widespread fear, and restrictions on civic freedoms cannot be considered legitimate. ASEAN has already excluded Myanmar's military leaders from high-level meetings since 2022, citing their failure to adopt ASEAN's five-point peace plan agreed after the 2021 coup that plunged the country into prolonged instability. [Free Malaysia Today]

Malaysia: IMF reports solid economic growth despite global trade tensions

(ea/tl) Malaysia's economy has continued to grow steadily in 2025 despite heightened global trade tensions and policy uncertainty, according to the International Monetary Fund (IMF). Growth has been supported by strong domestic consumption and investment, sustained employment growth, and an upturn in the global technology sector. It is attributed this resilience in part to "prudent macroeconomic and financial policies," noting that the October 2025 Malaysia-US trade deal helped ease uncertainty for businesses and consumers. [IMF]

The IMF projected the economy would moderate slightly from 4.6 percent in 2025 to 4.3 percent in 2026, reflecting the impact of higher US tariffs on Malaysian exports. Risks to growth remain largely negative given Malaysia's exposure as an open economy, with weaker external demand possible amid rising trade protectionism, global market volatility, or a slowdown in the AI sector. However, upside risks could emerge from progress in global trade negotiations, stronger tourism performance, and faster implementation of structural reforms.

On the policy front, the IMF welcomed Malaysia's continued commitment to prudent fiscal management,

citing the passage of the Public Finance and Fiscal Responsibility Act in 2023 and a steady reduction in the fiscal deficit since 2022.

Plans to further reduce the fiscal deficit to 3.5 percent of GDP in 2026 and 3 percent of GDP by 2028 were also welcomed. With an average of 1.4 percent during January-October, inflation remains low and stable, allowing monetary policy to stay data-dependent amid global uncertainty.

The IMF also assessed financial sector risks as contained while emphasizing the importance of advancing structural reforms under the 13th Malaysia Plan (13MP)—the country's five-year national development blueprint 2026–2030—to support inclusive, domestically driven growth. It also highlighted that deeper regional integration within Asean could help boost Malaysia's long-term growth potential. [The Sun]

Exports rise while trade surplus narrows

Meanhwile, according to the Department of Statistics Malaysia (DOSM), Malaysia's exports grew 7.0 percent year-on-year to MYR 135.0 billion (USD 33.75 billion) in November 2025, driven by higher demand from key markets including Taiwan, China, Hong Kong, the EU, Mexico, Singapore, and Vietnam. [Department of Statistics, Malaysia]

Imports rose 15.8 percent to MYR 128.9 billion (USD 32.23 billion), narrowing the trade surplus by 58.8 percent to MYR 6.1 billion (USD 1.525 billion) from MYR 14.8 billion (USD 3.7 billion) last year, although Malaysia has maintained a trade surplus for 67 consecutive months since May 2020.

The growth in exports was led by electrical and electronics products, optical and scientific equipment, metalliferous ores and metal scrap, and palm oil-based manufactured goods. From January to November 2025, Malaysia's total trade reached MYR 2.8 trillion (USD 700 billion), reflecting a 5.8 percent year-on-year growth. [Malay Mail]

Malaysia: TotalEnergies signs 21-year deal to power Google data centers

(ea) France's TotalEnergies and Google signed a 21-year Power Purchase Agreement (PPA) under which TotalEnergies will supply 1 TWh of renewable electricity to support Google's data center operations in Malaysia. The power will be generated by the Citra Energies solar

project located in Malaysia's northern state of Kedah, which is being developed through a joint venture between TotalEnergies and local partner MK Land.

The project was awarded by Malaysia's Energy Commission in 2023 under the government's Corporate Green Power Programme (CGPP), an initiative that enables corporate buyers to source renewable electricity directly from private producers in order to expand private-sector investment in clean energy. Construction of the solar plant is expected to begin in the first quarter of 2026.

While the agreement forms part of Google's broader strategy to introduce new clean energy to grid systems where they operate, the solar project reflects Malaysia's use of market-based policy tools to attract foreign investment in renewable energy and support the expansion of energy-intensive digital infrastructure. [TotalEnergies]

Malaysia: Air Force to receive Turkish-made drones for enhanced South China Sea surveillance

(tl) The Royal Malaysian Air Force (RMAF) is set to enhance its intelligence, surveillance, and reconnaissance capabilities in the South China Sea with the arrival of three Turkish-made Anka drones and accompanying Ground Station Control (GCS) by late January 2026. The drones will be stationed at Labuan Air Base and will supplement existing CN-235 (MSA) maritime surveillance aircraft, particularly for northern Sabah operations.

RMAF plans to acquire more drones under Phase Two of its Capability Development Plan 2055 (CAP55), aiming for a total of nine units initially, with further acquisitions subject to performance evaluation. [Malay Mail]

Malaysia: Lawyers slam prosecution for seeking to mute scrutiny in police killing case

(dql) Lawyers representing the families of three men killed by police in Melaka have criticized the Attorney-General's Chambers (AGC) for urging the public not to speculate about the case, arguing that this reflects an institutional tendency to suppress legitimate scrutiny.

They insisted that sustained public pressure was crucial in prompting authorities to reclassify the probe from attempted murder to murder, correcting what they described as an indefensible initial legal assessment. The lawyers rejected claims that public debate undermined justice, stressing that no court proceedings were ongoing, and that transparency, not silence, ensured accountability.

They also cited audio and forensic evidence suggesting the deaths may have been execution-style, challenging police claims of self-defense. [Free Malaysia Today]

The lawyer's remarks came after the Attorney General's Chambers (AGC)—Malaysia's public prosecution authority—called on the public to refrain from speculation over the fatal police shooting in Durian Tunggal, Melaka, stressing that unverified claims could compromise the investigation and weaken trust in the justice system. A special Royal Malaysia Police (PDRM) team is handling the case, and the AGC said any prosecution decisions will be based strictly on law and admissible evidence, free from public or political pressure.

The case was reclassified as murder under Section 302 of the Penal Code on December 16 following a police briefing. The Prime Minister and the Inspector-General of Police have both publicly pledged a thorough, transparent, and lawful investigation. While police initially alleged the victims had attacked officers, the families disputed this account, prompting the formation of a special investigative team. [Malay Mail]

On November 24, three men aged between 21 and 29 were fatally shot by police at an oil palm plantation in Durian Tunggal, Melaka, in the early morning hours after officers said one of the men allegedly swung a machete at a policeman, seriously injuring him. The police described the men as members of a criminal group believed to be en route to commit a robbery, but the families have disputed the official account, releasing an audio recording and raising questions about the use of force. The case has since drawn significant public attention and legal scrutiny. [The Borneo Post] [SCMP]

Malaysia: Police dismantle major drug syndicate

(dql) Malaysian police have broken up a major drug trafficking network operating in the Klang Valley, dismantling several clandestine laboratories and

seizing narcotics valued at about MYR 1.53 billion (USD 375 million).

Six suspects, including Malaysians and foreign nationals, were arrested for roles ranging from overseeing chemical processing to managing properties used as drug labs. Authorities confiscated large quantities of cocaine, ketamine, and ecstasy, indicating production on a scale intended for overseas markets.

The Klang Valley is located in central Peninsular Malaysia on the country's west coast. It encompasses Kuala Lumpur and Putrajaya—the administrative capital—as well as much of the surrounding Selangor state, forming the country's main urban, economic, and administrative core along the Klang River basin near the Strait of Malacca. [Free Malaysia Today]

Myanmar: Home Affairs Minister calls for tighter coordination to secure election

(su) Union Minister for Home Affairs Deputy Senior General Tun Tun Naung has urged security-related organizations to intensify coordination to prevent security breaches during the various stages of the upcoming general election. He made the remarks on December 16 during a meeting of the Central Supervisory Committee for Election Security, attended by regional and state committees via video link.

The minister stated that the Central Committee has formulated a nationwide, phase-by-phase election security plan, supported by eight additional security plans and 11 contingency plans addressing potential disruptions. He stressed that security arrangements should also account for the presence of domestic and international election observers and media organizations during the election period.

Tun Tun Naung further called on departments under the Ministry of Home Affairs to work closely with the armed forces, people's militia groups, public security units, counter-terrorism forces, and partner organizations to maintain stability and public order.

He said the Central Supervisory Committee has already taken action against individuals accused of attempting to disrupt the election process, adding that as of December 15, authorities had acted against 229 suspects in 140 cases nationwide under the country's election law. [Eleven Myanmar] [CNN]

Mandalay student activist detained after anti-election protest

One of them is Htet Myat Aung, a prominent student activist from Mandalay who was arrested by military authorities on December 14 and is reportedly being held incommunicado.

Htet Myat Aung, a former president of the Yadanabon University Students' Union, had been wanted by the regime for his involvement in anti-junta activities and was the subject of an arrest warrant carrying a financial bounty, according to resistance-linked sources.

He was among a group of activists who led a protest in Mandalay on December 3 calling for the release of political prisoners, a boycott of the upcoming election, and an end to forced conscription. He and nine others were charged the same day under Section 24(b) of the Election Protection Law, which carries potential prison sentences of five to ten years. [The Irrawaddy]

Myanmar: Junta scrambles to mobilize voters for election

(anl) With the December 28 election only days away, coup leader Min Aung Hlaing has warned that refusing to vote amounts to rejecting "progress toward democracy." He made the remarks on December 20 in Magwe while addressing officers and military families.

The warning comes as the election commission struggles to generate public participation amid what is seen as widespread apathy toward the election. Junta-aligned celebrities have been sent to recently recaptured towns in northern Shan State, including Kyaukme and Nawnghkio, to entertain residents and urge them to vote. [The Irrawaddy]

Junta accused of pressuring Loikaw residents to vote

Meanwhile, residents of Loikaw, the capital of Karenni (Kayah) State, reported that the military junta is pressuring people to participate in the election it is organizing while tightening security across the city ahead of the vote.

The junta has ordered voting throughout Loikaw Township, except in villages in the Parlaung and Teelon village tracts and has forced internally displaced people (IDPs) who fled during earlier fighting to return to the city before the election.

A local resident stated that authorities distributed rice and cooking oil and urged residents to vote in their wards, while instructing them to check voter lists. The resident added that we had no choice but to comply, as refusal was not possible.

According to the Union of Karenni State Youth (UKSY), the junta has used military pressure to push displaced residents back to Loikaw, where they are then compelled to vote. He added that military operations are ongoing in eastern Loikaw, warning that fighting could erupt at any time and that security remains uncertain.

As the election approaches, the junta has expanded checkpoints and intensified inspections of pedestrians and vehicles throughout the city. [BNI]

Myanmar: Explosion reported near People's Party office

(su) An explosion occurred near the Yangon regional office of the People's Party on December 21, causing property damage but no injuries.

U Ye Kyaw Swar, a Central Committee member of the People's Party and a candidate in Alon Township, said the device was not a low-intensity sound bomb but a more powerful explosive. He described the incident as a security concern linked to the election period, suggesting it may have been a targeted threat or warning directed at the party. No individuals or groups have claimed responsibility for the blast as of publication. [Eleven Myanmar]

Over 500 candidates from the People's Party are set to contest in the elections. The party's candidate Lwin Myint in Yangon's Thingangyun Township was charged under the country's election law for using the term "revolution" in a campaign video. He was briefly detained, released on bail, and had his phone seized. Campaign billboards featuring him were also destroyed, reportedly after complaints from a pro-military group. Other candidates, including independents and Labour Party members, have been disqualified for alleged ties to banned groups. [DVB]

Myanmar: Major tech platforms remove military-linked media accounts

(dql) Major social media and digital platforms have removed several junta-linked and military-affiliated

media accounts following complaints by Justice for Myanmar, which said the accounts were operated by Myanmar's Ministry of Information and military psychological warfare units already under international sanctions.

Facebook, YouTube, Twitch, and MediaFire restricted or removed the outlets such as *Myanmar International Television*, *Myanmar Radio and Television*, and *Yadanarpon Newspaper*, reducing the regime's ability to disseminate official messaging online. Some junta-backed apps and channels remain active, but the loss of advertising and platform access is likely to limit their domestic and international reach.

Justice for Myanmar—an anti-regime advocacy group—warned that the military is increasing information operations ahead of a tightly managed year-end election and criticized several major tech firms for not taking action. [The Irrawaddy] [Justice for Myanmar]

Myanmar: New directive signals push to fast-track controversial dam

(anl) On December 19, the Office of the National Defence and Security Council (NDSC) announced a sweeping directive threatening legal action against any individual or group that opposes state-authorized projects without what it called "sufficient evidence."

Business observers stated that the directive signals the regime's intention to fast-track major national projects, including the controversial Myitsone hydropower dam on the Ayeyarwady River. A military source in Naypyidaw also reported that the directive aims to push forward projects that have been suspended or stalled due to objections from various groups. A lawyer also added that the order is an extremely broad use of power, warning that the threat of arrest for opposing projects without "sufficient evidence" lacks clear legal limits.

The move follows a December 16 visit by deputy junta leader Soe Win to Myitkyina, Kachin State, where he reportedly recalled that the Myitsone project began during his tenure as a regional commander. He said the project was suspended only when construction was nearing completion, citing political instability and unforeseen circumstances. The Myitsone dam site is located just 25.4 kilometers from the Sagaing Fault, where the earthquake occurred in March. However, the junta recently claimed the dam was designed to withstand a maximum credible earthquake of magnitude 7.1. The statement triggered renewed

public opposition and warnings against resuming the project. [Mizzima]

Kachin forces reject junta move to revive China-backed Myitsone Dam

The Kachin Independence Organization (KIO) and its armed wing, the Kachin Independence Army (KIA), have rejected the Myanmar junta's efforts to restart the long-suspended Myitsone hydropower project, citing overwhelming public opposition and escalating conflict in Kachin State. The KIO said public sentiment remains central to the group's position, stressing that opposition to the project has not diminished since its suspension more than a decade ago.

Local sources say the current junta has reconstituted a committee to assess Irrawaddy River hydropower projects and is working with SPIC Yunnan International Power Investment, the original Chinese developer, to prepare for a possible restart.

Residents in Myitkyina report that renewed activity, including technical assessments by Chinese teams, has heightened fears of further displacement and conflict. More than 15,000 people were forcibly relocated in 2009 during construction of one related dam, and junta airstrikes continue to displace civilians across Kachin State, where the KIA currently controls 13 towns. [Irrawaddy]

Myanmar: Anti-regime forces resolve internal rift after prisoner release

(dql) 44 members of the Dawei District Battalion (2) of the National Unity Government's (NUG's) People's Defence Force (PDF) have been released by the Karen National Liberation Army (KNLA) after being detained earlier this month, with all returning to their unit along with their weapons.

The detention followed a clash between lower-ranking fighters from the two allied resistance groups, reportedly triggered by an assault on a KNLA soldier.

Talks involving senior commanders and mediation by officials from the National Unity Government and the Karen National Union resolved the dispute, and both sides agreed to handle any wrongdoing through internal military procedures. [Mizzima] [MoeMaka]

The People's Defence Force's Dawei District Battalion (2) plays an important role in the ongoing anti-junta resistance in southern Myanmar. Operating in the

strategically significant Dawei District of Tanintharyi Region, the battalion conducts local operations, gathers intelligence, and coordinates with allied ethnic armed groups such as the Karen National Liberation Army. While not one of the largest PDF units, its activities are crucial for maintaining regional resistance networks.

Myanmar: Regime security forces arrest nine in online gambling and scam operation in Shan State

(su) Security forces have arrested nine individuals, including five Chinese nationals, one Myanmar woman, and three members of the Shan State Progress Party (SSPP)—an ethnic Shan political organization operating in northern Shan State— and its armed wing, the Shan State Army (SSA). The arrests took place during a raid on an online gambling and scam operation near Pansin Village in Hsipaw Township, northern Shan State. The arrests followed inspections carried out on December 17 after authorities received information about illegal online activities in the area.

Preliminary investigations indicated that around 200 individuals had been involved in the operation, with most fleeing during the confrontation. Officials stated that nationwide crackdowns on online gambling and scam activities would continue, alongside cooperation with neighboring countries, regional partners, and international organizations. [Eleven Myanmar]

Myanmar: Junta airstrike hits market in Mandalay Region's Singu Township

(su) The military regime carried out an airstrike on December 15 targeting a market in Letpanhla Village, Singu Township, Mandalay Region, destroying seven buildings, according to local resistance sources. The attack was conducted by a jet fighter that reportedly took off from Tada-U Air Base.

A member of the Singu Township People's Defence Force (PDF) said the aircraft dropped two bombs before firing machine guns, causing fires that burned for around two hours before being extinguished. The strike destroyed two homes and five market stalls, but no civilian casualties were reported, as residents fled the area in time.

The attack forms part of what resistance groups describe as an intensified junta offensive in the northern Mandalay Region. After reportedly regaining control of Madaya Township—a strategically important and highly contested area only about 25–40 km north of Mandalay—, junta forces have advanced into neighboring Singu Township, combining ground operations with increased airstrikes.

Local groups reported that aerial attacks have repeatedly targeted areas sheltering internally displaced people. Earlier, on December 11, a separate airstrike on Pinlelgyi Village in the same township killed one civilian and injured five others. [Mizzima 1]

In separate airstrikes on two locations in Khin-U Township, Sagaing Region, on December 17 and 18, at least 13 civilians were killed, with around 30 others injured. The strikes targeted an Ayeyarwady River crossing used by displaced people and a petrol station at a commercial junction. [Mizzima 2]

Myanmar: Ethnic arm group imposes travel ban on youths to bolster resistance recruitment

(anl) The Chinland Defence Force–Paletwa (CDF-Paletwa)— an ethnic armed organization (EAO) operating in Chin State and parts of Rakhine State, particularly around the Paletwa Township—has announced a ban preventing youths in Paletwa Township from leaving the area as part of a plan to recruit them into the resistance movement. The restriction applies to healthy youths aged 18 to 35, with exemptions granted for those traveling for education or medical treatment.

Separately, the Arakan Army (AA) has reportedly established checkpoints across Paletwa Township to monitor movement. [BNI]

Myanmar: Ethnic communities in northern Rakhine raise security fears over insurgent group activities

(anl) Local ethnic communities in Buthidaung, Maungdaw, and Rathedaung townships in Arakan (Rakhine) State have expressed growing security concerns amid recent movements by the Arakan Rohingya Salvation Army (ARSA) in areas controlled by the Arakan Army (AA).

Residents reported that ARSA combatants have been seen moving through villages and forested areas along the Mayu Mountains between Buthidaung and Maungdaw. A resident of Buthidaung said communities fear sudden attacks across the three townships, adding that traders are particularly worried about potential guerrilla-style assaults. Small ethnic groups, he noted, are especially vulnerable because they depend on terrace farming and must travel to remote areas.

Additionally, an ethnic Mro resident of Maungdaw Township said ARSA members and other Muslim militants are disguising themselves as fishermen, heightening fears among local communities. He cited past incidents in which attackers posing as fishermen killed Arakan Army personnel.

In September, individuals disguised as fishermen reportedly entered Maungdaw illegally, killed two AA security members, seized their weapons, and fled into Bangladeshi waters. A Rathedaung resident added that ARSA members are frequently spotted in villages such as Inndin, Thawinchaung, Cheinkhalein, and Kyaukpandu.

Although the AA controls Buthidaung, Maungdaw, and the entire border with Bangladesh, residents say ARSA and other Muslim armed groups continue to conduct ambushes and attacks targeting AA forces. Despite efforts to strengthen border security, the AA faces persistent security challenges linked to ARSA activities in the region. [BNI]

Philippines: 2026 Infrastructure budget slashed by 20 percent amid probe

(ms) Philippine lawmakers have approved a sharply reduced PHP 529.6 billion (USD 9.4 billion) budget for the Department of Public Works and Highways (DPWH) for 2026, following weeks of contentious deliberations driven by corruption concerns, particularly involving flood control projects.

The figure was finalized on December 18 by the bicameral conference committee reconciling House and Senate versions of the national budget. It is significantly lower than the PHP 881 billion (USD 15.6 billion) originally requested by the agency under the National Expenditure Program and marks a 21 percent cut from DPWH's 2025 allocation.

Lawmakers cited irregularities in project listings, duplicated entries, vague descriptions, and concerns

over budget “insertions” as reasons for the reduction. Senate Finance Committee Chair Sherwin Gatchalian flagged PHP 271 billion (USD 4.8 billion) worth of questionable items during the review process, many linked to flood control and infrastructure works.

The House of Representatives initially approved PHP 624.48 billion (USD 11.1 billion), while the Senate lowered the figure to PHP 570 billion (USD 10.1 billion) before final negotiations pushed it down further.

According to Senate officials, savings from recalculated construction material prices amounted to PHP 20.7 billion (USD 367 million). Of this, PHP 16.52 billion (USD 293 million) was reallocated to the Philippine Health Insurance Corporation, while PHP 4.25 billion (USD 75 million) was redirected to the National Disaster Risk Reduction and Management Fund.

The budget deliberations unfolded amid heightened public attention following allegations that DPWH funds have been systematically used as de facto pork barrel allocations. Several flood control projects are currently under investigation by oversight bodies.

President Ferdinand Marcos Jr. previously warned Congress that he would veto budget items not aligned with the National Expenditure Program, raising the possibility of further cuts before final enactment. [PhilStar] [Rappler]

Philippines: Flood control corruption probe widens with arrests, tax case, and court actions

(ms) Philippine authorities have intensified a sweeping investigation into alleged corruption in flood control projects, with developments over the past week spanning arrests, a parallel tax case, and procedural moves in the courts that underscore the breadth of the probe.

On December 18, the National Bureau of Investigation served warrants of arrest on contractor Sarah Discaya and nine other individuals in connection with an alleged PHP 96.5 million (about USD 1.7 million) ghost flood control project in Davao Occidental. Discaya was taken into custody the same day and is facing non-bailable charges of graft and malversation. President Ferdinand Marcos Jr. confirmed the arrests in a public statement, describing them as part of the government’s effort to address alleged large-scale irregularities in public infrastructure spending.

The following day, December 19, the Department of Justice confirmed it had opened a separate tax evasion investigation involving Discaya and her husband after a complaint was filed by the Bureau of Internal Revenue. Prosecutors said the tax case is proceeding independently of the graft charges but could add significant legal exposure if evidence of underreported income or unpaid taxes is established. Authorities have not disclosed the estimated amount involved, but officials said the inquiry covers multiple fiscal years.

Court proceedings related to the flood control cases have also advanced. On December 22, the Supreme Court ordered that the principal graft cases tied to the Davao Occidental project be transferred to a designated Regional Trial Court in Lapu-Lapu City, Cebu, consistent with rules centralizing major anti-corruption cases to avoid forum shopping and ensure uniform handling. Court officials said the move is procedural and does not affect the merits of the charges.

According to court schedules, Discaya's arraignment has been set for January 13, 2026. Until then, she will remain in custody. Lawyers representing Discaya have said they intend to challenge the charges at the appropriate stage, while prosecutors maintain that evidence supporting the allegations is substantial.

Law enforcement agencies have also confirmed that several other individuals named in the arrest warrants, including officials linked to project implementation, have yet to be apprehended. As of December 22, the Philippine National Police said manhunt operations were ongoing nationwide. At the same time, the Office of the President said some Department of Public Works and Highways officials implicated in the case had expressed willingness to surrender, though no specific dates were provided.

Taken together, the recent developments indicate that the flood control probe has evolved into a multi-pronged legal effort involving criminal prosecution, financial scrutiny, and centralized judicial oversight. Officials have said additional charges are possible as investigations continue, signaling that the case is likely to remain a major focus of the government's anti-corruption agenda into early 2026. [GMA News 1] [GMA News 2] [Inquirer] [PhilStar]

Philippines: International Criminal Court close on ruling on Duterte's fitness for trial

(ms) The International Criminal Court (ICC) is moving toward a key decision on whether former Philippine president Rodrigo Duterte is fit to stand trial, following the release of prosecution filings accusing him of feigning cognitive impairment to delay proceedings over alleged crimes against humanity.

In a submission made public mid-December, ICC prosecutors said medical assessments conducted between October and November found Duterte capable of understanding the charges against him, following court proceedings and instructing his legal counsel. Deputy Prosecutor Mame Mandiaye Niang argued that Duterte deliberately underperformed in a series of neuropsychological tests, including so-called "symptom validity" assessments designed to detect malingering.

The prosecution cited a simple memory task, commonly referred to as a "floor test," which is structured to be easily passed even by individuals with significant cognitive impairment. According to the filing, Duterte's performance fell below what would normally be expected by chance, a result prosecutors said strongly suggested intentional underperformance.

While the full medical report remains confidential, prosecutors said all three independent medical experts appointed by the court concluded that Duterte was an unreliable narrator of his own health condition and retained sufficient mental capacity to participate meaningfully in legal proceedings.

Duterte's defense team has challenged the prosecution's interpretation, arguing that the experts did not explicitly state that any underperformance was deliberate. Defense counsel has also sought to exclude the panel's findings, citing alleged inconsistencies, although it acknowledged that the experts unanimously found Duterte fit to stand trial.

The ICC's Pre-Trial Chamber I is now expected to issue a formal ruling on Duterte's fitness to stand trial as early as January 2026. A positive finding would allow the long-delayed confirmation of charges hearing to be scheduled, marking a critical step forward in the case against the former leader.

Duterte faces charges linked to thousands of killings during his "war on drugs," which prosecutors say amount to crimes against humanity. [ABS-CNB] [GMA News] [Inquirer] [PhilStar]

Philippines: Death of former public works undersecretary clouds flood control corruption probe

(ms) Former Department of Public Works and Highways (DPWH) undersecretary Maria Catalina Cabral was found dead on December 18 at the bottom of a ravine along Kennon Road in Tuba, Benguet, a development that has raised fresh concerns over the integrity of an ongoing corruption investigation into flood control projects. Authorities said preliminary findings point to suicide, but stressed that the case remains under investigation, with key forensic procedures — including an autopsy and DNA testing — still pending family consent. Cabral's driver has been identified as a person of interest after reportedly leaving her at the site at her request and returning hours later to find her missing.

Cabral's death comes as the Office of the Ombudsman probes alleged irregularities in the planning and funding of flood control projects, an investigation that has implicated multiple layers of government. Speaking a day after her death, Assistant Ombudsman Mico Clavano warned that the loss of a central figure has placed the probe in what he described as "dangerous territory," given the number of officials potentially involved.

As head of the DPWH unit responsible for budget planning, Cabral allegedly had detailed knowledge of how certain infrastructure projects were inserted into the national budget, including claims that commissions or kickbacks were allocated to public officials and lawmakers. Investigators believe she may have possessed lists identifying proponents of specific projects and the corresponding budget allocations.

Clavano said Cabral last appeared before Ombudsman investigators on December 3, during which prosecutors observed that she appeared willing to cooperate, albeit cautiously. Anticipating the sensitivity of the case, the Ombudsman had offered her personal security, he said.

Authorities are now racing to secure Cabral's electronic devices, phone records and digital files, which may contain crucial evidence. While her death extinguishes potential criminal liability, Clavano said civil liability remains possible, with the state seeking to recover any public funds proven to have been misappropriated from her estate. [ABS-CBN] [PhilStar 1] [PhilStar 2]

Philippines: Government workers to receive PHP 5,000 (about USD 90) productivity incentive

(ms) The Philippine government has approved the release of a PHP 5,000 (approximately USD 90) Productivity Enhancement Incentive for qualified public sector employees for fiscal year 2025, according to announcements from the office of the President and the Department of Budget and Management.

The incentive applies to civilian personnel in national government agencies, state universities and colleges, government-owned or controlled corporations, and eligible employees of local government units and local water districts. Military and uniformed personnel are also included under the coverage.

The payment is part of the government's annual performance-based incentive framework and is scheduled for release after December 15, in line with existing budget rules. The Department of Budget and Management has issued guidelines outlining eligibility and funding conditions for agencies implementing the incentive.

Alongside the productivity incentive, government employees may receive additional year-end benefits. The Service Recognition Incentive, with a total value of up to PHP 20,000 (about USD 360), will be released in tranches starting in December. The first tranche is expected to range between PHP 10,000 and PHP 14,500 (around USD 180 to USD 260), with the remaining balance subject to approval of budget adjustments.

Non-teaching personnel covered by collective negotiation agreements are set to receive a PHP 10,000 (approximately USD 180) incentive, while contract of service and job order workers may be granted gratuity pay of up to PHP 7,000 (around USD 125), depending on length of service.

Employee groups, particularly in the education sector, have raised concerns about delays and partial releases, urging the government to complete disbursements before year-end amid rising household expenses. [Inquirer] [PhilStar]

Philippines: Agriculture department extends sugar import ban through December 2026

The Department of Agriculture has extended its ban on sugar imports until December 2026, citing improved domestic production and the need to protect local farmers and stabilize market supply.

In a statement released December 22, the department said the ban would now run beyond the end of the current crop year in September 2026, providing longer-term protection for domestic producers as output continues to recover. Agriculture Secretary Francisco Tiu Laurel Jr. said a longer moratorium was necessary based on current production and demand projections.

The Sugar Regulatory Administration, which oversees the sector, will intensify monitoring of refinery operations and refined sugar inventories to prevent supply distortions and speculative pricing. Authorities said tighter oversight is aimed at ensuring sufficient availability of both standard and premium-grade sugar in the domestic market.

Government data show that sugar production reached 2.015 million metric tons as of June 2025, up from 1.922 million metric tons in the previous crop year. Sugarcane planting areas have also expanded, growing from about 380,000 hectares in 2022 to 409,000 hectares this year, supporting the government's assessment that supply conditions are improving.

Officials reiterated that no import program would be considered until milling is largely completed and production figures are firmly established. Any future imports, they said, would be limited to reserve sugar categories.

The agriculture department and the Sugar Regulatory Administration are also finalizing long-delayed rules governing molasses imports. Under the proposed framework, industrial users would be required to first purchase locally produced molasses before being allowed to import, a move intended to further shield domestic producers and support farm incomes. [PhilStar]

Philippines: Marcos Promotes 42 New Generals Amid Sovereignty Tensions and Coup Rumors

(ms) President Ferdinand Marcos Jr. oversaw the oath-taking of 42 newly promoted generals and flag officers of the Armed Forces of the Philippines (AFP) on December 18, 2025, urging them to safeguard national sovereignty and uphold constitutional loyalty as regional and domestic tensions persist.

The promotions covered senior officers from the Philippine Army, Air Force, and Navy. As with previous AFP promotion cycles, authorities did not release detailed public profiles of the officers, and no departures from standard seniority- and board-based procedures were announced. Defense analysts said the absence of reshuffles or accelerated promotions suggests institutional continuity rather than a political recalibration.

In his remarks at Malacañan Palace, Marcos emphasized that promotions come with heightened responsibility, underscoring loyalty to the Constitution and civilian supremacy over the military. He also referenced ongoing sovereignty challenges in the West Philippine Sea, where the Philippines has repeatedly accused China of aggressive actions against Filipino vessels despite a 2016 international arbitral ruling that rejected Beijing's expansive maritime claims.

The ceremony took place amid heightened political sensitivity following recent disclosures that a high-ranking military officer had been approached by individuals seeking support for destabilization efforts. While the officer rejected the overtures and reported the incident through the chain of command, the acknowledgement has fueled public discussion about coup-related attempts, even as authorities stress there is no evidence of an organized plot or institutional backing within the AFP.

The Philippines has also expanded defense cooperation and joint exercises with allies as part of its broader security posture, even as officials maintain that the military remains firmly under civilian control and committed to democratic institutions. [PhilStar]

Singapore: "Most Valuable Party" approved as new political party

(st) The Most Valuable Party (MVP), founded by restaurateur Chia Yun Kai, has been officially registered as Singapore's newest political party, eight months after its application was filed, bringing the total number of registered parties to 21. The Registry of Societies approved the application on December 18, with the Ministry of Home Affairs saying each application must meet requirements on governance, lawful purpose and national security before approval.

Chia, who previously contested the 2025 General Election under the Singapore Democratic Alliance after initially announcing plans to run under his own banner, said official registration gives MVP legitimacy

and opens the door for new members. He said the party plans to contest the next election as a standalone group. SDA chief Desmond Lim confirmed Chia resigned from the Singapore Justice Party in May to pursue his political ambitions.

Recent years have seen several new parties formed, including Red Dot United, Singapore United Party and Progress Singapore Party, all of which contested the 2025 polls. [The Straits Times]

Singapore: Expansion of caning to combat scams, drawing human rights concerns

(ms) Singapore will begin imposing mandatory judicial caning on individuals convicted of scam-related offences from December 30, as the government moves to strengthen penalties against a surge in fraud cases that have caused billions of dollars in losses.

Under amendments to criminal law passed by parliament last month, offenders involved in scams, including recruiters and members of organized syndicates, may face between six and 24 strokes of the cane in addition to prison terms and fines. Those who knowingly provide bank accounts or personal details used to launder scam proceeds may also be subject to caning of up to 12 strokes.

Authorities said the tougher penalties are aimed at deterring crimes that have become a major public concern. Government data show that scams accounted for about 60 percent of all reported crimes between 2020 and the first half of 2025, with total losses estimated at nearly USD 2.8 billion.

The decision has renewed international scrutiny of Singapore's use of corporal punishment. Judicial caning, a legacy of British colonial-era law, involves striking the bare buttocks with a rattan cane and is already applied for crimes such as robbery and sexual offences. Human rights groups and United Nations experts have long argued that the practice constitutes cruel, inhuman or degrading punishment under international standards.

Singapore's government rejects that assessment, saying caning is lawful, tightly regulated and applied only to male offenders under 50, under medical supervision. Officials maintain that severe penalties are necessary to address the growing sophistication and cross-border nature of scam networks. [ABC News]

Singapore: Exports rise 11.6 percent in November as economists lift growth forecasts

(st) Singapore's non-oil domestic exports (NODX) grew 11.6 percent year on year in November, outperforming expectations on the back of strong pharmaceutical shipments and continued demand for electronics such as integrated circuits and personal computers. The expansion followed a revised 21.7 percent surge in October. Enterprise Singapore said exports to the United States, European Union and Taiwan rose sharply, while shipments to Thailand and Japan fell. The agency also narrowed its 2025 NODX forecast to around 2.5 percent, citing AI-related demand and high gold prices supporting late-year performance.

A separate Monetary Authority of Singapore (MAS) survey showed private-sector economists raising their 2025 GDP growth forecast to a median of 4.1 percent, up from 2.4 percent previously, broadly aligning with the government's upgraded outlook of "around 4.0 percent." Economists expect growth to moderate to 2.3 percent in 2026 and foresee no change in monetary policy at the upcoming January and April reviews. Key downside risks include geopolitical tensions and a possible correction in the global AI boom, while upside risks stem from a sustained tech-cycle recovery and resilient global demand. Inflation expectations remain low, with core inflation projected at 0.7 percent this year and 1.3 percent in 2026. [Reuters 1] [Reuters 2]

Singapore: Anti-fraud trade registry eyes regional expansion

(ms) Singapore's digital trade finance registry, created to combat double-financing fraud, is preparing to expand into other Asian markets as regional interest grows.

The platform was launched by the Association of Banks in Singapore following major fraud cases in the commodity trade sector. It went live in 2023 and allows banks to check whether a trade transaction has been financed more than once, without sharing sensitive commercial data.

The initiative was jointly led by DBS Bank and Standard Chartered, and participation has grown to more than 40 financial institutions. Usage this year increased by about 70 percent compared with 2024, with banks

reporting several cases of suspected duplicate financing flagged by the system.

Project leaders say talks are under way with regulators and banks in other Asian markets, and the ASEAN Secretariat has expressed interest. Supporters argue wider adoption could strengthen fraud prevention and transparency across regional trade finance. [Global Trade Review]

Thailand: February 2026 election to proceed amid border fighting as referendum plans take shape

(lm/msz) Thailand's Election Commission has confirmed that the general election scheduled for February 8, 2026 will go ahead as planned, despite ongoing clashes along the Thai–Cambodian border. The commission said the security situation, while affecting some residents, voters, and officials in border areas, does not automatically justify postponing the poll.

According to the Election Commission, contingency arrangements are in place for affected provinces under existing legal frameworks. Any declaration of martial law would be assessed on a case-by-case basis, depending on its scope and duration.

The commission also highlighted that early 2026 will involve three major nationwide political events: local government elections on January 11, the general election on February 8, and a national referendum on drafting a new constitution, which may be held on the same day as the general election.

This sequencing follows a recent Election Commission regulation, issued under the Referendum Act 2021, allowing a constitutional referendum to be conducted concurrently with a general election. The stated objectives are to streamline voting procedures, reduce logistical and administrative burdens, improve voter convenience, and boost turnout. The regulation will take effect once published in the Royal Gazette. [Bangkok Post 1] [Bangkok Post 2]

At the executive level, the cabinet has approved the government's final wording for the referendum question and formally submitted it to the Election Commission. Prime Minister Anutin Charnvirakul said the government favors holding the referendum on the same day as the general election to avoid additional costs, estimating that a standalone referendum could cost around THB 4 billion (approximately USD 127.3

million). While the cabinet expressed a clear preference for synchronized voting, the final decision on timing rests with the Election Commission.

Deputy Prime Minister Borwornsak Uwanno explained that an earlier draft question originating from parliament was found to conflict with the Referendum Act and prior Constitutional Court rulings. As a result, the cabinet drafted a revised question designed to meet legal and judicial requirements. Although the government initially considered forwarding both versions, the Election Commission requested that only one question be submitted, leading the cabinet to proceed solely with its own version. [Bangkok Post 3]

Separately, the Election Commission disclosed state subsidies for political parties for 2026, with allocations of THB 96.78 million (approximately USD 2.8 million) for the People's Party, THB 13.11 million (approximately USD 0.38 million) for the United Thai Nation Party, THB 12.20 million (approximately USD 0.36 million) for the Pheu Thai Party, THB 10.03 million (approximately USD 0.29 million) for the Democrat Party, and THB 3.93 million (approximately USD 0.11 million) for the Thai Sang Thai Party. [Bangkok Post 1]

Thailand: Prime Minister's party positions itself as coalition pivot as election momentum builds

(lm) Thailand's Bhumjaithai Party (BJT) is positioning itself as a central post-election actor as campaigning intensifies ahead of the February general election, projecting openness to coalition-building while consolidating candidates, policy messaging, and local political networks.

Prime Minister Anutin Charnvirakul, who also leads BJT, said the party is prepared to work with any political group willing to act in the national interest, cautioning rivals against premature coalition statements before voters have delivered a mandate. He framed unity as particularly important amid ongoing Thailand–Cambodia border tensions, while emphasizing that post-election alignments should follow constitutional processes. Responding to comments from People's Party leader Natthaphong Ruengpanyawut—who said his party could remain in opposition if BJT leads the next government—Anutin said BJT's focus is on earning public trust through policy rather than pre-judging coalition arithmetic. [Bangkok Post 1]

Internally, Anutin confirmed that three senior cabinet figures—Finance Minister Ekniti Nitithanprapas,

Commerce Minister Suphajee Suthumpun, and Foreign Affairs Minister Sihasak Phuangketkeow—will remain with BJT and are under consideration as prime ministerial nominees alongside Anutin, the party's lead candidate. Thai law allows parties to nominate up to three prime ministerial candidates. [Bangkok Post 2]

BJT's campaign agenda centers on economic and personal security, technology, and national sovereignty, including expansion of the Khon La Khrueng Plus co-payment scheme - a government cost-sharing program for consumer spending - and proposals to withdraw from long-standing memoranda related to land and maritime demarcation with Cambodia. Party officials say formal policy announcements and candidate lists are imminent.

Analysts assess BJT as gaining momentum due to incumbency advantages, strong financing, and deep ties to influential local political families ("baan yai," or entrenched provincial power networks). Strategically, BJT is prioritizing constituency races by consolidating local factions to avoid vote-splitting—an approach seen as particularly effective against the People's Party in districts where opposition votes previously fragmented. Estimates vary, but analysts suggest BJT could plausibly secure 120–150 seats if the strategy succeeds, with undecided voters—roughly one-fifth of the electorate—remaining decisive.

At the same time, observers caution that rapid recruitment of veteran politicians can create post-election tensions over cabinet allocations, and that BJT's party-list appeal—especially in Bangkok—remains a key test. Still, with rivals facing internal challenges and voter volatility, most analysts describe the contest for first place as narrowing to BJT and the People's Party, positioning BJT as a likely coalition anchor regardless of the final seat tally. [Bangkok Post 3]

Thailand: Reformist party sharpens two-party election narrative with 250-seat target and '3 Thai' reform platform

(msz/lm) Thailand's People's Party, the single-largest and main opposition party in the now-dissolved lower House, has intensified its push ahead of the February 2026 general election, combining an ambitious electoral target with a detailed reform narrative.

Party leader Natthaphong Ruengpanyawut has said the People's Party aims to win at least 250 seats, framing the contest as a direct race with the Bhumjaithai Party of Prime Minister Anutin Charnvirakul and ruling out

any pre-election alliance with it. He stated that the scale of the party's seat total would determine its leverage in post-election coalition talks, while stressing that the party is prepared to move into opposition if Bhumjaithai forms the next government.

Natthaphong has argued that the election is not merely a competition between parties but a choice between political systems, portraying the vote as a chance to move away from what he described as years of disrupted democratic development. He said the People's Party would position itself as a counterweight to entrenched interests linked to corruption and illicit finance, while campaigning to restore public trust in democratic governance. [Bangkok Post 1]

Substantively, the party has anchored its campaign around Natthaphong's recently unveiled "3 Thai" framework, presented as a practical roadmap for national renewal. The first pillar, "Thai No Grey," focuses on curbing corruption and illicit capital through stronger transparency and citizen oversight. "Thai Equal" emphasizes decentralization and equal access to state services and economic opportunities, while "Thai Up-to-date" calls for a modernized, digitally enabled public administration and more efficient use of the national budget. Natthaphong described the framework as "common-sense politics" rather than ideology, arguing that Thailand has the institutional capacity to reform if political will exists. [The Nation]

Recent polling in Bangkok underscores both the People's Party's momentum and the uncertainty of the race. A survey by the National Institute of Development Administration placed the People's Party and Bhumjaithai first and second respectively in party popularity and prime-ministerial preference in the capital, but showed that nearly half of respondents remain undecided. Natthaphong led declared candidates among decided voters, followed by Prime Minister Anutin Charnvirakul, yet neither commands majority support. [Bangkok Post 2]

Thailand: Pheu Thai formalizes prime ministerial slate and intensifies campaign ahead of 2026 election

(lm) Thailand's Pheu Thai Party, the former leader of the governing coalition and one of the country's main political forces, has moved from candidate nomination into full campaign mode as the February 8, 2026 general election approaches.

As previously announced, Pheu Thai has formally named three prime ministerial candidates: Julapun Amornvivat, the party's current leader; Suriya Jungrungreangkit, a veteran politician and former transport minister; and Yodchanan Wongsawat, who party officials describe as the preferred candidate should Pheu Thai secure a parliamentary majority. The three candidates will all appear on the party list, though their final ranking will be decided closer to official registration. The party plans to unveil its full slate of 500 parliamentary candidates—400 constituency and 100 party-list—before the end of December. [Bangkok Post 1]

Yodchanan Wongsawat's candidacy has drawn particular attention. He is a close relative of Thaksin Shinawatra, the former prime minister whose political network has shaped Thai electoral politics for more than two decades. Thaksin, who served from 2001 until his removal in a 2006 military coup, is currently serving a one-year prison sentence following a Supreme Court ruling in September 2025. Pheu Thai has sought to balance continuity with distance from the Shinawatra family: in October, Paetongtarn Shinawatra, Thaksin's daughter and a former prime minister, publicly ruled out any Shinawatra family member being nominated for the 2026 race. [AiR No. 50, December/2025, 3]

Following the nomination phase, Pheu Thai has accelerated campaigning and begun responding to early opinion polls. Party leaders have downplayed mixed survey results—some of which place Pheu Thai second nationally and show uneven support for its candidates in Bangkok—arguing that polls are indicators rather than verdicts. They have emphasized that nearly half of voters in the capital remain undecided, framing this as an opportunity rather than a setback. [Bangkok Post 2]

Policy messaging has featured prominently in early campaign activities. In his first field visits since being named a candidate, Yodchanan traveled to flood-affected areas in Ayutthaya and Suphan Buri, where residents raised concerns about prolonged flooding, delayed compensation, low crop prices, and constraints on farming practices. Pheu Thai pledged large-scale water-management projects, faster disaster compensation, and agricultural policies aimed at guaranteeing farmers a 30 percent profit margin. Party leaders have linked flood control, rural incomes, and infrastructure investment to broader economic recovery and cost-of-living pressures. [Bangkok Post 4]

At the same time, Pheu Thai has raised concerns about the integrity of the electoral environment. The party has called on the Election Commission and the

government to guard against intimidation, abuse of authority, and manipulation during the campaign period. Party officials say candidates and supporters in several provinces have reported conduct that could discourage free competition. Pheu Thai has warned that unchecked "money politics," excessive campaign spending, and alleged rule-gaming by rival political groups could undermine public confidence in the vote. [Bangkok Post 5]

Thailand: Klatham Party taps Capt Thamanat for premiership

(msz) The Klatham Party has officially confirmed that its chief adviser, Capt Thamanat Prompow, will headline the party's list of prime ministerial candidates for the looming general election. Party leader Narumon Pinyosinwat made the announcement on December 16, clarifying that while a specific date for a formal unveiling has not been set, Capt Thamanat's nomination is certain.

Narumon added that the party is focusing on the quality of its nominees rather than filling all three available slots. She also highlighted a major boost to the party's ranks: former Democrat Party leader Chalermchai Sri-on and his faction are set to join Klatham. This move is expected to significantly bolster the party's influence, particularly within its southern strongholds. According to Narumon, the party is witnessing a steady flow of new recruits, though a complete roster will only emerge once the Election Commission (EC) starts the formal registration process. Despite the influx of high-profile members, the Klatham Party is maintaining its previous goal for the total number of parliamentary seats. [Bangkok Post]

Thailand: Democrats launch new platform, framing election as break with entrenched corruption and stagnation

(lm) Thailand's Democrat Party, the country's oldest party whose popularity has significantly declined in recent years, has formally launched its campaign for the February 8, 2026 general election under the slogan "Thailand Out of Poverty," presenting the vote as a chance to confront what it describes as long-standing structural failures in governance, livelihoods, and political integrity. The platform was unveiled in Bangkok by party leader Abhisit Vejjajiva, a former prime minister, alongside the party's deputy leadership

and its 33 prospective parliamentary candidates for the capital, covering all Bangkok constituencies.

A central theme of the Democrats' platform is "clean politics," which Abhisit linked directly to everyday outcomes. He identified corruption and so-called "grey capital"—a local term referring to illicit or semi-legal money and business interests that operate through political connections—as the most damaging forces undermining development. According to Abhisit, such networks allow a small group of actors to benefit from state projects, distort elections, and launder money or reputations, leaving broader social problems unaddressed.

Focusing on Bangkok, which he described as both the country's economic hub and a bellwether for national political trends, Abhisit said the party had applied stricter candidate screening than its rivals to ensure integrity. He predicted that campaigning in the capital would again revolve around public transport costs, pollution (including PM2.5 fine-particle air pollution), and affordability, and he drew a contrast between parties he said are free of conflicts of interest and those burdened by them.

Positioning the Democrats as a reformist but institutionally experienced alternative, Abhisit said the party's message is that Thailand no longer has to accept prolonged stagnation or "endurance politics," and that addressing poverty in all its forms requires tackling corruption and governance failures as directly as economic hardship. [Bangkok Post]

Thailand: Ex-minister Jatuporn Buruspat debuts 'New Opportunity Party'

(msz) On December 21, former Commerce Minister Jatuporn Buruspat officially introduced his latest political venture, the New Opportunity Party. During the unveiling, Jatuporn emphasized that the party's primary mission is to confront the country's mounting debt crisis and bridge the widening gap of economic inequality. Beyond financial reforms, the party's platform is built on three pillars: establishing a robust welfare state, safeguarding the monarchy, and maintaining a firm stance on national sovereignty.

The launch event featured several prominent political and public figures. Among them were Anusree Tubsuwan, the deputy leader and head of the Bangkok campaign; Prapat Chongsanguan, formerly the governor of the State Railway of Thailand; and ex-Pheu Thai MP Saranwut Saranket, who was joined by his

daughter, Rosarin—a likely candidate for the Uttaradit constituency. Addressing the party's motivations, Jatuporn pushed back against detractors who labeled the group a "graveyard for retired bureaucrats," asserting that their ranks are filled with seasoned experts dedicated to public service.

To revitalize the economy, Jatuporn proposed an immediate debt moratorium as a critical first step. His broader vision includes: welfare in the form of a "cradle-to-grave" support system for all citizens; economic growth with the strategic focus on tourism and a comprehensive overhaul of the education system; reform and pushing for decentralization of power and land reform; social equity by encouraging the wealthy to contribute more to supporting the underprivileged. [Bangkok Post]

Thailand: Anti-corruption body has not yet scheduled decision on case against former reformist MPs

(bk) Thailand's National Anti-Corruption Commission (NACC) has not yet scheduled deliberations on a case involving 44 former lawmakers of the now-defunct Move Forward Party (MFP), who are accused of constitutional violations linked to their sponsorship of a 2021 bill seeking to amend Article 112 of the Criminal Code, Thailand's royal defamation provision.

According to statements by Surapong Intharathavorn, acting secretary-general of the Office of the National Anti-Corruption Commission, the case has not been placed on the commission's formal agenda, despite public speculation that a decision could be taken in late December. The authority to schedule the matter rests solely with the NACC, which has reiterated that it does not align investigative timelines with electoral or political developments. [The Nation]

The case has been under NACC review for nearly a year and follows a unanimous Constitutional Court ruling that dissolved the MFP, finding that its campaign and continued efforts to amend Article 112 constituted an abuse of rights aimed at undermining Thailand's constitutional order under Section 49 of the constitution. The draft amendment at issue was filed in 2021 and was endorsed by 44 MPs at the time, when Pita Limjaroenrat served as party leader and Chaithawat Tulathon as secretary-general.

Several of the individuals named in the case are now senior figures in the People's Party, which succeeded the MFP after its dissolution and emerged as the

largest party in the now-dissolved House of Representatives. The MFP itself was the direct successor to the Future Forward Party, which was dissolved by court order in 2020.

Thailand: Former reformist lawmaker files complaint over alleged election-related disinformation

(lm) Pannika Wanich has filed a police complaint accusing several social media account administrators of spreading manipulated content and false claims that she says could undermine the integrity of the upcoming election and raise national security concerns.

The complaint focuses on edited videos and posts that allegedly misrepresented her remarks as urging Thailand's military to disclose battle plans. Pannika said the material falsely attributed statements to her, misleading the public and damaging her reputation.

The disputed content originated from a viral post dated November 17, which claimed she had called for the release of military maps and operational details. Pannika said she did not appear on any program or give interviews that day. She explained that the post reused excerpts from a television appearance on November 14 but removed her concluding statement, in which she explicitly said that sensitive military information should not be made public because disclosure would also benefit adversaries. [Bangkok Post]

Pannika is a former lawmaker from the now-dissolved Future Forward Party and a core member of the Progressive Movement, a reform-oriented political group that emerged after Future Forward's dissolution and operates as an extra-parliamentary network advocating democratic and institutional reforms. She also serves as an adviser to the House Committee on National Security.

Thailand: Senate collusion probe overlaps with vetting of anti-corruption and election watchdogs

(msz/lm) Thailand's upper house is under intensified scrutiny as allegations of collusion in the 2024 Senate selection process intersect with its constitutional responsibility to approve appointments to two key

oversight bodies: the National Anti-Corruption Commission and the Election Commission.

At the center of the controversy is a single, ongoing investigation by the Department of Special Investigation (DSI), Thailand's lead body for complex and politically sensitive criminal cases. The DSI has been probing alleged collusion, money laundering, and coordinated interference in the Senate selection process for more than nine months, examining financial trails, communications data, and witness testimony across 45 provinces.

A group of reserve senators—formally designated alternates who may replace serving senators if vacancies arise—has petitioned the attorney-general to ensure that the DSI investigation remains comprehensive and non-selective. They argue that available evidence points to a coordinated network, not isolated actors, and warn that limiting prosecutions to a small number of individuals would undermine the legitimacy of the entire Senate selection process. Parallel petitions have also been submitted to the Election Commission, which administers electoral processes.

According to media reporting, the DSI is preparing to forward an initial group of eight suspects—including two sitting senators—to prosecutors on alleged money-laundering and organized-crime charges under the Criminal Code. Investigators have identified financial and communication links involving approximately 1,200 individuals, including Senate aides and political intermediaries. Petitioning senators caution that treating this first group as the entirety of the case risks obscuring the broader structure of the alleged scheme. [Bangkok Post 1]

The same DSI investigation also forms the factual basis of a constitutional case now before the Constitutional Court. The court is examining whether Phumtham Wechayachai, former deputy prime minister and defense minister, and Tawee Sodsong, former justice minister, improperly interfered in the Senate selection by directing or misusing the DSI to pressure or intimidate actors involved in the process. Both deny wrongdoing. The court is hearing testimony from the former ministers, senior DSI officials, a sitting senator, and senior election administration officials to determine whether constitutional and ethical thresholds—particularly the separation of powers—were breached, which could lead to termination of ministerial status under the constitution. [Bangkok Post 2]

These developments unfold as the Royal Gazette published a royal command convening an extraordinary Senate session on December 24, following a request by the Senate president. Although Thailand's House of Representatives has been dissolved, the Senate remains constitutionally mandated to meet to perform specific functions, including approving nominees to independent oversight bodies.

During the session, senators are expected to form a committee to scrutinize nominees to the Election Commission and to vote on appointments to the National Anti-Corruption Commission (NACC). However, a separate bloc of senators has submitted a motion seeking to postpone both the committee process and approval votes until the Senate collusion investigation is completed, citing risks of conflicts of interest, particularly in the selection of election commissioners. [Bangkok Post 3]

Thailand: Special investigators move to question former minister over cancelled Singapore MoU

(lm) Thailand's Department of Special Investigation (DSI), a national law-enforcement body handling complex and politically sensitive cases, is preparing to summon Prasert Jantararuangtong, a former minister for digital economy and society and current secretary-general of the Pheu Thai Party, over his role in a now-cancelled memorandum of understanding (MoU) signed in Singapore.

The probe centers on an MoU concluded between Thailand's Ministry of Digital Economy and Society and Prime Opportunity Fund VCC, a Singapore-based company, which aimed to establish a "Thailand International Digital Business and Finance Center." The issue drew scrutiny after photographs from the signing ceremony showed the presence of Benjamin Mauerberger, also known as "Ben Smith," a foreign businessman alleged in Thai media to be linked to money-laundering activities. Mauerberger was not a signatory to the MoU but appeared at the event alongside senior Thai figures.

The DSI's planned summons follows testimony by Wisit Wisitsora-at, then permanent secretary of the ministry and now chair of Thailand's Securities and Exchange Commission. He told investigators that the MoU was signed under instructions from the ministry's leadership and with approval from Prasert, while stressing that he had no personal or business

relationship with the foreign individuals or entities involved. Based on this testimony, investigators indicated that Prasert and his then secretary-general may be asked to provide formal explanations.

The MoU was cancelled in November on the order of the current and caretaker digital economy minister. In public comments, Prasert has denied any wrongdoing, said he has not yet received an official summons, and insisted the agreement followed standard legal procedures. He stated that all such MoUs are reviewed by multiple state bodies, including the Council of State, the Office of the Attorney-General, and the Ministry of Foreign Affairs, before approval. He also denied any personal ties to Mauerberger, saying the businessman attended only as a witness and that the signing was carried out by authorized officials. [Bangkok Post 1] [Bangkok Post 2]

Thailand: Anti-corruption body probes graft allegations against senior police commander

(lm) Thailand's National Anti-Corruption Commission (NACC) has opened a fact-finding inquiry after an audio recording circulated online allegedly implicating a senior police officer in kickback demands from illegal businesses.

The recording is claimed to capture a conversation between Pol Maj Gen Kriangsak Noonkliang, commander of the Nakhon Si Thammarat Provincial Police, and an officer at Chawang Police Station. In the clip, a voice alleged to be Kriangsak's appears to pressure the station officer to forward bribes collected from illegal operations, including gambling venues, and threatens punitive action if the payments are not delivered. The NACC said it is examining both the authenticity and the substance of the audio, which has spread widely on social media.

The national police leadership moved to limit potential interference with the investigation. The chief of the Royal Thai Police ordered Kriangsak's transfer to the police Operations Centre, relieving him of his provincial command. A deputy regional police commissioner has been appointed as acting commander. [Bangkok Post]

Thailand: Investigation into prison 'VIP treatment' scandal referred to anti-

corruption body

Thailand's Department of Special Investigation (DSI)—a Justice Ministry agency handling complex criminal cases—has completed its investigation into the so-called "Chinese VIP" scandal at Bangkok Remand Prison and forwarded the case to the National Anti-Corruption Commission (NACC) for further action.

The DSI said it found sufficient grounds to charge the former prison chief and his secretary with abuse of authority, alleging they allowed improper privileges for inmates and facilitated acts of prostitution inside the prison, in violation of the Prevention and Suppression of Prostitution Act. The probe followed a joint raid in late November by forensic experts, the DSI, and the Department of Corrections, triggered by claims that senior officials granted Chinese inmates unauthorized Sunday "family visits" that enabled sexual services within prison premises.

The DSI also reported evidence pointing to the involvement of a prominent lawyer from Samut Prakan, suspected of coordinating prison visits for Chinese inmates; his name appeared in visitation records linked to more than 1,000 prisoners, and investigators traced hundreds of millions of THB in transactions through companies connected to him, allegedly routed to associates rather than directly to the prison chief. [Bangkok Post]

Thailand: Activist calls for anti-corruption probe into SEA Games procurement

A Thai civic activist has formally petitioned the National Anti-Corruption Commission (NACC) to investigate alleged irregularities linked to Thailand's hosting of the 33rd Southeast Asian Games (SEA Games), a major regional multi-sport event.

The complaint calls for scrutiny of Kongsak Yodmanee, governor of the Sports Authority of Thailand (SAT), and Phiphat Ratchakitprakarn, the minister overseeing tourism and sports. The petition alleges possible violations of public procurement rules in the organization of the SEA Games opening ceremony, including rushed or bypassed steps in drafting terms of reference, setting reference prices, and announcing bids, as well as inadequate appeal periods. According to the complaint, the private contractor that ultimately won the bid may have begun preparatory work before the official contract award was announced, raising concerns about potential collusion. [Bangkok Post]

Thailand: Former opposition lawmaker granted bail after conviction in forged conscription exemption case

(msz) A Thai criminal court has granted bail pending appeal to a former opposition lawmaker who was sentenced to two years in prison for using a forged military conscription exemption document. Bail was set at THB 100,000 (approximately USD 2,900), with no additional conditions attached.

The case centers on a disputed SorDor 43 certificate, a document used to prove exemption from compulsory military service. Questions about the authenticity of the certificate emerged in early 2024 after the document was shown on a television program and shared on social media. Prosecutors accused the former member of parliament of using a forged document, while dismissing other related charges. [AiR No. 50, December/2025, 3]

In its judgment, the court found that the defendant failed to present an authentic exemption certificate and imposed the maximum sentence of two years' imprisonment without suspension. Later the same day, however, the court approved temporary release while the appeal process proceeds.

The former lawmaker has rejected the verdict, arguing that the case is politically motivated and that he believed the certificate to be genuine, claiming it had been issued by a military officer at an official location. He has announced plans to pursue the case through the appeals process. [Bangkok Post]

Thailand: Court jails army instructors over conscript's death, citing cruel treatment

(msz) A Thai court has sentenced two army instructors to prison over the death of a conscript during military training, marking a rare criminal conviction of serving personnel under Thailand's anti-torture law. The Criminal Court for Corruption and Misconduct Cases Region 5 ruled that the instructors subjected conscript Kittithorn Wiangbanphot to cruel, inhuman, and degrading treatment during training at a military camp in northern Thailand in 2023. Kittithorn later died from septicaemia after falling ill during training.

Each instructor was initially sentenced to one year in prison under the Prevention and Suppression of

Torture and Enforced Disappearance Act 2022, a law enacted to align Thailand with international human rights obligations and to allow criminal liability for abuse by state officials. The court reduced the sentences to eight months after the defendants provided testimony deemed helpful to the proceedings. [Bangkok Post]

Thailand: Consumer co-payment stimulus paused under caretaker government rules

(lm) Thailand's government has put the second phase of the "Khon La Khrueng Plus" consumer co-payment scheme on hold until a new, fully empowered government is formed, citing legal restrictions that apply during the caretaker period following the dissolution of parliament. Prime Minister Anutin Charnvirakul said the administration cannot draw on the central budget while in caretaker status and must strictly comply with election-related regulations.

Government officials indicated that the cabinet will formally consult the Election Commission to determine whether the program can proceed during the interim period. While caretaker governments are generally prohibited from launching new initiatives, authorities noted that the scheme had been approved by cabinet resolution before parliament was dissolved and was included in the government's policy framework. If the Election Commission rules against implementation, the program will be postponed.

The Khon La Khrueng Plus scheme is a state subsidy program under which the government co-pays part of consumers' daily spending at participating shops and food platforms to stimulate domestic consumption. The Finance Ministry reported that spending under Phase 1 remains strong, with total outlays of THB 75.52 billion (USD 2.19 billion) roughly split between public spending and government co-payments. [Bangkok Post]

Thailand: Government warns student loan defaulters as enforcement steps loom

(lm) The Thai government has warned more than 100,000 student loan borrowers to comply with court-ordered repayments or apply for debt restructuring by the end of December, as authorities prepare to move toward enforcement measures.

According to the government, the Student Loan Fund (SLF)—a state-run program financed by taxpayers to expand access to higher education—filed lawsuits in 2016 against borrowers who defaulted on repayments. These cases resulted in court orders covering over 100,000 individuals. Despite repeated notifications by mail and telephone over the past nine years, many borrowers have yet to comply. [Bangkok Post]

Thailand: Infrastructure projects and key trade deals hit roadblocks before election

(bk) Thailand's infrastructure investment pipeline worth more than THB 1.4 trillion (approximately USD 39.2 billion) has been effectively frozen following the dissolution of Parliament, as the caretaker government is legally barred from approving large-scale spending or policy decisions that would bind the next administration. The restriction stems from Election Commission rules that limit a caretaker cabinet to routine administration until the general election scheduled for February 8, 2026. [The Nation]

Thailand: Cabinet allocates USD 70.8 million to reinforce border security

(msz) Thailand's cabinet has approved an emergency allocation of THB 2.44 billion (approximately USD 70.8 million) from central funds in the 2026 fiscal year to strengthen military capabilities along the Thai–Cambodian border amid ongoing fighting.

The funds will be used to meet urgent operational requirements of the army and navy, with the government framing the decision as necessary to safeguard national sovereignty and civilian security. Authorities said specific spending details would not be disclosed for security reasons, but emphasized full institutional backing for the armed forces. [Bangkok Post]

Thailand: Navy reviews submarine program as S26T delivery target set for 2028

(bk) Senior officers of the Royal Thai Navy have completed an inspection visit to China to review progress on Thailand's long-delayed S26T submarine program, with delivery now planned for 2028. The

submarine project had stalled for several years after the original contractor, China State Shipbuilding Corporation, was unable to supply a German-made engine specified in the original contract. Construction resumed following a contract amendment allowing the use of a Chinese-produced engine, clearing the way for renewed progress.

During the December visit, Thai naval officials inspected propulsion systems, including air-independent propulsion technology (which allows submarines to operate underwater for extended periods without surfacing), reviewed construction at the Wuchang shipyard in Wuhan, and assessed training facilities at China's Naval Engineering University. The Chinese side confirmed its readiness to train Thai crews to international operational standards. [The Nation]

Timor-Leste: International Cooperation as organized crime tests new entry points deepen

(ms) The government of Timor-Leste is strengthening cooperation with international partners amid growing concern that transnational criminal networks are increasingly viewing the country as a potential base for scam operations, illegal gambling and other cross-border crimes.

On December 16 and December 17, 2025, Foreign Affairs and Cooperation Minister Bendito dos Santos Freitas held a series of bilateral meetings on the sidelines of a United Nations anti-corruption conference in Doha, focusing on joint efforts to combat corruption, organized crime and illicit financial flows. Discussions included cooperation on investigator training, intelligence-sharing mechanisms, and the use of digital tools to track complex criminal networks.

The diplomatic push follows heightened scrutiny of developments in the Special Administrative Region of Oecusse-Ambeno, where authorities earlier this year dismantled a suspected scam operation involving foreign nationals. Security assessments indicate that criminal syndicates operating across Southeast Asia have been seeking to relocate parts of their operations to new jurisdictions as enforcement pressure intensifies in traditional hotspots.

Analysts say Timor-Leste's growing integration into regional and global systems, combined with limited prior exposure to large-scale cyber-enabled crime, has made it an attractive testing ground. Organised groups

have reportedly attempted to use investment structures, shell companies and offshore-linked businesses to conceal illicit activities within legitimate economic projects.

At the same time, observers note that these groups may have underestimated local political awareness and the government's willingness to act quickly. Recent enforcement actions and the public acknowledgment by senior officials of attempted criminal infiltration suggest a shift toward a more proactive security posture.

Officials say the effort has taken on added urgency following Timor-Leste's accession to ASEAN in October 2025. While membership is expected to boost trade and investment, it also increases exposure to transnational crime, making stronger institutions and cross-border partnerships a priority for safeguarding economic and political stability. [Government of Timor-Leste] [UN]

Vietnam: Nguyen Hong Dien moves to National Assembly leadership as Le Manh Hung appointed acting industry and trade minister

(hn) On December 21, the Party Committee of Vietnam's National Assembly (NA) announced a Politburo decision appointing Nguyen Hong Dien as a member of the NA's Party Committee and Standing Board, and as Deputy Secretary for the 2020–2025 term. He was simultaneously relieved of his role as a member of the Government's Party Committee, ending his tenure linked to the Ministry of Industry and Trade.

Dien was tasked with supporting Party building, implementing key Party policies and resolutions, enhancing the NA's legislative and supervisory roles, preparing for the 2026–2031 National Assembly and People's Council elections, and helping implement outcomes of the upcoming 14th National Party Congress.

In response, Nguyen Hong Dien pledged to continue learning, working diligently, and fulfilling his responsibilities to contribute to the National Assembly's overall success. [Vietnamplus] [Vietnam]

Meanwhile, Le Manh Hung, born in 1973, was appointed Acting Minister of Industry and Trade on December 22, 2025, by Prime Minister Pham Minh Chinh. A petrochemical expert with a PhD and

advanced political training, Hung previously held senior leadership roles at the Vietnam National Oil and Gas Group, including Chairman of the Members' Council.

His appointment follows the reassignment of former minister Nguyen Hong Dien to a leadership role within the National Assembly's Party Committee. The Ministry of Industry and Trade currently has four deputy ministers supporting its work. [Vietnamnet]

Vietnam: The State Bank of Vietnam proposes streamlined rules and greater autonomy for commercial banks' operational networks

(hn) The State Bank of Vietnam (SBV) has proposed a draft circular to streamline regulations governing commercial banks' operational networks, replacing Circular 32/2024/TT-NHNN.

The proposal would shorten approval timelines for establishing and relocating bank branches and offices both domestically and overseas, remove certain reporting requirements deemed unnecessary, and abolish vague provisions to improve transparency. It would also grant banks greater autonomy to reorganize their internal networks, requiring notification rather than prior approval from the SBV. The draft aims to align with broader government efforts to simplify business regulations and update the legal framework under the 2024 Law on Credit Institutions. [Vietnamnews] [Vietnamplus]

Vietnam: Party inspection commission issues warnings to two former deputy ministers at 70th meeting

(hn) On December 17, the Party Central Committee's Inspection Commission held its 70th meeting in Hà Nội, chaired by Trần Sỹ Thanh.

The commission reviewed violations by Lê Tấn Dũng and Doãn Mậu Diệp, both former deputy ministers of the Ministry of Labor, Invalids and Social Affairs. It concluded they breached Party regulations and State laws, including failures in duty performance and anti-corruption responsibilities, causing serious consequences and harming the Party's reputation. As a result, both officials were issued warnings. The meeting also addressed a complaint, an appeal related

to Party discipline, and other key matters. [Vietnamnews]

Vietnam: Former food safety chiefs face prosecution in major bribery case

(hn) Vietnam's Ministry of Public Security has completed its investigation into a major bribery case at the Food Safety Department of the Ministry of Health and recommended prosecuting 55 suspects for giving and receiving bribes, including former directors Nguyễn Thanh Phong and Trần Việt Nga.

Investigators found that from 2018 to 2024, officials took advantage of regulatory gaps in product registration, advertising approvals, and GMP certification procedures. Under Nguyễn Thanh Phong's leadership, inappropriate units were assigned to review dossiers, and staff accepted illegal payments of about VND 5–10 million (approximately USD 190–380) per file for expedited approvals.

Officials at the department received more than VND 94 billion (about USD 3.6 million) in total bribes during the period. Nguyễn Thanh Phong was identified as the mastermind and is criminally responsible for the full amount; he personally appropriated over VND 43 billion (about USD 1.6 million) and has been ordered to return that sum to the State, having voluntarily handed over assets during the investigation.

Trần Việt Nga directed subordinates to collect bribes for advertising approval dossiers, with officials receiving more than VND 12 billion (about USD 456,000) overall. Nga herself is accused of appropriating over VND 8 billion (around USD 304,000), an amount sufficient to constitute the crime of receiving bribes. [Vietnamnet, in Vietnamese] [Vietnamnews]

Vietnam: International financial center established in Ho Chi Minh City and Da Nang

(hn) Vietnam officially announced the establishment of an international financial center on December 21, chaired by Prime Minister Pham Minh Chinh. The Ministry of Finance stated that the center is a major institutional breakthrough aimed at unlocking resources, restructuring the economy, shifting the

growth model, and improving national productivity and competitiveness.

The government reaffirmed its commitment to building a stable, transparent, safe, and investor-friendly financial environment, and expressed readiness to cooperate with international partners.

The center was established under a National Assembly resolution dated June 27, with the government issuing Decree No. 323 on December 18 to formalize its creation.

It will operate under a “one center, two destinations” model, located in Ho Chi Minh City and Da Nang. Ho Chi Minh City will serve as the main financial hub focusing on capital markets, banking, asset management, and listing services, while Da Nang will specialize in finance linked to logistics, maritime services, free trade, and industrial–agricultural supply chains. The planned area covers 899 hectares in Ho Chi Minh City and 300 hectares in Da Nang.

Operational rules, standards, licensing procedures, and regulations will be applied uniformly across both locations. Over the first five years, the operating council will review performance and report to the government, with the option to propose restructuring if necessary. Local authorities in both cities will update urban and regional planning to ensure sufficient land for the center's development. [Vnexpress, in Vietnamese] [Vietnamnews]

Vietnam: USD 1.37 billion expansion of key expressway linking Ho Chi Minh City to the Mekong Delta

(hn) Vietnam has signed a public–private partnership contract to expand the 96-km Ho Chi Minh City (HCMC) –Trung Luong–My Thuan expressway under a build-operate-transfer model.

The project will widen the Ho Chi Minh City–Trung Luong section from four to eight lanes and the Trung Luong–My Thuan section to six lanes, with a design speed of 120 km/h. Fully funded by private capital at over VND 36 trillion (USD 1.37 billion), construction will run from the Cho Dem interchange in HCMC to the My Thuan 2 bridge approach in Dong Thap, starting this week and finishing in 2028.

The expansion aims to ease congestion and improve connectivity between southeastern Vietnam and the Mekong Delta, alongside broader nationwide

infrastructure launches and planned upgrades to western gateway roads. [Tuoitre]

Vietnam: Prime Minister Chính underlines digital economy as foundation of future growth

(ln) On December 20, Vietnam's Prime Minister Phạm Minh Chính emphasized the digital economy as Vietnam's growth driver, the digital society as the foundation for growth, and the people as a center for Vietnam's development at a National Forum. Prime Minister Chính highlights the development of Vietnam's digital economy would be crucial for renewing its growth model, restructuring the economy and enhancing the country's productivity and competitiveness. Building a more inclusive digital society would aid in reducing development gaps and promoting certain cultural values in digital spaces.

The December 20 Forum gathered leaders of the public and private sector, experts and representatives of international organizations to discuss the development of the digital economy and society to attain double-digit GDP growth. Vietnam's current plans and trajectory highly prioritize the development of the digital economy and digital transformation, especially with the expansion in Vietnam's science and technology field. PM Phạm also demonstrated his hope for scientists and managers contributing feasible ideas to form a digital economy and society based on Vietnam's conditions. [Vietnamnews]

Vietnam: Construction on seven mega projects worth USD 79 billion begins

(ln) On December 19, construction for seven large infrastructure and urban development projects began in Hanoi. With a combined investment value of USD 79 billion, these projects include the Olympic sports urban complex, the Red River landscape boulevard, Văn Cao-Hoà Lạc metro line, Tô Lịch river park, the Lào Cai-Hanoi-Hải Phòng railway, the Tiền Đường social housing project and a road connecting Gia Bình airport to Hanoi.

The Văn Cao-Hoà Lạc metro line costs USD 2.5 billion and will span a total length of 39.5 kilometers with 21 stations. The metro line's depot will be located in the former Hoài Đức district in Hanoi and the former Thạch Thất district, west of Hanoi.

The Tô Lịch river park construction project will be headed by the Sun Group Corporation, as selected by the Hanoi People's Committee. The project, a linear park renovation alongside the Tô Lịch river, will be constructed under a public-private partnership model and will cost USD 178 million. It is part of a revival scheme for the Tô Lịch river, previously extremely polluted, and includes service infrastructures, public amenities and landscaping which will aim to finish construction by the fourth quarter of 2028. [Tuoitre]

The Lào Cai-Hanoi-Hải Phòng railway will span from the border of Lào Cai, a city in northwest Vietnam, passing through Hanoi, and reach Hải Phòng, which has the largest seaport in Northern Vietnam. The USD 7.72 billion railway project spans 419 kilometers and will link to China, also receiving loans from China's government for the project. [Reuters]

The Tiền Đường 1 social housing complex is part of a scheme to provide housing ownership opportunities for low-income citizens located in the Phúc Thịnh Commune. The complex investment total is around USD 352 million while another USD 23.4 million will be for compensation and resettlements for residents of the area. Around thirteen hectares are assigned for social housing while 3.3 hectares are for commercial housing. In addition, there will be a variety of amenities including community spaces and schools. [Vietnamnet]

The final mega project is a road connecting Gia Bình airport to Hanoi. The road will be around 35 kilometers long and will cost USD 2.7 billion. It will specifically connect the Gia Bình airport, located in the Bắc Ninh province, to Hanoi's Ringway 3 and the Tứ Liên bridge. [Tuoitre]

Vietnam: Phan Thiết army airport opens, strengthening national defense and paving the way for civil aviation

(hn) On December 19, Vietnam's Ministry of National Defense has inaugurated the Phan Thiết Army Airport in Mũi Né Ward, Lâm Đồng Province, marking a major step for both national defense and future civilian aviation. Built with an investment of VND 7.92 trillion (over USD 300 million), the airport meets Military Grade I and ICAO 4E standards, allowing it to serve modern military aircraft and large commercial planes like the Boeing 777 and Airbus A350.

Spanning 439 hectares, the airport includes a 3,050-meter runway, taxiways, aprons, navigation and flight command systems, and maintenance facilities. It can

support training and combat readiness for two air regiments with more than 1,000 personnel, and has already begun training operations.

The airport is designed for dual use, strengthening defense and security while supporting socio-economic development. Lâm Đồng Province has approved plans for a civilian aviation component, targeting a capacity of about two million passengers annually by 2030. Leaders say the project will improve regional connectivity, boost tourism and investment, and play a key strategic role in Vietnam's defense posture and aviation network. [Vietnamnews] [Nhandan]

Vietnam: Building capacity and effectiveness in defense diplomacy

(hn) On December 18, Senior Lieutenant General Hoàng Xuân Chiến has called on the Department of Foreign Relations under the Ministry of National Defence to adopt innovative thinking for the new era, with stronger focus on international integration, defense diplomacy, and building a professional, elite and modern workforce.

At a 2025 review conference in Hà Nội, Chiến highlighted major achievements in defense diplomacy, including legal frameworks for UN peacekeeping participation and foreign military vessel operations, expanded bilateral and multilateral defense cooperation, and effective border defense diplomacy with neighboring countries.

Notable outcomes included successful border defense friendship exchanges with China and Cambodia, strengthened maritime and aerial security cooperation, progress in addressing war legacies such as mine clearance and post-war cooperation with the United States, and Vietnam's active participation in major regional and international defense forums.

He also stressed the need for thorough preparation for upcoming defense diplomacy events in 2026, while commending military agencies for their contributions to enhancing Vietnam's international standing and commitment to peace, cooperation and sustainable development. [Vietnamnews] [Vietnam]

International Relations, Geopolitics and Security

in Asia

Chinese-financed Vietnam rail project highlights surge but change in Belt and Road engagement in 2025

(mis/ms) Vietnam's launch of a major railway project connecting its northern border with China underscores rising activity under China's Belt and Road Initiative (BRI) in 2025, as Chinese investment and construction under the program reach record levels.

On December 19, 2025, Vietnam began construction on a 391-kilometer railway linking Lao Cai at the China border through Hanoi to the port city of Haiphong, with a price tag of about USD 7.7 billion. The project, partly financed through Chinese government loans, is aimed at improving logistics between industrial hubs and seaports and is scheduled for completion by 2030. Track construction is expected to begin in 2026. [Reuters]

The rail link, approved earlier in 2025 by Vietnam's National Assembly, reflects Hanoi's broader infrastructure push to support high growth and strengthen economic ties with China.

Vietnam's initiative comes amid a broader upswing in Chinese overseas engagement under the Belt and Road banner. According to data compiled by research institutions including the *Green Finance & Development Center* and Griffith University, China's total BRI investment and construction contracts reached about USD 124 billion in the first half of 2025 — already surpassing the USD 122 billion recorded for the entire year of 2024. This represents the highest recorded level of engagement since the program's launch, with more than 176 deals contributing to the surge.

The uptick follows lower levels of engagement earlier in the decade: total BRI activity was reported at around

USD 92.3 billion in 2023 and approximately USD 67.8 billion in 2022. [Green Finance & Development Center]

The composition of BRI activity is also shifting. While transport infrastructure once dominated, recent data show expanded participation in sectors such as energy, technology and manufacturing, as well as substantial contracts in oil, gas and renewable energy. In particular, Chinese engagement in tech and manufacturing sectors more than doubled in early 2025 compared with the previous year, while energy-related projects reached new highs. [China Daily]

Regionally, Africa and Central Asia have seen significant engagement in early 2025, alongside increased activity in Southeast Asia, where Vietnam's railway project illustrates how connectivity initiatives are being paired with economic priorities. The result is a BRI that, in its second decade, combines traditional infrastructure work with broader industrial linkages amid shifting global economic dynamics. [Financial Times]

China–Central Asia railway advances, strengthening BRI's Middle Corridor

(mis/ms) China has secured full financing for the long-planned China–Kyrgyzstan–Uzbekistan (CKU) railway, marking a major step in a more than two decades delayed project with the aim of expanding overland connectivity across Central Asia and reinforcing the Middle Corridor of the Belt and Road Initiative (BRI).

The USD 4.7 billion project reached financial closure on December 16, according to officials involved in the deal. Funding will come from a 35-year loan arranged by a syndicate of Chinese banks, alongside equity contributions from all three participating countries through a joint project company. China will hold a 51 percent stake, while Kyrgyzstan and Uzbekistan will each control 24.5 percent.

Once completed, the 532-kilometer railway will provide a direct route linking western China with Central Asia, significantly shortening transit times compared with existing corridors that pass through Kazakhstan or Russia. The line is expected to play a strategic role in diversifying trade routes amid shifting geopolitical and logistical conditions, offering an alternative east-west land bridge between China, Central Asia and, eventually, Europe. As the trade volume through the northern – through Russia – was significantly reduced in the wake of Russia's war of aggression against

Ukraine, the need for diversification became apparent for Chinese trade interests.

The railway is also one of the most technically complex infrastructure projects in the region, involving extensive tunneling and bridge construction across mountainous terrain in Kyrgyzstan. Construction began in late 2024, and officials say political backing from all three governments could allow the project to be completed ahead of earlier timelines.

Beyond transport efficiency, analysts view the CKU railway as a cornerstone project for embedding Central Asian economies more deeply into China-linked logistics networks. By strengthening the Middle Corridor, the project reduces reliance on northern routes and enhances the strategic resilience of the BRI's overland component. [Caspian Post] [China.Table in German] [Gazeta]

China maintains anti-dumping duties on rubber imports from U.S., South Korea and EU

(ms) China will maintain anti-dumping duties on imports of a widely used synthetic rubber from the United States, South Korea and the European Union while it conducts a formal review of the measures, the Ministry of Commerce said on December 19.

The duties apply to ethylene-propylene-diene monomer (EPDM) rubber, a material used in construction, wire and cable insulation, and the automotive sector. The tariffs, first imposed in December 2020 for a five-year period, range from 12.5 percent to 222 percent depending on the exporter. U.S. producers face the highest rates, including duties of 222 percent on Dow Chemical and 214.9 percent on Exxon Mobil Corp, according to the ministry.

The decision comes as Beijing launches an "expiry review" to determine whether lifting the measures would lead to a continuation or recurrence of dumping and material injury to China's domestic EPDM industry. The review, requested by major Chinese producers in October, is scheduled to conclude by December 20, 2026. During this period, the existing duties will remain in force.

The move also comes amid broader trade frictions between China and several major economies. While Beijing has recently indicated limited flexibility in some areas of trade policy, including export licensing for certain critical minerals, it has continued to rely on

anti-dumping and countervailing duties to shield domestic industries it considers vulnerable to unfair pricing. [China Daily] [Reuters]

China emerges as the key oil price setter, overtaking OPEC+

(ms) China has increasingly become the dominant force shaping global oil prices, overtaking the traditional role played by OPEC+, according to market analysis in late 2025. Rather than adjusting production, Beijing has used its position as the world's largest crude oil importer to influence prices by varying how much oil it channels into storage.

Data from 2025 show China consistently buying more crude than required for domestic consumption and refined product exports when prices fall, while cutting back purchases as prices rise. This pattern has effectively created a price floor and ceiling, with Brent crude largely confined to a range around USD 65 per barrel in the second half of the year.

Estimates suggest China accumulated nearly 1 million barrels per day of surplus crude during much of 2025, absorbing excess global supply at a time when OPEC+ eased earlier production cuts and faced the risk of an oil glut. As a result, OPEC+ has largely held output steady, leaving China to manage market imbalances.

Looking ahead to 2026, China's storage policy has become the key uncertainty for oil markets. With seaborne imports accounting for roughly a quarter of global volumes, Beijing's decisions on stockpiling may now be the single most important factor influencing oil prices worldwide. [Reuters]

Japan, GCC reaffirm momentum on Free Trade Agreement talks

(ay) Gulf Cooperation Council Secretary General Jasem Mohamed Albudaiwi met Japan's Assistant Foreign Minister Keiichi Iwamoto in Riyadh on December 21 to reaffirm commitment to advancing a long-delayed Free Trade Agreement and strengthening strategic ties amid renewed efforts to stabilize energy and trade relations.

Both sides reviewed the status of FTA negotiations and agreed that a deal would strengthen the strategic partnership, expand economic cooperation, and advance shared interests. Officials emphasized continued coordination, consultation, and expanded

communication channels as the basis for moving talks forward, signaling an intent to translate political alignment into concrete outcomes.

For Japan, progress with the Gulf Cooperation Council carries added weight as Tokyo seeks supply chain resilience, energy security, and diversified trade partnerships amid global fragmentation. While no timeline was announced, the engagement reflects incremental but steady momentum toward reviving negotiations that have repeatedly stalled in the past. [Qatar News Agency]

Mongolia, United Nations Development Programme launch Gender Equality Seal program

(fs) Mongolia's Minister of Environment and Climate Change Batbaatar Bat and United Nations Development Programme (UNDP) Resident Representative Matilda Dimovska signed a cooperation agreement to implement the Gender Equality Seal program.

The initiative, implemented by The Enhancing Community Climate Options for Adaptation and Resilience in Mongolia (ECCOFARM) in partnership with the National Committee on Gender Equality, aims to strengthen organizational policies and operations in line with international gender equality standards.

Running until December 2027, the program seeks to integrate gender equality principles into the governance of the environmental sector, ensuring that policies, budgets, and services are inclusive and equitable while supporting climate change adaptation and the Sustainable Development Goals. [Montsame]

Mongolia, Asian Development Bank launch project to restore grasslands

(fs) The Asian Development Bank (ADB) and the Government of Mongolia have launched a pilot project aimed at restoring grassland carbon, strengthening climate resilience, and developing a scalable model for sustaining grassland ecosystem services through international carbon markets.

The Grassland Carbon Restoration Project seeks to generate carbon credits by promoting improved livestock grazing and grassland management, with the

goal of mobilizing carbon finance to rehabilitate degraded rangelands and curb desertification.

Under the pilot, ADB will work with the Mongolian government and local herder communities to quantify carbon sequestration from enhanced grazing practices. ADB is implementing the initiative in cooperation with the Mongolian Ministry of Food, Agriculture and Light Industry, alongside the ministries responsible for environment, climate change, and economic development. [ADB]

U.N. maritime organization makes rare visit to North Korea

(co) The International Maritime Organization (IMO), an UN agency promoting international standards on maritime safety and protection of the maritime environment, made a visit to North Korea to assess the implementation of obligations as a member state.

As a member state of the IMO since 1986, North Korea must undergo the mandatory technical audit which takes place every seven years. The visit raised attention because North Korea restricts the entry of international organizations, reflecting its willingness to selective engagement if offered practical benefits. [Yonhap News Agency]

Discussions on Gaza stabilization force intensify in Pakistan, but no decision taken on troop role

(lm) The United States has publicly welcomed Pakistan's offer to consider participation in a proposed international stabilization force for Gaza, even as Islamabad maintains that no formal request has been received and no decision has been taken. U.S. Secretary of State Marco Rubio said Washington was "grateful" for Pakistan's willingness to consider joining the force, describing it as part of ongoing efforts to operationalize a key security pillar of U.S. President Donald Trump's Gaza peace plan announced in September.

The proposed stabilization force—intended to be composed primarily of troops from Muslim-majority countries—would oversee border security, maintain order, and support demilitarization during a transitional phase in Gaza. The plan has received approval from the United Nations Security Council,

which also endorsed the creation of a temporary "Board of Peace" to administer Gaza. Pakistan has stated it is not prepared to participate in any effort to disarm Hamas, a position that aligns with public statements by Hamas leaders asserting their right to retain weapons.

Discussions on command structure, funding, and rules of engagement remain unresolved. Pakistan participated in a recent U.S.-hosted conference in Qatar on these issues alongside dozens of other countries. Rubio indicated that Washington is still working to clarify operational details—including governance arrangements, borders, financing, and the scope of demilitarization—before seeking firm troop commitments. [Arab News 1]

Parallel reporting has placed Pakistan at the center of international speculation, following claims that Pakistan's army chief, Asim Munir, could play a key interlocutor role for Washington. Munir has met President Trump twice in 2025, an unusual level of engagement for a Pakistani military leader, prompting reports that he could be involved in future Gaza-related talks. These reports were subsequently played down by both the White House and Pakistan's Foreign Office, which said no meeting was scheduled and no troop request had been conveyed. [Arab News 2]

The debate comes against the backdrop of Munir's expanded authority at home, following recent constitutional changes that elevated him to chief of the defense forces with oversight of the army, navy, and air force, extended his tenure, and granted him broad legal protections. Analysts cited in international reporting note that Pakistan's large and combat-experienced military makes it a potential contributor in U.S. eyes, but warn that any troop role in Gaza could trigger significant domestic backlash from pro-Palestinian and anti-U.S. groups, despite a recent crackdown on some hardline religio-political organizations. [Arab News 3] [Arab News 4]

At the diplomatic level, Pakistan has continued to articulate a consistent position at the United Nations, calling for a sustained ceasefire, expanded humanitarian access, protection of the UN Relief and Works Agency, and a time-bound, irreversible political process leading to a sovereign Palestinian state based on pre-1967 borders. [Arab News 5]

Pakistan's regional diplomacy focuses on Iraq and Iran ties

(as/lm) During a late-December diplomatic push in the Middle East, Pakistan moved to deepen political, economic, and people-to-people ties with both Iraq and Iran through high-level engagements.

In Iraq, President Asif Ali Zardari undertook a four-day official visit to Baghdad, holding meetings with Iraqi President Abdul Latif Jamal Rashid and Caretaker Prime Minister Mohammed Shia Al-Sudani. Zardari called for easier trade and business interactions, closer coordination between chambers of commerce, and the establishment of direct banking channels to facilitate commerce, pilgrim travel, and payments. He highlighted cooperation opportunities in information technology, agriculture and food security, construction, pharmaceuticals, energy, and defense production.

Pakistan offered to support Iraq's post-conflict reconstruction through the provision of skilled and semi-skilled manpower under an existing manpower agreement, and signaled readiness to share expertise in medical services, finance, and digital governance, including secure data management. Both sides acknowledged that current trade levels—roughly USD 268 million in 2023—do not reflect the potential of the relationship. Pilgrim facilitation featured prominently, with Zardari urging smoother immigration processes, emergency travel flexibility, and progress on a proposed memorandum on pilgrim (Zaireen) management, while also committing to curb illegal entry and overstays. The two leaders agreed to maintain regular high-level exchanges and noted ongoing cooperation in defense training and completed defense deliveries. [Arab News 1] [Arab News 2] [Arab News 3] [The Express Tribune] [Radio Pakistan]

Separately, Pakistan's engagement with Iran advanced through a telephone conversation between Pakistan's Deputy Prime Minister and Foreign Minister Ishaq Dar and Iran's Foreign Minister Seyyed Abbas Araghchi. Both sides reaffirmed their intention to strengthen cooperation in trade, connectivity, and people-to-people ties, and to work jointly for regional peace. They reiterated the shared goal of expanding bilateral trade toward USD 10 billion, while acknowledging persistent constraints such as sanctions, foreign-exchange shortages, and border security challenges. The call followed recent high-level exchanges, including Iranian President Masoud Pezeshkian's visit to Pakistan earlier in the year, after which agreements were signed to boost trade by 2028. [Arab News 4]

EU acknowledges limited progress on Pakistan's rights obligations under GSP+ trade scheme

(lm) The European Union has acknowledged limited and selective progress by Pakistan in meeting its obligations under the Generalized Scheme of Preferences Plus (GSP+), while reaffirming continued economic and institutional engagement during the 15th EU–Pakistan Joint Commission meeting held in Brussels.

Under GSP+, Pakistan receives duty-free access to most EU markets in exchange for implementing 27 international conventions covering human rights, labor standards, environmental protection, and governance. According to Islamabad's official readout of the discussions, the EU recognized incremental steps, including measures aimed at bringing the use of the death penalty closer to international standards, initial actions related to torture, and the establishment of a Commission on Minorities. However, the EU did not indicate that longstanding systemic concerns had been resolved or that earlier criticisms raised by EU institutions had been closed.

Pakistan has benefited from GSP+ status since 2014, with the EU now its second-largest trading partner and the destination for roughly one-third of Pakistani exports. The arrangement remains politically sensitive. In 2021, the European Parliament called for a formal review of Pakistan's eligibility, citing concerns over violence against religious minorities, restrictions on media freedom, and broader human-rights practices.

Beyond trade conditionality, the Joint Commission also addressed non-trade issues linked to EU engagement. These included cooperation on irregular migration and readmission, climate resilience and disaster-risk reduction, and the situation of Afghan refugees in Pakistan. The EU noted ongoing coordination between Pakistan and the United Nations refugee agency on identifying vulnerable cases and reiterated that any returns must comply with international standards of safety and dignity. [Arab News 1]

Alongside these discussions, Pakistan and the European Investment Bank signed a EUR 60 million (USD 66 million) loan agreement to finance clean drinking water infrastructure in Karachi, Pakistan's largest city and main commercial hub. The agreement, concluded on the margins of the Joint Commission meeting, marks the first European Investment Bank loan to Pakistan in a decade, signaling a cautious revival of EU development financing despite ongoing

concerns over governance and rights compliance. [Arab News 2]

Cambodia applies to join CPTPP

(mi/dql) Cambodia has formally applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), according to Japanese government sources cited by *Nikkei*. Accession talks will begin only after all 12 current member economies give their consent, with negotiations likely to focus on tariff elimination and related trade rules. Cambodia's membership will be confirmed once unanimous approval is secured.

The move reflects growing interest in the CPTPP as countries seek alternatives to protectionist U.S. trade policies. Currently, 10 countries and regions are negotiating or have applied to join; Costa Rica is in the final stages of accession, and talks with Uruguay were approved in November.

The original Trans-Pacific Partnership (TPP) was signed in 2016 but collapsed after the U.S. withdrew in 2017. Japan renegotiated the pact among the remaining members, leading to the CPTPP's launch in 2018, with the U.K. joining in 2024.

For Cambodia, where roughly 40 percent of exports go to the U.S., joining the CPTPP would help diversify markets and reduce dependence on U.S. trade, especially after past tariffs reached as high as 49 percent before being reduced to 19 percent. [Nikkei Asia] [The Phnom Penh Post]

Separately, the commerce ministry reported that trade with Regional Comprehensive Economic Partnership (RCEP) member countries reached USD 36.38 billion in the first 11 months of 2025, up 15.6 percent from the previous year. Exports to RCEP partners totaled USD 8.85 billion (up 6 percent), while imports amounted to USD 27.53 billion (up 19 percent). RCEP accounted for 61.5 percent of Cambodia's total trade, which stood at USD 59.13 billion during the period.

Cambodia's main RCEP trading partners are China, Vietnam, Thailand, Japan, and Singapore. [Cambodianess]

EU commits new funding to support Cambodia's governance and sector reforms

(dql) The European Union (EU) has committed about EUR 19.5 million (over USD 22 million) in 2025 budget support to Cambodia to advance reforms in education, fisheries, and public financial management.

During high-level talks on December 18, both sides reviewed economic conditions, trade and investment trends, and progress under Cambodia's Public Financial Management Reform Programme, noting advances in transparency, accountability, and fiscal stability.

The EU also signaled expanded cooperation under its Global Gateway strategy, particularly in energy, water, and skills development, and discussed a new joint initiative with France and Finland on tax and financial governance reforms. [Khmer Times]

Launched in 2021, the Global Gateway is the EU's flagship external investment and connectivity strategy, aimed at mobilizing up to EUR 300 billion (USD 330 million) by 2027 for sustainable infrastructure and development projects worldwide.

EU–Cambodia trade continues to grow, reaching USD 4.9 billion in the first ten months of 2025, marking a 12.53-percent increase compared to the same period last year, driven largely by Cambodian exports. Cambodian exports to the EU stood at about USD 4.21 billion, imports at about USD 737 million. [Kiripost]

Indonesia seals free trade agreement with Eurasian Economic Union

(ms) Indonesia has formally signed a free trade agreement (FTA) with the Russia-led Eurasian Economic Union (EAEU), a move aimed at reducing tariffs and expanding access for Indonesian exports to a broader Eurasian market of around 180 million people.

The agreement was signed on December 21 in St. Petersburg on the sidelines of the EAEU Summit, with Indonesian Trade Minister Budi Santoso representing Jakarta. Leaders of EAEU member states — Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia — attended the signing, which was also witnessed by Russian President Vladimir Putin.

Under the deal, the EAEU will grant preferential tariff treatment to 90.5 percent of its tariff lines for Indonesian products. Indonesian officials said this is expected to significantly improve the competitiveness of key exports such as palm oil and its derivatives,

footwear, textiles, fisheries products, rubber, furniture, and electronics. The agreement covers 15 chapters, including market access, trade facilitation, and economic cooperation.

Government data shows total trade between Indonesia and the EAEU reached USD 4.4 billion between January and October 2025, with Indonesian exports accounting for USD 1.76 billion and imports from the bloc totaling USD 2.64 billion. EAEU officials have said the FTA could eventually double bilateral trade.

Indonesia sees the agreement as part of a broader strategy to diversify export destinations beyond traditional markets and attract new investment, particularly in manufacturing and agriculture. With a domestic population of more than 280 million and a GDP of around USD 1.4 trillion, Indonesian officials argue the country also offers significant opportunities for EAEU exporters, including coal, fertilizers, wheat, and ferro-alloys.

The FTA follows two years of negotiations and marks Indonesia's most significant trade pact with a Eurasian bloc to date. [Antara] [Reuters]

US expands travel ban to include Laos, maintaining restrictions on Myanmar

The US has expanded its travel ban regime, adding Laos to the list of countries whose citizens face a full entry prohibition, while maintaining long-standing restrictions on Myanmar, according to an announcement made in December 2025.

Under the new order, Laos moves from partial restrictions to a full travel ban, meaning most categories of travel to the United States will be barred starting January 2026. U.S. authorities cited high visa overstay rates and insufficient cooperation in repatriating Lao nationals ordered to leave the country as key reasons for the decision. The escalation marks a significant shift in Washington's treatment of Laos, which had previously faced delays and tighter scrutiny rather than an outright ban.

Myanmar, by contrast, has remained under a full US travel ban since mid-2025. Restrictions on Myanmar were imposed amid ongoing political instability following the military takeover, as well as concerns over governance, human rights and the lack of reliable systems for security screening and identity verification.

The inclusion of Laos makes it the only Southeast Asian country newly subjected to a full ban in the latest expansion, highlighting a policy approach driven less by terrorism concerns than by immigration compliance and administrative cooperation.

The measures are part of a broader tightening of US immigration policy that now affects dozens of countries worldwide, reshaping travel, education and family reunification prospects for thousands of people. [Council on Foreign Relations] [The Laotian Times]

ICJ schedules new hearings in Rohingya Genocide case against Myanmar

(anl) The International Court of Justice (ICJ) in The Hague, Netherlands, announced on December 19 that new public hearings in the genocide case against Myanmar will take place from January 12 to 29.

According to the Hague-based court, the hearings will focus on the "merits of the case" and will include testimony from witnesses and an expert called by the parties. Some witness examinations will be conducted behind closed doors.

The case was filed in 2019 by The Gambia at the ICJ, accusing Myanmar of violating the 1948 UN Genocide Convention during the military's 2017 crackdown on the Rohingya Muslim minority. That campaign, carried out by the army alongside allied militias, forced hundreds of thousands of Rohingya to flee to neighboring countries.

Witnesses have reported widespread abuses, including killings, sexual violence, and the destruction of villages targeting the Rohingya community.

The Gambia, a Muslim-majority West African country, has asked the court to rule that Myanmar breached its obligations under international law. It is also seeking reparations for victims and guarantees of non-repetition to prevent similar atrocities in the future. [The Irrawaddy]

EU increases humanitarian funding for Myanmar and Rohingya crises

(su) The European Union (EU) has announced an additional EUR 29 million (USD 34 million) in humanitarian funding to address the escalating crisis in Myanmar and the displacement of Rohingya

refugees in the region. Of the total amount, EUR 15 million (USD 17.6 million) will support conflict-affected communities inside Myanmar, while EUR 14 million (USD 16.4 million) will be allocated to Rohingya refugees in Bangladesh and neighboring countries, with an emphasis on food security and sustainability.

The EU noted that more than 136,000 new Rohingya refugees have arrived in Cox's Bazar since January 2024, with worsening conditions in the camps driving some to attempt dangerous sea journeys to other countries. [Mizzima]

United States recalls senior envoys across multiple regions

The United States has notified nearly 30 senior career diplomats that their overseas postings will end in early 2026, a move affecting embassies and diplomatic missions across Africa, Asia, Europe, the Middle East, South and Central Asia, and the Western Hemisphere. According to reporting citing U.S. officials, at least 29 ambassadors received notice earlier in December that they are expected to depart their posts by mid-January.

Officials from the United States Department of State have described the changes as part of a standard personnel process that accompanies a new administration, noting that ambassadors serve as personal representatives of the president and may be replaced to align with current policy priorities. The recall primarily affects diplomats appointed during the previous administration who remained in place after the transition.

The diplomats involved are stationed in a wide range of countries, including Algeria, Egypt, Nigeria, Rwanda, Senegal, Somalia, and Niger in Africa; Vietnam, Laos, Nepal, Sri Lanka, the Philippines, and Fiji in Asia and the Pacific; Slovakia, Montenegro, North Macedonia, and Armenia in Europe; as well as Guatemala and Suriname in the Americas. Several island states and smaller diplomatic posts are also included. [Newsweek]

China praises Thailand's crackdown on Myanmar-based online scammers, pushes for joint operations with Cambodia

(bk) China has commended Thailand for its crackdown on online scammers operating from Myanmar, with

over 6,600 Chinese nationals repatriated. Liu Zhongyi, the Assistant Minister of Public Security of China, praised the cooperation between Thailand and Myanmar during a meeting with Gen Direk Bongkarn, Head of the Center for Coordination with Neighboring Countries at the Royal Thai Army Operations Center.

Liu emphasized the importance of expanding cross-border collaboration to combat online scam operations, urging Thailand to work with Cambodia on future joint operations. He highlighted that online scamming is a growing regional issue and called for a unified approach to ensure stability and public safety across borders. However, Liu acknowledged the challenges posed by ongoing border conflicts between Thailand and Cambodia, which may complicate the collaboration but are nonetheless crucial for long-term security.

Liu addressed concerns about preventing scammers from using Thailand as a transit point. He urged Thai authorities to prevent scammers from entering the country through both official and unofficial routes. Gen Direk Bongkarn responded by noting the need for more detailed information from China to improve Thailand's ability to monitor and stop the movement of suspected scammers. This would help Thai immigration officers and border guards act with greater efficiency in detecting and preventing illegal activities.

Liu's delegation, which included representatives from various Chinese law enforcement agencies, also discussed the progress of joint operations between Thailand and Myanmar. These operations, particularly in Myawaddy, Myanmar, have been effective in suppressing online scam activities. Thai authorities have been involved in checking over 400 suspected scam sites in the KK Park area, with collaboration between Thai police and Myanmar authorities.

Both Liu and Gen Direk stressed the importance of continued collaboration and information-sharing between Thailand and China to monitor suspected scammers more effectively. However, the difficulty in identifying scammers, who often disguise themselves as tourists or investors, remains a challenge for Thai authorities. Despite these obstacles, Liu reaffirmed the need for ongoing operations to ensure that Thailand and its neighbors can continue to tackle the growing problem of cross-border online scams. [The Nation]

Timor-Leste appointed interim chair of Portuguese-speaking bloc

(ms) Timor-Leste has been appointed to assume the temporary presidency of the Community of Portuguese-Speaking Countries following an extraordinary summit held on December 16, 2025. The decision places Timor-Leste at the helm of the nine-member organization at a time of heightened political tension within the bloc.

The appointment came after CPLP leaders agreed to suspend Guinea-Bissau from all organizational activities due to a breakdown of constitutional order after a late-November coup. Under the CPLP's statutes, the rotating presidency was transferred to Timor-Leste with full prerogatives.

For Timor-Leste, the interim chairmanship represents a significant diplomatic role, reinforcing its standing within the Lusophone world and highlighting its growing engagement in multilateral governance. As interim chair, Dili is expected to coordinate political consultations, represent the bloc externally, and help guide discussions on restoring constitutional order in Guinea-Bissau, while maintaining continuity in CPLP programs and cooperation initiatives.

Mercosur and Vietnam launch negotiations for preferential trade agreement

(hn) Mercosur, Southern American Common Market and Vietnam have formally launched negotiations for a preferential trade agreement, announced at Mercosur's 67th summit in Brazil. The talks aim to strengthen trade and investment ties between South America and Southeast Asia, with a focus on phased tariff reductions, removal of non-tariff barriers, and compliance with World Trade Organization rules.

Both sides are finalizing terms of reference to define the scope and methodology of negotiations, ensuring a balanced approach that reflects their respective development levels and priorities. The agreement is expected to boost Vietnamese exports and enhance competitiveness in Mercosur markets.

The launch is seen as a significant step in advancing South–South cooperation and deeper economic integration. [Vietnamnews] [Telesureenglish]

Vietnam nears completion of militarized South China Sea outposts amid long-

running island-building drive

(ms) Vietnam is nearing the completion of a major phase of land reclamation and fortification across the South China Sea, capping a multi-year effort to consolidate and defend its territorial claims in the disputed Spratly Islands, according to satellite imagery and analysts.

This year alone, Hanoi began construction on eight previously untouched features, accelerating a campaign that has steadily expanded since at least 2021. While China's large-scale island-building from 2013 onward reshaped the strategic landscape of the South China Sea, Vietnam has for years pursued a quieter but persistent strategy of expanding, reinforcing, and militarizing the features it already occupies.

The Spratly Islands — a scattered archipelago of reefs, rocks, and low-tide elevations — lie at the center of overlapping claims by six countries. The South China Sea, which spans roughly 1.4 million square miles, is both resource-rich and one of the world's most important maritime trade corridors, carrying trillions of dollars in commerce annually.

Vietnam's land reclamation push began in earnest in 2021, when it occupied and expanded 11 features. By 2025, all 21 Vietnamese-held features in the Spratlys had been augmented with artificial land, according to the Asia Maritime Transparency Initiative at the Center for Strategic and International Studies. As of March, Vietnam had created roughly 70 percents much artificial land as China in the Spratlys — a pace that analysts say positions Hanoi to match or potentially surpass Beijing's footprint in terms of reclaimed area.

Analysts stress that Vietnam's approach differs in scale and intent from China's. While Beijing's three largest artificial islands — Mischief Reef, Subi Reef, and Fiery Cross Reef — host long runways, missile systems, hardened shelters, and electronic warfare capabilities, Vietnam's outposts remain primarily defensive.

Satellite imagery from 2025 shows Vietnam upgrading five features — Alison Reef, Collins Reef, East Reef, Landsdowne Reef, and Petleys Reef — from minimal concrete pillboxes into fortified positions with munitions storage, ports, and improved logistics infrastructure. Barque Canada Reef now hosts an 8,000-foot runway, significantly expanding Vietnam's ability to sustain personnel and aircraft forward in the Spratlys.

“This is not about power projection,” said Gregory Poling, director of the Asia Maritime Transparency Initiative. “Vietnam will remain overmatched at sea. But it is about ensuring Vietnam can hold what it already claims and raise the cost of coercion.”

Vietnam’s economy is heavily dependent on maritime trade, with an estimated 90 percent of exports transiting the South China Sea. Historical experience also shapes Hanoi’s security outlook, analysts note, reinforcing the perception that control of maritime approaches is existential to national defense.

Hanoi has pursued its island-building campaign with limited public messaging, wary of provoking Beijing or being seen as emulating China’s more aggressive behavior. Chinese responses have remained relatively muted, though Vietnamese sources report occasional interference by Chinese vessels near construction sites.

Analysts say Vietnam’s timing has been aided by Beijing’s intensified focus on the Philippines and its alliance with the United States, creating strategic space for Hanoi to consolidate its positions. While Vietnam’s reclaimed islands will not match China’s in offensive capability, they are increasingly seen by regional observers as a counterweight that complicates Beijing’s dominance in the South China Sea. [DefCros] [Defense News]

U.S. Religious Freedom Panel Says Restrictions Persist in Vietnam, Hanoi Rejects Findings

(ms) A U.S. government advisory body has said religious freedom in Vietnam remains restricted, particularly for independent and unregistered religious groups, an assessment strongly disputed by Vietnamese authorities.

In its latest country update, the U.S. Commission on International Religious Freedom (USCIRF) said Vietnam continues to tightly control religious practice through mandatory registration, surveillance, and restrictive legal frameworks. While the government officially recognizes several religions, the commission argued that these mechanisms limit genuine freedom of belief and worship.

The report cited cases in which authorities allegedly harassed, detained, or prosecuted members of independent Buddhist, Protestant, Catholic, Hoa Hao, and Cao Dai communities, as well as ethnic minority

believers, for peaceful religious activities. It also noted the use of security and administrative laws to restrict gatherings, suppress religious leadership, and curb activities outside state-approved structures. According to USCIRF, official statements supporting religious freedom have not translated into consistent protection in practice.

Vietnam rejected the findings. On December 19, Foreign Ministry said the report was unobjective and inaccurate, stressing that freedom of belief and religion is guaranteed under Vietnam's 2013 Constitution and protected by law without discrimination. She added that religious activities are respected in practice and that Vietnam's human rights record has been acknowledged by many countries. [U.S. Commission on International Religious Freedom] [Vietnamnews]

Bangladesh rejects Indian comments on election process amid diplomatic tensions

(lm) Bangladesh's interim government has formally rejected public comments from India on the country's upcoming parliamentary elections, with Foreign Adviser Touhid Hossain saying Dhaka does not accept "advice" from neighboring states on how its elections should be conducted. Responding to a statement by India's Ministry of External Affairs calling for free, fair, inclusive, and peaceful elections, Touhid argued that India remained silent for roughly 15 years while Bangladesh held what he described as flawed elections under the previous Awami League government, with which New Delhi maintained close ties. He said the interim authorities are already committed to creating a credible voting environment and do not require external guidance.

Touhid distinguished India's remarks from engagement with actors such as the European Union, noting that Bangladesh maintains structured communication with them and has invited international election observers. He said issuing public statements prescribing how elections should be held crossed a different line. The comments come against the backdrop of strained Bangladesh–India relations since the fall of the Awami League government in August 2024, after mass protests, and the flight of former prime minister Sheikh Hasina to India. Dhaka has repeatedly sought her repatriation to face trials related to killings and abuses during the uprising.

Tensions have been heightened by recent protests in Dhaka, including attempts by demonstrators to march

toward the Indian High Commission demanding Hasina's return, prompting India to summon Bangladesh's envoy over security concerns around its diplomatic mission. Dhaka, in turn, has asked New Delhi to curb what it calls incendiary political statements made by Hasina from Indian territory and to cooperate on extraditing suspects accused of fleeing to India after recent political violence. Touhid reiterated that Bangladesh seeks a functional working relationship with India but said both sides have struggled to move the relationship forward in the current post-uprising context. [The Daily Star 1] [The Daily Star 2]

Bangladesh and Japan conclude negotiations on Economic Partnership Agreement

(lm) Bangladesh and Japan have concluded negotiations on a bilateral Economic Partnership Agreement (EPA), agreeing to extensive reciprocal duty-free market access for goods and services. Under the agreement, Japan will grant zero-duty entry to 7,379 Bangladeshi products, including ready-made garments, while Bangladesh will provide duty-free access to 1,039 Japanese products. The EPA also covers services, with Bangladesh committing to open 97 service sub-sectors and Japan 120, creating additional scope for investment, technology transfer, and deeper economic integration.

Negotiations were preceded by a Joint Study Group report published on December 27, 2023, which recommended a comprehensive agreement spanning 17 sectors. Formal talks began on March 12, 2024, with the first round held in Dhaka in May 2024. After a temporary pause, negotiations resumed in November 2024 under an accelerated timetable set by Bangladesh's interim authorities. Subsequent rounds took place in both Dhaka and Tokyo, culminating in a seventh and final round in Tokyo between November 2024 and September 2025, where the EPA text was finalized as planned. [The Daily Star]

U.S. Senate approves Brent Christensen as ambassador to Bangladesh

(lm) The United States Senate has approved Brent T. Christensen as the next US ambassador to Bangladesh, making him the 18th envoy to serve in Dhaka. Christensen is a senior Foreign Service officer with

prior experience in Bangladesh. He served at the US Embassy in Dhaka from 2019 to 2021 as political and economic counselor, giving him direct familiarity with Bangladesh's political and economic landscape. He will succeed Peter Haas, who served as US ambassador to Bangladesh from March 2022 until April 2024. [Dhaka Tribune]

China takes India to World Trade Organization over tariffs and subsidies

(mis/ms) China has launched a new dispute at the World Trade Organization (WTO) against India, challenging New Delhi's tariffs on information and communications technology (ICT) products and its subsidy schemes for the solar sector, in a move that underscores intensifying trade frictions between the two Asian economies. The case was filed on December 19 and formally requests WTO consultations, the first step in the dispute settlement process.

According to China's Ministry of Commerce, the contested Indian measures give domestic producers an unfair competitive advantage and harm Chinese commercial interests. Beijing argues the policies violate multiple WTO rules, including national treatment obligations and prohibitions on import-substitution subsidies, and has urged India to bring its trade regime into compliance with multilateral commitments. [Reuters 1]

The WTO complaint covers two main areas. First, China is contesting tariffs imposed by India on ICT products, which affect a range of globally traded technology goods. Second, it is challenging subsidies granted to India's photovoltaic manufacturing sector, which Beijing says distort competition by favoring local producers over foreign suppliers. Indian media reported that China views the solar incentives as inconsistent with WTO disciplines governing subsidies and trade-related investment measures. [Economic Times] [World Trade Organization] [The Hindu]

The filing comes against the backdrop of a broader escalation in bilateral trade actions. Just a day earlier, on December 18, India imposed anti-dumping duties for five years on cold-rolled steel imports from China, with tariffs ranging from USD 223.8 to USD 414.9 per ton. New Delhi said the measure was intended to protect its domestic steel industry from unfairly priced imports. [Reuters 2]

While the steel duties are not directly part of the WTO case filed by China, they add to a pattern of reciprocal

trade restrictions between the two countries. In October, Beijing had already requested WTO consultations over Indian incentive schemes for batteries, electric vehicles and auto parts, arguing that those programs discriminated against imported products and were contingent on the use of domestic inputs.

Taken together, the disputes highlight growing tensions as India increasingly uses tariffs and industrial subsidies to promote domestic manufacturing in strategically important sectors, while China turns to the WTO to push back against what it sees as protectionist measures.

U.S. defense bill frames China as central strategic challenge

(ms) The 2026 U.S. National Defense Authorization Act (NDAA) places China at the center of American defense planning, embedding a wide range of China-focused provisions that shape military spending, force posture and technology policy for the coming year.

Passed by the U.S. Senate in December, the annual defense bill authorizes nearly USD 900 billion in military expenditure and repeatedly identifies China as the primary long-term strategic competitor to the United States. The legislation directs the Pentagon to prioritize preparedness for high-end conflict scenarios in the Indo-Pacific, expand operational planning related to China, and deepen military cooperation with regional allies and partners.

A significant portion of the bill focuses on deterrence in the Western Pacific. It increases funding for the U.S. Indo-Pacific Command, supports expanded joint exercises, and strengthens security assistance frameworks in the region. Provisions related to Taiwan feature prominently, including measures supporting military training, arms cooperation and defense-industrial ties, underscoring Washington's intent to bolster deterrence across the Taiwan Strait.

Beyond traditional military issues, the NDAA links defense policy with economic and technological security. It tightens restrictions on the Pentagon's procurement of goods and services linked to Chinese entities and mandates closer scrutiny of supply chains deemed critical to national security. Areas singled out include semiconductors, telecommunications infrastructure, artificial intelligence and space-related technologies.

The bill also requires regular reporting to Congress on China's military modernization, cyber capabilities, space activities and nuclear forces. Lawmakers argue these assessments are necessary to ensure sustained oversight and long-term strategic planning as China's capabilities evolve.

Chinese officials responded by criticizing the legislation, saying it "exaggerates the China threat" and harms bilateral relations. Beijing urged Washington not to implement what it described as "negative China-related provisions".

Analysts say the scope and detail of the China language in the NDAA reflect how competition with Beijing has become institutionalized in U.S. defense policy, making China a permanent reference point for American military strategy rather than a temporary policy focus. [Reuters 1] [Reuters 2] [US Congress] [Xinhua]

U.S. reviews possible Nvidia H200 sales to China as debate over advanced AI exports intensifies

(ms) The U.S. government has launched an interagency review that could allow Nvidia to resume sales of its advanced H200 artificial intelligence chips to China, according to people familiar with the process, reopening a sensitive debate over technology exports and national security.

The Commerce Department has sent license applications covering the H200 chip to the State, Defense and Energy departments for assessment, as required under U.S. export control rules. The agencies have up to 30 days to provide input, after which a final decision would rest with President Donald Trump.

Trump has said he would permit controlled sales of the H200 to China in return for a 25 percent government fee, arguing that limited exports could reduce incentives for Chinese firms to accelerate development of domestic alternatives while still benefiting U.S. companies. The proposal represents a departure from restrictions imposed under the previous administration, which largely banned exports of advanced AI processors to China over concerns they could be used for military or surveillance purposes.

Critics across the U.S. political spectrum argue that allowing sales of high-performance AI chips risks strengthening China's technological and defense capabilities. Former national security officials have

described advanced AI processors as a key constraint on China's progress in artificial intelligence. Supporters of the review say a calibrated approach could preserve U.S. leadership while maintaining oversight of sensitive exports. [Asia Financial] [Reuters 1]

The policy discussion comes as Chinese authorities continue engagement with U.S. chipmakers. On December 19, China's commerce minister met in Beijing with Advanced Micro Devices chief executive Lisa Su to discuss the company's business operations in China, according to an official statement. [Reuters 2]

Chinese-owned TikTok signs deal with US investors to averts immediate ban

(ms) TikTok's Chinese owner ByteDance has signed binding agreements to place the platform's US operations under the majority control of American and international investors, a step intended to prevent a US ban that has loomed for years over national security concerns.

Under the agreement, announced on December 19, ByteDance will retain a 19.9 percent stake in a newly created entity, while investors including Oracle, Silver Lake and Abu Dhabi-based MGX will collectively hold 80.1 percent. The transaction is expected to close on January 22 and would allow TikTok to continue operating in the United States, where it has more than 170 million users.

The deal follows a 2024 US law requiring TikTok to divest from its Chinese parent or face removal from app stores, citing risks that user data or content moderation could be influenced by Beijing. Enforcement of the law was delayed multiple times by Donald Trump, who said the proposed structure complied with divestment requirements. Vice President JD Vance previously estimated the new US entity's valuation at around USD 14 billion, though final figures have not been disclosed.

According to TikTok, the joint venture will have authority over US data protection, content moderation and algorithm security. US user data will be stored on servers operated by Oracle in the United States, and the recommendation algorithm will be retrained using US user data to limit external influence.

Despite these assurances, questions remain. Some lawmakers and analysts note that ByteDance-controlled entities are expected to continue handling global operations and revenue-generating activities

such as advertising and e-commerce. Critics argue that this separation may complicate oversight and make it difficult to determine the extent of ongoing Chinese influence over the platform's core technology.

While the agreement removes the immediate risk of a ban, it does not fully resolve debates in Washington over data security, algorithm control and the broader role of Chinese technology firms in the US market. [ABC News] [BBC] [Reuters]

China-built Micronesian runway set to become operational, sharpening US strategic concerns

(ms) The rebuilding of a World War II-era airfield in Micronesia with the assistance of Chinese companies is nearing completion, with the runway on Woleai Atoll expected to become operational by the end of the year, intensifying concerns in Washington over Beijing's expanding footprint in the western Pacific.

The runway is located on Woleai, a remote 4.5-square-kilometre atoll in Yap state of the Federated States of Micronesia, roughly 600 miles from the US military hub of Guam. Originally built by imperial Japan during the Second World War and later rendered unusable by US bombing, the airstrip has long been a strategic artefact of the Pacific conflict.

Renewed attention was drawn to the project earlier this month when Cleo Paskal, a non-resident senior fellow at the Foundation for Defense of Democracies, posted a video on social media showing construction activity on the runway. [Cleo Paskal via Twitter]

The project's strategic implications have drawn scrutiny from US defense analysts, who see the refurbishment as part of a broader pattern of Chinese engagement across the Pacific Islands. While no military use has been announced, analysts note that even civilian airfields can acquire dual-use significance in times of crisis.

The United States, which maintains defense responsibilities for Micronesia under the Compact of Free Association, has announced billions of dollars in planned investments in Yap state, including airport upgrades and port infrastructure. However, much of that funding is focused on Yap's main island rather than the more remote Outer Islands, where Chinese-backed projects have moved ahead more quickly. [FDD] [South China Morning Post]

US halts planned deportation of Chinese dissident to Uganda

(ms) The United States has dropped plans to deport a Chinese dissident journalist to Uganda, backing away from a move that had drawn criticism from human rights advocates and lawmakers concerned about the risks he could face abroad, according to his lawyer.

The case centers on Guan Heng, a Chinese citizen-journalist who helped document alleged abuses against Uyghur Muslims in China's Xinjiang region. Guan filmed what he described as detention facilities in 2021, released the footage after reaching the United States, and subsequently applied for asylum. U.S. authorities detained him in August 2025 for entering the country illegally as part of a broader immigration enforcement drive.

Immigration officials had sought to deport Guan to Uganda under U.S. policies that allow removals to third countries if authorities claim to have assurances that deportees will not face persecution or torture. The prospect of sending Guan to Uganda prompted alarm among supporters, who argued that Beijing's political and economic influence in the country could expose him to surveillance or reprisals.

On December 19, Guan's lawyer said the Department of Homeland Security informed him that it would no longer pursue removal to Uganda. It remains unclear whether U.S. authorities will seek to deport Guan to another country or continue to contest his asylum claim, which could take years to resolve. For now, he remains in detention in New York state, with a bond hearing expected in the coming weeks.

The reversal follows heightened scrutiny of the case. Several U.S. lawmakers publicly urged the administration to halt the deportation, arguing that removing a figure who documented alleged human rights violations in China would undermine Washington's stated commitment to protecting dissidents and journalists. [Reuters]

China confirms first general licenses for rare earth exports to the EU

(mis) China has confirmed that it has begun issuing its first general export licenses for rare earth-related items, a move that could allow foreign companies to

receive repeated shipments of critical minerals over a longer period, though officials and business groups say key details of the scheme remain unclear. He Yadong, spokesperson for the Ministry of Commerce (MofCom), said some Chinese exporters had met the basic compliance requirements and that applications for general licenses had already been received and approved. [South China Morning Post]

The confirmation followed comments on December 15 by EU trade commissioner Maroš Šefčovič, who said European companies were starting to obtain such licenses from Chinese authorities. General licenses would allow multiple exports to pre-approved buyers, unlike the case-by-case approvals required under the export controls China introduced in April. Šefčovič said the EU had received initial industry feedback but still lacked sufficient information to assess how the system would work in practice.

China dominates global rare earth supply, with the minerals playing a central role in industries ranging from electric vehicles and consumer electronics to aerospace and defense. Since Beijing imposed export controls on certain rare earth elements and magnets earlier this year, many foreign firms have faced delays and uncertainty in securing supplies, particularly amid heightened trade tensions with the United States. [South China Morning Post 1]

Chinese officials have stressed that export controls on rare earth-related items are being implemented in line with domestic laws and regulations, and that compliant civilian-use applications are being approved. MofCom said it was using tools such as general licenses to facilitate legitimate trade while safeguarding supply chain security but has yet to disclose how many licenses have been issued or which foreign buyers may ultimately benefit. [Global Times] [Reuters]

Recent trade data, however, suggests the policy shift is already beginning to translate into higher shipments to Europe. According to figures cited by the South China Morning Post, China's exports of permanent magnets to the European Union rose 59.5 percent year on year in November to 2,568.8 tons, with export value increasing 60.3 percent to USD 106.85 million. On a month-on-month basis, volumes were up 24.7 percent, a rebound analysts linked to the rollout of general licenses allowing repeated shipments over longer terms.

By contrast, exports of permanent magnets to the United States did not see a similar increase. Shipment volumes to the US fell 8.84 percent year on year in

November, even as export values edged higher, highlighting how China's licensing regime may be affecting trading partners differently. The data underscores Beijing's central role in the global rare earth supply chain, where China controls around 90 percent of permanent magnet supply, and suggests that the impact of the new licensing framework is becoming visible first in EU trade flows. [South China Morning Post 2]

China imposes provisional tariffs on European dairy

(mis) China has announced provisional tariffs of up to 42.7 percent on selected dairy products imported from the European Union (EU), marking the latest escalation in trade tensions between Beijing and Brussels as disputes over subsidies and market access continue to spill across multiple sectors. The duties, which will take effect on December 23, follow preliminary findings from an anti-subsidy investigation launched more than a year ago and are widely seen as part of a broader tit-for-tat dynamic linked to EU tariffs on Chinese electric vehicles.

China's Ministry of Commerce (MofCom) said the duties, which took effect on December 23, follow preliminary findings from an anti-subsidy investigation launched in August 2024 at the request of domestic dairy industry associations. The probe examined subsidies provided under the EU's Common Agricultural Policy as well as national support schemes in member states including Italy, Ireland and Finland.

According to MofCom, the provisional duties will range from 21.9 percent to 42.7 percent and apply to numerous dairy products including milk, cream and various cheeses, such as blue cheese. Most affected companies are expected to face tariffs of around 30 percent. Speakers of the MofCom said its preliminary ruling found that subsidies provided by the EU and individual member states had caused material injury to China's domestic dairy industry, establishing a causal link between the support measures and harm to Chinese producers.

The move adds dairy to a growing list of European products targeted by Chinese trade remedies since the EU stepped up scrutiny of Chinese subsidies. After Brussels imposed tariffs of up to 45.3 percent on Chinese-made electric vehicles, Beijing responded by launching investigations into EU brandy, pork and dairy imports. In recent weeks, China imposed final tariffs of up to 19.8 percent on EU pork, however, significantly

lower than initially proposed, and earlier this year announced duties of up to 34.9 percent on EU brandy, while granting exemptions to several major producers. [See AiR No. 50, December/2025, 3] [Global Times]

The dispute unfolds against a backdrop of strained China–EU trade relations and a large European trade deficit with China, which exceeded 300 billion euros last year. With provisional dairy tariffs now joining earlier measures on pork and brandy, the scope of bilateral trade frictions has broadened beyond industrial goods into agriculture, underscoring how subsidy disputes and retaliatory investigations are increasingly shaping the economic relationship between China and the European Union. [US News] [Reuters]

UK confirms October cyber breach as China-linked risks are acknowledged

(ms) Britain has confirmed that a government department was hacked in October, an incident that has drawn renewed attention to the growing threat of cyber intrusions linked to China, even as ministers stop short of formally attributing responsibility.

Trade minister Chris Bryant said on December 19 that a cyber breach had occurred, partly confirming media reports that systems connected to Foreign Office data were accessed. While a British tabloid identified a China-linked hacking group as responsible, the government said investigations were ongoing and that no conclusion had yet been reached on who carried out the attack.

“There certainly has been a hack,” Bryant said in media interviews, adding that officials could not say whether Chinese operatives or the Chinese state were involved. He described the incident as stemming from a technical vulnerability that was closed quickly, and said authorities believed there was a low risk of harm to individuals.

Reports suggested that visa-related data may have been accessed, though officials have not confirmed the scale of the breach. The Foreign Office said it was working to assess the impact and had taken steps to secure affected systems.

The episode comes against the backdrop of a tougher UK stance on China-linked cyber activity. On December 9, the British government imposed sanctions on two China-based technology firms — Sichuan Anxun Information Technology Co. Ltd (also known as i-Soon)

and Integrity Technology Group — accusing them of enabling or conducting large-scale cyber intrusions against more than 80 government and private-sector systems worldwide, including in the UK. [See AiR No. 50, December/2025, 3]

According to the UK's National Cyber Security Centre, the companies are part of a broader Chinese commercial cyber ecosystem that operates in the space between private enterprise and state intelligence. British authorities say such firms provide tools, expertise and services that support or enable state-linked cyber operations, even where direct government control is difficult to establish.

China has denied involvement in cyber espionage and has accused Western governments of politicizing cyber security issues. The October breach also follows a series of major cyber attacks on British companies this year, highlighting wider concerns about the resilience of public and private digital infrastructure. [BBC] [Reuters]

Nexperia's China unit deepens split from Dutch parent by sourcing key chip materials locally

(ms) The Chinese unit of Nexperia has secured local supplies of silicon wafers for all of its 2026 production of a key power chip, according to documents seen by Reuters, marking a further step in its separation from the company's European parent.

Silicon wafers are the basic building blocks of semiconductors. They are thin discs of highly purified silicon on which electronic circuits are etched to create chips used in products ranging from electric vehicles to industrial machinery. Without wafers, chip production cannot take place.

The move follows a corporate dispute that erupted after the Dutch government took control of Nexperia from its Chinese parent Wingtech in September, citing governance and security concerns. Shortly afterward, wafer supplies from Europe to Nexperia's Chinese factories were suspended, disrupting production.

In response, Nexperia's China unit declared itself operationally independent from European management and began seeking domestic alternatives. The newly secured wafer supply from Chinese firms will allow the unit to continue producing Insulated-Gate Bipolar Transistors (IGBTs), power chips that

regulate electricity flow in electric vehicles, renewable-energy systems and industrial equipment.

Nexperia is a major global supplier of automotive and industrial semiconductors, but its Chinese subsidiary has increasingly operated separately as tensions intensified. In a letter to distributors, the China unit said it had locked in sufficient wafer capacity from local suppliers for 2026 and was accelerating qualification of wafers produced by Chinese foundries.

Nexperia has said it is no longer in communication with its Chinese subsidiary and sees no short-term solution. Analysts say the shift toward local sourcing highlights how geopolitical intervention and corporate disputes are accelerating supply-chain localisation in the semiconductor industry, particularly in China, even for companies with global operations. [IndexBox] [Reuters]

Russian LNG shipments to China surge to a record high

(mis) China's imports of liquefied natural gas (LNG) from Russia surged to a record high in November, lifting Moscow to the position of China's second-largest LNG supplier underscoring the deepening energy ties between the two countries in the wake of Western sanctions. Russian LNG deliveries to China more than doubled year on year to about 1.6 million tons.

The sharp increase means that Russia overtook Australia and now trails only Qatar among China's LNG suppliers. Russian LNG accounted for 23.5 percent of China's total LNG imports in November, up from about 11 percent a year earlier. By contrast, Australian shipments fell more than 30 percent by volume, reducing Australia's market share to just over 21 percent.

Analysts described the shift largely as a supply-side development. The rebound reflected the resumption of output at Russia's Arctic LNG 2 project on the Gydan Peninsula, which directs its production almost entirely to China after earlier disruptions.

The rise in LNG imports comes as Russia has increasingly pivoted its energy exports toward Asia following its war in Ukraine. With European countries moving to curb and eventually ban Russian gas and LNG imports, China has emerged as a key alternative market, benefiting from discounted prices as Moscow seeks to sustain export revenues.

The trend has unfolded amid intensifying pressure from the United States and its allies. The UK recently expanded sanctions on Russia's energy sector, while the European Parliament approved plans to phase out Russian gas and LNG imports by late 2027. The US has also signaled that further sanctions could follow if diplomatic efforts over Ukraine falter. [South China Morning Post] [The Kyiv Independent]

China support for contested UAE islands claim draws backlash from Iran

(ms) China has triggered a fresh diplomatic backlash in Iran after signing a joint statement with the United Arab Emirates that referenced the long-running sovereignty dispute over three Persian Gulf islands controlled by Tehran.

Following Chinese Foreign Minister Wang Yi's visit to Abu Dhabi, China and the UAE said on December 13, that Beijing supports the UAE's efforts to reach a "peaceful solution" over Greater Tunb, Lesser Tunb, and Abu Musa—without explicitly naming Iran. Iranian officials responded by criticizing the UAE's use of high-level visits to press what Tehran calls "unfounded" territorial claims.

While Iran's government messaging was relatively measured, the episode drew sharper commentary in Iranian media and political circles, including among figures typically supportive of closer ties with Beijing. Iranian outlets and lawmakers argued that China's language on the islands undercuts its own "One China" position on Taiwan, framing Beijing as applying a double standard on sovereignty disputes.

The islands dispute is decades old but periodically resurfaces in Gulf diplomacy. The three islands sit near the Strait of Hormuz, a strategic chokepoint for global energy flows. Iran took control of the islands on November 30, 1971, and has consistently rejected international arbitration, insisting the territory is not negotiable.

The latest flare-up highlights a recurring tension in China-Iran relations: Tehran views Beijing as a strategic partner, but China is also expanding political and commercial ties with Arab Gulf states. Iranian commentary in recent days has portrayed China's stance as a warning sign that Beijing may prioritize broader regional relationships—even when doing so touches Iran's core sovereignty concerns. [Iran International] [Newsweek] [Radio Free Europe]

India's trade deficit with China set to widen in 2025

(dql) India's trade deficit with China is projected to widen to about USD 106 billion in 2025, driven by imports rising far faster than exports, according to the Global Trade Research Initiative (GTRI). While India's exports to China are expected to recover modestly to around USD 17.5 billion, imports are forecast to climb to more than USD 123 billion, deepening a structural imbalance that has persisted for years.

The deficit is largely rooted in India's heavy dependence on Chinese electronics, machinery, chemicals, and plastics, which together account for roughly 80 per cent of imports from China. These goods—ranging from mobile phone components and semiconductors to industrial machinery and pharmaceutical intermediates—are difficult to substitute quickly and are integral to India's manufacturing and export supply chains.

Although exports to China saw a sharp year-on-year jump in November, led by naphtha and electronics components, this has not been sufficient to offset import growth. [The Tribune]

India sees US trade talks approaching final stage

(dql) India is nearing the final stages of a bilateral trade agreement with the United States, signaling progress in a high-priority economic partnership, according to Commerce Minister Piyush Goyal.

Speaking to journalists he stated that Recent high-level talks, including a visit by US Deputy Trade Representative Rick Switzer, have advanced negotiations, which focus on the first tranche of a proposed Bilateral Trade Agreement (BTA). [DD News]

The discussions have gained urgency after the U.S. in August imposed tariffs of up to 50 percent on Indian goods, escalating a trade standoff that threatens India-U.S. economic ties. The levies, partly aimed at curbing India's Russian oil imports and opening its agricultural market, have hit Indian exporters, contributed to rupee volatility, and are estimated to reduce GDP growth by up to 0.6 percentage points.

Negotiations, initially promising with Prime Minister Modi and President Trump committing to double

bilateral trade to USD 500 billion by 2030, have stalled over politically sensitive sectors such as agriculture and dairy, where India faces strong domestic resistance. While the U.S. seeks increased exports of farm and energy products, India prioritizes protecting farmers and ensuring affordable energy for its population of 1.4 billion. [CNBC] [The Economic Times]

India, Netherlands commit to deepening ties, cooperation

(dql) India and the Netherlands have agreed to elevate their bilateral relationship by expanding cooperation beyond established sectors into high-technology and innovation-driven fields.

During talks with visiting Dutch Foreign Minister David van Weel on December 18 in New Delhi, External Affairs Minister S. Jaishankar highlighted growing alignment not only in traditional areas such as water management, agriculture, health, shipping, and science, but also in semiconductors, digital technologies, life sciences, renewables, and talent mobility. Both sides reaffirmed political commitment at the leadership level and reviewed progress on recent agreements that have added momentum to ties.

A key focus was the Netherlands' role as an influential EU member, with India seeking Dutch support as India–EU Free Trade Agreement negotiations enter a critical phase. The discussions also covered defence cooperation, trade, and coordination on global and multilateral issues. [Ministry of External Affairs, India] [The Tribune]

During Van Weel's visit, the two countries agreed to create a Joint Trade and Investment Committee, formalizing a new institutional platform to advance bilateral economic ties. Established through a memorandum of understanding, the committee will provide a structured forum for regular dialogue on trade and investment, meeting annually and alternating between the two countries. Its mandate includes easing trade and investment barriers, encouraging two-way investment flows, and deepening cooperation in priority sectors, with a particular focus on small and medium-sized enterprises.

The framework also promotes closer links between governments and the private sector to support technology exchange, innovation, and supply-chain cooperation. [The Indian Awaaz]

India’s new logistics pact with Russia extends strategic reach to Arctic and Pacific

(ppms) India and Russia have formalized the Reciprocal Exchange of Logistics Support (RELOS) agreement, a major defense milestone that grants the Indian armed forces structured access to Russian military facilities stretching from the Arctic to the Pacific. The pact, recently ratified by the Russian Parliament and signed into federal law by President Vladimir Putin, establishes procedures for the mutual use of airspace, ports, and airfield infrastructure by warships and military aircraft of both nations.

For New Delhi, RELOS is a strategic "game-changer" that provides an institutional framework for access to Russian air and naval bases, from Vladivostok on the Pacific to Murmansk on the Arctic, for refueling, repairs, and maintenance. This access significantly boosts India's operational reach and readiness, especially for its extensive inventory of Russian-origin equipment such as the Su-30MKI and S-400 air defense systems. The agreement allows the Indian Navy and Air Force to operate much further from home during long-range deployments by leveraging Russia’s network of over 40 bases.

Reciprocally, the Russian military will gain institutionalized access to Indian ports and airfields for refueling, repairs, and operations. This strengthens Russia's position in a multipolar world by securing a reliable logistics foothold in the Indian Ocean Region (IOR). The agreement is designed to be utilized during joint military exercises like the biennial INDRA, training activities, and humanitarian assistance and disaster relief (HADR) operations. [Indian Express] [The Print]

India, Israel adopt new joint working plan to expand strategic ties

(dql) India and Israel have agreed on a joint working plan to steer their bilateral relationship through 2026, signaling an intention to further institutionalize their strategic partnership. The plan covers a broad agenda, including diplomacy, security cooperation, economic ties, technology, agriculture, water management, and cyber cooperation.

During talks on December 16 in Israel, External Affairs Minister S. Jaishankar and Israeli Foreign Minister Gideon Sa’ar also exchanged views on regional and global issues, notably the war in Gaza. Jaishankar

reiterated India's support for the Gaza Peace Plan and emphasized the need for a durable political solution, underlining New Delhi's effort to balance close ties with Israel with its broader Middle East diplomacy.

Both sides reaffirmed a shared "zero tolerance" approach to terrorism, condemning recent attacks in Australia and India and expressing mutual solidarity. [India News Network]

Similarly, in separate meetings with Israel's Prime Minister Benjamin Netanyahu, President Isaac Herzog, and Economy Minister Nir Barkat, Jaishankar underscored efforts to further deepen the India–Israel strategic partnership. Discussions focused on expanding cooperation in technology, security, economic ties, skills development, connectivity, and innovation, alongside exchanges on regional and global developments.

The talks also highlighted economic priorities, including momentum toward concluding an India–Israel Free Trade Agreement, which both sides see as key to boosting trade, investment, and Israeli exports to the Indian market. Jaishankar and President Herzog emphasized regional cooperation initiatives, notably the India–Middle East–Europe Economic Corridor (IMEC). [Grand Pinnacle Tribune] [India New England]

India, Oman sign trade pact to deepen economic and strategic ties

(dql) India has signed a Comprehensive Economic Partnership Agreement (CEPA) with Oman that both deepens bilateral economic ties and advances New Delhi's broader strategy to strengthen its foothold in the Middle East amid global trade and geopolitical pressures.

Concluded in Muscat on December 18 during Indian Prime Minister Narendra Modi's visit, the pact is India's second free trade agreement this year, following a similar deal with the United Kingdom signed in July (see AiR No. 30, July/2025, 5). It builds on fast-growing trade —now exceeding USD 10 billion annually—and extensive investment links, including thousands of India–Oman joint ventures.

Under the agreement, Oman grants near-universal, zero-duty access to Indian goods, significantly improving prospects for labor-intensive and industrial exports, while India liberalizes most imports from Oman but protects sensitive sectors such as agriculture and selected consumer goods. The CEPA

also breaks new ground by incorporating Oman's first wide-ranging services commitments, expanded mobility for Indian professionals, and permission for 100 percent Indian foreign ownership in major service sectors.

The deal supports India's export diversification and competitiveness at a time when trade negotiations with the United States and the European Union have stalled and U.S. tariffs on Indian goods have sharply increased. It also helps secure stable supplies of energy and key industrial inputs from Oman. [The Economic Times] [Reuters]

Modi's visit to Oman was part of his three-nation tour last week which also included Jordan (see AiR No. 50, December/2025, 3) and Ethiopia (see article in this edition).

Ethiopia, India elevate ties to strategic partnership

(dql) India and Ethiopia have agreed to upgrade their bilateral relationship to a strategic partnership, marking a significant expansion of cooperation across technology, clean energy, defence, digital infrastructure, agriculture and healthcare. Announced by Indian Prime Minister Narendra Modi during an address to Ethiopia's parliament on December 17, that followed talks with the Ethiopian Prime Minister Abiy Ahmed the day earlier, the move reflects New Delhi's intent to position Addis Ababa as a key long-term partner in Africa and a pillar of its engagement with the Global South.

The new framework builds on growing economic ties, with Indian companies having invested billions of dollars in Ethiopia and creating tens of thousands of jobs. It places particular emphasis on digital public infrastructure, clean energy, health cooperation and defence collaboration, including cybersecurity and joint research, while committing both sides to deeper trade, investment and capacity-building links.

Beyond bilateral gains, Modi framed the partnership as part of a shared geopolitical agenda. India and Ethiopia, he said, seek a more equitable global order that gives greater voice to developing countries and updates post-World War II governance structures. He highlighted Ethiopia's role in BRICS and the African Union's permanent seat in the G20, that was back by India last year. [The Tribune] [DD News]

During Modi's visit, the two nations signed three memoranda of understanding to expand cooperation in customs-related administrative assistance, the establishment of a data centre at the Ethiopian embassy, and collaboration in UN peacekeeping operations. [News on AiR]

Modi's visit to Oman was part of his three-nation tour last week which also included Jordan (see AiR No. 50, December/2025, 3) and Oman (see article in this edition).

India, New Zealand free trade deal advances

(dql) India and New Zealand have concluded negotiations on a free trade agreement, expected to be signed in 2026, aimed at significantly expanding bilateral trade and investment. Under the deal, India will receive tariff elimination on all goods exported to New Zealand, while New Zealand will gain duty concessions on around 70 percent of India's tariff lines, covering approximately 95 percent of New Zealand's current exports to India on a phased basis.

The agreement also includes a 15-year USD 20 billion New Zealand investment commitment in India and improved access for skilled Indian professionals to New Zealand's labor market. For the first time in any of its trade agreements, Wellington has agreed to an annex on student mobility and post-study work, granting Indian students uncapped access, guaranteed 20-hour weekly work rights, and extended post-study work visas ranging from two to four years, depending on qualification level.

In addition, up to 5,000 Indian professionals in sectors such as IT, healthcare, education, caregiving, yoga, and hospitality will be eligible for a new FTA-linked temporary employment visa, alongside existing migration pathways. A further 1,000 young Indians annually will benefit from expanded working holiday visas. [The Tribune]

Bilateral trade reached roughly USD 1.81 billion in 2024, with Indian exports led by pharmaceuticals and New Zealand shipments concentrated in forestry and agricultural goods. By comparison, this volume remains modest against India's overall goods trade, which surpassed USD 1 trillion in the 2024–25 fiscal year (April–March). [Reuters]

The deal reflects both countries' efforts to diversify economic partnerships amid rising global

protectionism and uncertainty linked to US trade policy. Sensitive sectors in India, most notably dairy, have been excluded, highlighting the domestic political limits shaping the agreement. [Al Jazeera]

While both sides aim to sign the deal in the first half of 2026, domestic politics in New Zealand could complicate ratification. The governing coalition—comprising the National Party, the Association of Consumers and Taxpayers party and the New Zealand First party—depends on support from the latter, whose leader Winston Peters has pledged to oppose the agreement, citing concerns over immigration and insufficient gains for New Zealand, particularly in the dairy sector. [DW] [RNZ]

The agreement is New Delhi's third major trade deal this year, following accords with Oman (see article in this edition) and the UK (see AiR No. 30, July/2025, 5), as India seeks to offset the impact of 50 percent US tariffs by diversifying its trade partners. India is also pursuing further agreements with the EU, Chile and Canada, underscoring a broader strategy to reduce exposure to US trade pressure.

Japan, Indonesia expand local currency use in all bilateral transactions

(ms) Japan and Indonesia have signed an agreement to broaden the use of their local currencies in bilateral economic transactions, a move aimed at strengthening financial resilience and reducing reliance on the U.S. dollar.

Japan's Finance Minister Satsuki Katayama and Bank Indonesia Governor Perry Warjiyo signed a renewed memorandum of cooperation this week, according to a statement from Bank Indonesia. The agreement took effect on December 15 and expands an earlier framework first introduced in 2020.

Under the revised arrangement, the use of the Japanese yen and the Indonesian rupiah will be promoted across all bilateral economic transactions, extending beyond trade and direct investment to include services and other cross-border financial flows. The previous framework, based on a 2019 agreement, had more limited coverage.

The two authorities said the expanded scope is intended to support financial market development, improve payment efficiency and enhance macroeconomic stability in both countries. Officials also emphasized closer coordination on market

infrastructure and settlement mechanisms to facilitate local currency transactions.

The agreement comes as several Asian economies seek to reduce exposure to external currency shocks amid global financial volatility. Indonesia has signed similar local currency settlement arrangements with other regional partners, while Japan has promoted such frameworks as part of its broader financial cooperation in Asia.

Japan is one of Indonesia's largest trading partners and investors, with strong ties in manufacturing, energy and infrastructure. Officials said the renewed framework is expected to further deepen bilateral economic cooperation. [Ministry of Finance, Japan] [Reuters]

Indonesia, Belarus explore practical cooperation on food security and farm equipment

(ms) Indonesia and Belarus have moved to identify concrete areas for cooperation in food security, focusing on agricultural machinery, fertilizers and industrial inputs rather than broad diplomatic commitments.

Indonesia's Coordinating Minister for Economic Affairs Airlangga Hartarto met Belarusian Deputy Prime Minister Viktor Karankevich in Jakarta on December 16, according to Indonesian and Belarusian government statements. Talks centered on Indonesia's need to raise agricultural output and reduce reliance on imports under President Prabowo Subianto's food self-sufficiency agenda.

Hartarto said Indonesia is seeking modern agricultural machinery and industrial equipment to support large-scale farming projects and mechanization efforts, including the government's food estate program. Belarus, which has a sizable state-backed agricultural machinery sector, offered supplies of tractors, harvesters and heavy equipment, as well as fertilizers and dairy products.

Both sides also discussed the possibility of joint ventures or local assembly of Belarusian machinery in Indonesia, rather than relying solely on imports. Indonesia, in turn, proposed expanding exports of rubber, cocoa and seafood to Belarus.

Beyond agriculture, officials touched on technical education and training, particularly in engineering and

applied sciences linked to farming and industrial production. Belarus also raised the prospect of improved market access through a future free trade agreement between Indonesia and the Eurasian Economic Union.

Karankevich's visit was described as part of preparations for an official visit by Belarusian President Alexander Lukashenko to Indonesia in early 2026, where specific projects are expected to be finalized. [Antara] [Belta]

Indonesia, Iraq move toward expanded Oil and Gas cooperation

(ms) Indonesia and Iraq are preparing to deepen cooperation in the oil and gas sector, with a focus on upstream investment, field development and technical collaboration involving Indonesia's state energy firm Pertamina.

Indonesia's Deputy Minister of Energy and Mineral Resources Yuliot Tanjung met Iraq's Deputy Minister of Oil for Upstream Affairs Basim Mohammed Kudhair in Jakarta on December 16, where both sides discussed expanding strategic cooperation through an intergovernmental memorandum of understanding currently under negotiation.

The proposed framework would cover oil and gas trade, upstream investment, technology transfer, joint research and human resource development. Indonesian officials said the talks also aim to open greater opportunities for Indonesian state-owned enterprises to participate directly in Iraqi oil and gas projects.

Pertamina, through its subsidiary Pertamina International EP, already holds a 20 percent participating interest in Iraq's West Qurna-1 oil field after acquiring part of ExxonMobil's stake. Iraq has invited Indonesia to consider managing producing fields and jointly developing so-called "green" oil fields under joint venture schemes.

Additional areas under discussion include seismic data management, drilling services and technical training involving universities and specialized institutions.

For Indonesia, overseas upstream investment is part of a broader strategy to strengthen long-term energy security. For Iraq, the talks offer diversification of partners and access to Southeast Asian capital and

services as it seeks to expand and modernize production. [Antara] [Iraqi News]

Laos, Vietnam focus on practical economic and digital cooperation

(ms) Laos and Vietnam used their mid-December meetings in Hanoi to focus on concrete areas of cooperation, particularly digital governance, trade implementation, and education links.

During talks held on December 18–19, officials from both sides reviewed how existing bilateral agreements are actually being carried out, amid concerns that high-level commitments have not always translated into results. With bilateral trade reaching nearly USD 3 billion in early 2025, discussions centered on how to sustain and diversify this growth, including by improving cross-border procedures and investment coordination.

A major emphasis was placed on digital transformation. Vietnam shared its experience in digitizing government services and integrating digital tools into trade and investment promotion. For Laos, which is still building core digital infrastructure and administrative capacity, the discussions highlighted practical gaps—such as skills, systems, and regulatory frameworks—that need to be addressed if digital reforms are to support economic growth rather than remain policy goals.

The meetings also covered industrial development, with Lao officials visiting a manufacturing zone in Hai Phong to study how Vietnam has attracted and managed industrial investment. Education cooperation was framed in similarly practical terms, including plans to establish a joint Lao–Vietnam University and expand student exchanges to support workforce development in science, technology, and applied skills.

Beyond economics, both sides reviewed security and regional coordination, particularly within ASEAN, but without announcing new initiatives. Overall, the talks reflected a shift toward problem-solving and implementation, as Laos looks to leverage Vietnam's experience while managing its own development constraints and integration into regional markets. [Lao News Agency 1] [Lao News Agency 2] [The Laotian Times 1] [The Laotian Times 2]

Malaysia, UAE partner on Southeast Asia's largest floating solar project

(dql) United Arab Emirates (UAE) state-owned renewable energy company Masdar has entered Malaysia through a partnership with Citaglobal and Tiza Global to develop Southeast Asia's largest floating solar project at Chereh Dam in Pahang. The plant, spanning roughly 950 acres, will have a generation capacity exceeding 300 MW-peak, supplying clean electricity to more than 100,000 homes, with a project value of over USD 208 million.

The consortium signed a power purchase agreement with Tenaga Nasional Berhad—Malaysia's largest electricity utility company—after winning a competitive tender under Malaysia's Large Scale Solar Cycle 5+ program. This project is the first under a 10-gigawatt renewable energy roadmap agreed in 2023 between Masdar and the Malaysian Investment Development Authority and aligns with Malaysia's goal of sourcing 35 percent of its energy from renewables by 2030. [Arab News]

India and Maldives to link instant payment systems by mid-2026

(lm) The Maldives and India plan to link their national instant payment systems—Favara in the Maldives and India's Unified Payments Interface (UPI)—by July 2026, according to Maldives Monetary Authority (MMA) Governor Ahmed Munawar. The linkage will be Favara's first cross-border integration.

The announcement was made as the MMA launched several financial sector initiatives, including Payment Maldives, a new national entity tasked with leading payment innovation and coordinating reforms. In the initial phase, the Favara–UPI connection will support person-to-person transfers, with plans to later expand to QR-based merchant payments in local currencies, aimed at supporting local businesses and advancing financial inclusion. [The Sun]

Maldives-Pakistan talks focus on tourism, higher education, and climate resilience

(lm) The Maldives and Pakistan have discussed strengthening bilateral cooperation in tourism, higher education, and climate resilience, during talks held in Malé between Vice President Hussain Mohamed

Latheef and Sardar Ayaz Sadiq, Speaker of Pakistan's National Assembly. Discussions centered on expanding collaboration in tourism and higher education, with an emphasis on mutual benefits and sustainable development. Climate change was identified as a shared strategic concern, with both sides underscoring the need for cooperative approaches to enhance resilience—particularly relevant for the Maldives as a low-lying island state and for Pakistan given its exposure to climate-related risks. [The Sun]

Mongolia, South Korea discuss expanding parliamentary and sectoral cooperation

(fs) A delegation of the Mongolia-South Korea Parliamentary Group of Mongolia led by Chairman Bat-Erdene Bat-Ulzii paid an official visit to South Korea from December 14 to 18.

The delegation met Deputy Speaker of the National Assembly of South Korea Joo Ho-young on December 15. Discussions focused on strengthening parliamentary cooperation and addressing legal and practical issues affecting citizens of both countries.

Both sides underscored the importance of parliamentary-level support to advance cooperation in areas such as energy, rare-earth metals, education, science and technology, employment, and business. [Montsame]

Mongolia, Russia advance cooperation at intergovernmental commission meeting

(fs) The 27th regular meeting of the Mongolia-Russia Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation was held in Ulaanbaatar on December 19.

During the meeting, which was co-chaired by Mongolia's Deputy Prime Minister Gankhuyag Khassuuri and Russia's Minister of Natural Resources and Environment Alexander Kozlov, the two sides signed a memorandum of understanding between Mongolia's General Authority for Land Administration, Geodesy and Cartography and Russia's Federal Service for State Registration, Cadastre and Cartography. In addition, a cooperation plan for 2026-2028 in the field of physical education and sports was concluded between the relevant ministries of both countries.

The commission reviewed the implementation of decisions from its previous meeting and discussed strengthening bilateral relations, trade, economic and investment cooperation, and the implementation of the Interim Free Trade Agreement between Mongolia and the Eurasian Economic Union, which was ratified by Mongolia earlier this month (see AiR No. 50, December/2025, 3).

The parties also considered updates to the China-Russia-Mongolia Economic Corridor program and exchanged views on expanding cooperation in areas such as tourism, science, agriculture, health, culture, and sports, agreeing on measures to accelerate joint projects in the coming years. [Montsame 1]

On the sidelines of the intergovernmental commission, Prime Minister Gombojav Zandanshatar met with Kozlov.

Zandanshatar thanked Russia for maintaining petroleum supplies to Mongolia amid market volatility, noting heightened fuel demand during winter and requesting stable and increased deliveries. Kozlov reaffirmed attention to energy cooperation and fuel supplies.

Both sides stressed the importance of restoring direct flights between their capitals to support trade and people-to-people exchanges. They also highlighted cooperation in education, culture, and health, and agreed to work toward implementing decisions adopted by the intergovernmental commission. [Montsame 2]

Mongolia, Canada discuss expanding cooperation on urban development

(fs) Ulaanbaatar mayor Khishgee Nyambaatar met with Canada's Ambassador to Mongolia Stephen Doust to discuss expanding cooperation between Ulaanbaatar and Canadian cities on urban challenges.

Nyambaatar emphasized opportunities for joint projects on smart road and infrastructure solutions, capacity-building for civil servants, and eco-city development. Doust highlighted the strong potential for practical cooperation and mutual learning. [GoGo]

Mongolia, Qatar discuss expanding cooperation

(fs) Mongolia's State Secretary of the Ministry of Foreign Affairs Munkhtushig Lkhanaajav met with Qatar's Foreign Ministry Secretary General Ahmad Hassen Al-Hammadi in Doha on December 16 on the sidelines of the 11th Conference of the States Parties to the UN Convention against Corruption.

The two sides discussed further development of bilateral relations and agreed to promote more practical cooperation in trade, the economy, culture, sports, infrastructure, air transport, environment, and agriculture. They also noted prospects for cooperation on exporting halal-processed meat from Mongolia to Qatar. [Montsame]

Norway probes telecommunications company Telenor over alleged data transfers to Myanmar junta

(dql) The Norwegian Parliament has opened an investigation into Telenor, the state-controlled telecoms company, over allegations that it exposed hundreds of Myanmar opposition figures, including Daw Aung San Suu Kyi, to detention during its exit from the country after the 2021 military coup.

The Scrutiny and Constitutional Affairs Committee is examining whether the Norwegian government, as majority owner, bears responsibility for potential human rights violations, amid dissatisfaction with government responses and withheld documents.

The probe follows reports that Telenor complied with junta demands to hand over personal data of 1,300 customers and subsequently sold its Myanmar operations in March 2022 to Investcom PTE LTD, a joint venture partly owned by a junta-linked company controlled by Min Aung Hlaing's daughter. The sale transferred control of surveillance equipment and millions of users' data to entities connected to the military regime.

Human rights groups, including Justice for Myanmar and ICJ Norway, have filed complaints against Telenor and its former managers for breaching Norwegian sanctions and facilitating the junta's access to sensitive information. [The Irrawaddy] [NewsinEnglish.no]

Beijing raises concerns as Chinese contractor in Nepal's major airport project faces corruption charges

(ec) China has formally raised concerns with Nepal's interim government after a Chinese state-owned company was implicated in a major corruption case linked to the construction of a new international airport in western Nepal. The issue was discussed during a farewell meeting between Nepal's prime minister and the outgoing Chinese ambassador, who urged that China and Chinese entities not be implicated. The prime minister responded that the investigation is being handled independently by the Commission for Investigation of Abuse of Authority, Nepal's constitutional anti-corruption body, and that the government cannot intervene.

The case relates to alleged irregularities in the construction of Pokhara International Airport, located in Pokhara, a major tourist city in western Nepal and a gateway to the Annapurna region. The project is valued at USD 215.96 million and was financed by a loan from China's Export–Import Bank. Prosecutors filed charges on December 7 against 55 individuals, including former ministers and senior officials, as well as China CAMC Engineering Company, the project contractor. The anti-graft body has sought recovery of NPR 8.36 billion (USD 61.0 million), from each defendant, making it the largest corruption case in Nepal in terms of the financial scale involved in a state procurement process. China has listed the airport as a flagship project under the Belt and Road Initiative, which Nepal joined in 2017. [The Kathmandu Post]

U.S.-funded road maintenance contracts signed under Millennium Challenge program for Nepal

(lm) Nepal has signed road maintenance and upgrading contracts worth USD 23.66 million under the Millennium Challenge Corporation Nepal Compact, a United States–funded development agreement that supports infrastructure projects linked to economic connectivity and energy transmission.

The contracts were signed by the Millennium Challenge Account–Nepal, the government-owned agency established to implement the compact. One contract covers the upgrading of a section of Nepal's East–West Highway, while a second provides consulting and supervision services, including periodic maintenance on the Narayanghat–Muglin road corridor—one of the country's most critical transport routes.

The Millennium Challenge Corporation is a United States government aid agency that provides large, time-bound grants to partner countries that meet

governance, transparency, and economic policy criteria. Its Nepal Compact, which entered into force in 2023, focuses on road maintenance and electricity transmission infrastructure, with the stated objective of reducing transport costs, improving reliability, and supporting long-term economic activity. [The Kathmandu Post]

North Korea-China trade surges on 6-year high

(co) North Korea's trade with China rose to a six-year high in November, reaching USD 281 million, according to Chinese customs data, signaling closer ties following a rare summit between Kim Jong-un and Xi Jinping earlier this year.

Chinese exports to North Korea surged to USD 244 million, while North Korean exports fell from USD 63 million to USD 37 million. China is reported to have shipped machinery and used vehicles to the North, raising suspicions that some trade may violate UN sanctions.

Observers also warn that unreported smuggling has expanded along the Yalu River border, including the transfer of sanctioned items over temporary bridges such as precision machinery, computers, and components linked to drone production. [Korea JoongAng Daily]

Bangladesh and Pakistan move to strengthen economic, trade, and tax cooperation

(lm) Pakistan and Bangladesh have agreed to deepen economic, trade, and tax cooperation, following high-level discussions in Islamabad between Bangladesh's high commissioner and Pakistan's revenue authorities. The talks focused on strengthening institutional links and updating the bilateral framework governing cross-border taxation. At the same time, a senior delegation from Bangladesh's National Board of Revenue is on a five-day visit to Pakistan to begin negotiations on amending the existing Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, which governs income tax treatment between the two countries. [Arab News]

China-Pakistan cooperation advances across trade, finance, defense, ports, and digital sectors

(lm/as) China and Pakistan are advancing cooperation on multiple, parallel tracks spanning trade and investment promotion, external financing, defense procurement, port-linked industry, and digital technology, according to recent official disclosures.

Earlier this week, Pakistan's ambassador to China met with members of the Honorary Investment Council, a network of business figures and advisers affiliated with Pakistan's embassy in China that supports investment promotion, trade facilitation, and business-to-business linkages. The ambassador urged closer alignment between the Council's activities and Pakistan's national development priorities, with a particular focus on mobilizing Chinese investment into export-oriented sectors through joint ventures.

China remains Pakistan's largest trading partner, with Chinese exports to Pakistan increasing from USD 16.67 billion in 2023 to USD 19.62 billion in 2024. Pakistani officials reported that business-to-business investment conferences held in Shenzhen and Beijing, along with six sector-specific investment roadshows conducted since 2024, have resulted in the signing of more than 300 memoranda of understanding and 25 joint ventures with a combined reported value of around USD 11 billion. [Arab News 1]

On the financial front, Pakistan is preparing to issue its first Panda bond, a renminbi-denominated bond in China's domestic capital market, targeted for January 2026, subject to final Chinese regulatory approval. The finance ministry plans a program equivalent to USD 1 billion, with an initial tranche of USD 250 million. Officials have stated that the issuance is intended to diversify Pakistan's external financing sources, reduce reliance on U.S. dollar borrowing, and support medium-term debt sustainability while the country operates under a USD 7 billion International Monetary Fund program, which requires fiscal consolidation and structural reforms. [Arab News 2]

In defense cooperation, the Pakistan Navy has launched its fourth Hangor-class diesel-electric attack submarine, PNS *Ghazi*, at a shipyard in Wuhan, China. The submarines are being acquired under a bilateral agreement with China covering eight vessels in total: four built in China and four to be constructed in Pakistan by Karachi Shipyard and Engineering Works, the state-owned shipbuilder. The navy says all four China-built submarines are currently undergoing sea

trials and are in the final stages before handover. [Arab News 3]

Separately, Pakistan and China have discussed plans for a maritime industrial complex at Port Qasim, Pakistan's second-largest seaport, located near Karachi, the country's main commercial city. The proposal—discussed with Shandong Zinxu Group, a Chinese industrial firm—envisions USD 1.1–2.2 billion in investment and could include shipbuilding and shipbreaking facilities as well as a port-linked steel mill. Pakistani officials say the project is tied to broader efforts to upgrade port infrastructure and logistics, including rail and storage facilities. [Arab News 4]

In the technology sector, Pakistan and China have signed 24 memoranda of understanding (MoUs) to expand cooperation in information technology and digital development. Concluded in Beijing under the Joint Working Group on IT Cooperation, the package includes one government-to-government, seven government-to-business, and sixteen business-to-business agreements. The MoUs focus on building a so-called "digital corridor", covering areas such as ICT infrastructure (including fiber connectivity), cybersecurity, human-resource development, and emerging digital technologies. Pakistani authorities say the initiatives align with wider plans to train up to 300,000 youths in advanced digital skills, promote artificial intelligence, and expand IT exports. [Radio Pakistan] [The Express Tribune]

India-Pakistan airspace ban and water treaty frictions persist after spring military confrontation

(lm) Pakistan has accused India of manipulating river flows in violation of the 1960 Indus Waters Treaty and warned that unilateral actions over shared waters risk escalating regional tensions, as frictions between the two countries remain unresolved months after their April–May military confrontation.

Speaking to foreign envoys in Islamabad, Deputy Prime Minister and Foreign Minister Ishaq Dar said Pakistan had observed "unusual, abrupt variations" in the flow of the Chenab River during late April–May and again in December, which he described as unilateral water releases by India without prior notification or data-sharing. Islamabad says these actions constitute "material breaches" of the treaty and threaten agriculture, livelihoods, and food security at a critical point in Pakistan's farming cycle. Pakistan's Indus Water Commissioner has formally sought explanations

from his Indian counterpart under treaty procedures. [Arab News 1] [Arab News 2]

The Indus Waters Treaty, brokered by the World Bank, allocates control of the Indus basin's eastern rivers to India and the western rivers—Indus, Jhelum, and Chenab—to Pakistan, while allowing India limited non-consumptive use of the western rivers under strict conditions. Pakistan rejects India's April announcement that it had put the treaty "in abeyance" following a deadly gun attack in Indian-administered Kashmir, arguing that such a move has no legal basis under international law. Islamabad has also accused New Delhi of undermining the treaty's dispute-resolution mechanisms by refusing to engage with arbitration and neutral expert processes.

Water tensions are unfolding alongside continued airspace restrictions. Pakistan has extended its ban on Indian-registered civilian and military aircraft using Pakistani airspace until January 27, 2026, marking the seventh extension since the measure was imposed in late April. The ban followed the Kashmir attack, which India blamed on Pakistan and Islamabad denied, and a brief but intense escalation in early May involving missile, drone, and artillery exchanges before a United States-brokered ceasefire took effect on May 10. [Arab News 3]

Pakistan seeks cooperation with the United States on digital asset regulation

(lm) Pakistan has signaled interest in closer cooperation with the United States on the regulation and governance of digital assets as it develops a formal framework for cryptocurrencies and related technologies. The issue was discussed in Washington during a meeting between Pakistan's ambassador and a senior official from the US President's Council of Advisers for Digital Assets, a body that advises the US administration on digital asset policy.

The outreach comes as Pakistan moves to bring widespread but largely informal crypto use into a regulated space. Earlier in 2025, the government established a Pakistan Crypto Council, an advisory body on digital asset policy, adopted a Virtual Assets Ordinance, and created the Pakistan Virtual Assets Regulatory Authority, the new regulator responsible for licensing, compliance, and market oversight. [Arab News]

Germany clarifies intake and rejection of Afghans stranded in Pakistan

(lm) The German government has confirmed it will admit 535 Afghans currently stranded in Pakistan who hold legally binding admission commitments under a refugee program launched by the previous government. Interior Minister Alexander Dobrindt said Berlin aims to complete the remaining security and administrative processing by the end of December, responding to pressure from Islamabad, which has set an end-of-year deadline before deportations to Afghanistan could begin.

At the same time, the government has informed around 600–650 Afghans that they will not be admitted because they lack a legally binding admission guarantee. These individuals have been offered financial assistance by the federal government to return to Afghanistan or relocate to another country willing to receive them. As of mid-November, only a small number had accepted this offer.

The admission program, now frozen under the current government, primarily covered former local staff who worked with German forces in Afghanistan, as well as individuals deemed at particular risk under Taliban rule, including journalists and human rights activists. [Tagesschau, in German] [Arab News]

Türkiye delivers second MILGEM corvette to Pakistani navy

(lm) Türkiye has handed over PNS Khaibar, the second of four MILGEM-class corvettes, to Pakistan at a ceremony in Istanbul, marking another step in the expansion of bilateral defense ties. Pakistan ordered the vessels in 2018 under a contract with Türkiye's state-owned defense firm ASFAT, with two of the four ships being built in Pakistan. The first corvette, PNS Babur, was delivered in 2023.

According to Pakistan's military, the MILGEM platforms are its most advanced surface combatants, equipped with modern command-and-control systems, weapons, and sensors for missions ranging from surveillance to anti-submarine and air defense operations. Turkish President Recep Tayyip Erdoğan attended the handover and later met Pakistan's navy chief to discuss regional maritime security and future naval cooperation.

The delivery comes amid closer Pakistan–Türkiye defense alignment following Ankara's public support for Islamabad during recent India–Pakistan tensions. [Arab News]

Pakistan-Afghanistan security tensions deepen amid militant violence, arrests, and displacement pressures

(lm) Relations between Pakistan and Afghanistan have further deteriorated amid a surge in militant violence along Pakistan's northwestern border regions, marked by deadly attacks on security forces and escalating concerns over cross-border militancy.

In the latest incident, five police officers were killed in Pakistan's Karak district in Khyber Pakhtunkhwa when more than a dozen armed attackers ambushed a police van in the remote Gurguri area. Pakistani police said the assailants were heavily armed and fled the scene. No group claimed responsibility, though similar attacks on police and security forces in the province have previously been attributed to the Tehreek-e-Taliban Pakistan (TTP). Authorities noted that the area hosts a major gas field, highlighting security risks to critical infrastructure. [Arab News 1]

The Karak ambush followed a series of other deadly incidents. In North Waziristan, militants rammed an explosives-laden vehicle into a Pakistani military camp, killing four soldiers and injuring civilians after nearby buildings, including a mosque, were damaged. Pakistani forces said all four attackers were killed. In separate operations in Dera Ismail Khan and Bannu districts, Pakistan's military reported killing nine TTP militants. Earlier this month, a police constable was killed in a suicide bombing targeting a police vehicle in Lakki Marwat, while three police personnel were killed in November during an attack on a checkpost in Hangu. [Arab News 2] [Arab News 3]

Against this backdrop of escalating violence, Pakistan's Chief of Defense Forces, Field Marshal Asim Munir, issued a public warning to Afghan authorities, stating that Kabul must choose between cooperation with Islamabad or continued tolerance of militant groups operating from Afghan territory, particularly the TTP. Speaking in Islamabad, Munir alleged that a significant share of fighters crossing into Pakistan are Afghan nationals and accused the Afghan Taliban authorities of enabling attacks that have killed civilians, including children. Kabul has rejected the allegations and denies responsibility for Pakistan's internal security situation. [Arab News 4]

Pakistan alleges that militant groups are supported from abroad, including from Afghan territory—claims denied by Kabul and New Delhi. Although Qatar helped broker a ceasefire after deadly Pakistan–Afghanistan border clashes in October that killed dozens on both sides, tensions remain high. Talks held in Doha, Istanbul, and Saudi Arabia have so far failed to produce a lasting framework to address militancy and cross-border violence.

Within this volatile security environment, foreign intelligence actions have further underscored the transnational militant presence concentrated along the Afghanistan–Pakistan frontier. Turkish intelligence confirmed the capture of Mehmet Goren, a senior member of Daesh-Khorasan, in an area along the Afghanistan–Pakistan border. Turkish authorities said Goren had been tasked with preparing suicide attacks in Turkey, Pakistan, Afghanistan, and parts of Europe, and that his arrest yielded intelligence on recruitment methods and planned operations. [Arab News 5]

Pakistan has also confirmed the detention of Sultan Aziz Azzam, identified by state media as the head of media operations for Daesh-Khorasan. Arrested while attempting to cross from Afghanistan into Pakistan, Azzam is described as a senior figure within the group's leadership council and overseer of its Al Azzam media outlet. He has been designated by the United States as a global terrorist and linked in United Nations material to propaganda surrounding the August 26, 2021 Kabul airport bombing, which killed more than 170 Afghan civilians and 13 U.S. service members. [Arab News 6]

Alongside security tensions, the humanitarian situation in and around Afghanistan is worsening. In western Afghanistan's Herat province, three Afghan migrants died from exposure while attempting to cross illegally into Iran during freezing weather. According to the United Nations High Commissioner for Refugees (UNHCR), more than 1.8 million Afghans were forced to return from Iran in 2025, mostly through coerced returns. The UN warns that these mass returns are straining Afghanistan's already overstretched resources and increasing the risk of onward displacement, including renewed movement toward Pakistan. Rights groups caution that forced returns expose Afghans to serious harm as the country faces acute food insecurity, climate shocks, earthquake damage, and international sanctions. [Arab News 7]

Pakistan-Saudi Arabia ties deepen across defense, security, and climate

cooperation

(as) Pakistan and Saudi Arabia have further consolidated their bilateral relationship through parallel advances in defense and security cooperation and environmental and climate engagement.

Saudi Arabia has awarded Pakistan's Syed Asim Munir, the Chief of Defense Forces, the King Abdulaziz Medal of the First (Excellent) Class, the Kingdom's highest national honor conferred by royal decree of Salman bin Abdulaziz Al Saud. The decoration, presented in Riyadh by Khalid bin Salman bin Abdulaziz Al Saud, recognized contributions to Saudi security and the advancement of strategic military cooperation. Official accounts said accompanying meetings focused on regional security developments, defense coordination, and counterterrorism cooperation, underscoring the operational substance of the engagement. [Radio Pakistan] [Arab News 1]

The honor comes amid a tightening of Pakistan–Saudi defense ties. In recent months, the two countries concluded a strategic defense pact committing to mutual support in the event of an attack and agreed on an Economic Cooperation Framework aimed at expanding trade and investment, signaling a move toward more institutionalized cooperation across security and economic domains.

In parallel, Pakistan and Saudi Arabia have expanded dialogue on climate and environmental cooperation. During talks in Riyadh, Saudi officials and Pakistan's federal minister responsible for climate change discussed collaboration under the Saudi Green Initiative and the Middle East Green Initiative, which focus on emissions reduction, renewable energy expansion, and large-scale tree planting across the region. Pakistan has sought Saudi support for large-scale climate initiatives as it faces mounting challenges from desertification, water stress, and extreme weather events.

The environmental discussions build on a 2022 memorandum of understanding that commits both countries to cooperation across a wide range of areas, including forestry, biodiversity protection, pollution control, desertification, marine conservation, and air-quality monitoring. [Arab News 2]

Pakistan-United Arab Emirates cooperation deepens across political, trade, and logistics domains

(lm) Pakistan and the United Arab Emirates (UAE) have reaffirmed their intention to deepen bilateral cooperation across trade, investment, infrastructure, logistics, and political engagement, following a series of high-level meetings at federal and provincial levels. The renewed push reflects Pakistan's broader effort to attract Gulf investment and strengthen ties with one of its most important economic partners.

Prime Minister Shehbaz Sharif has urged closer trade and investment cooperation with the UAE, inviting expanded Emirati participation in priority sectors including energy, minerals, information technology, railways, and aviation. Sharif also acknowledged the UAE's longstanding support for Pakistan, including humanitarian assistance and development projects. [Arab News 1]

Political engagement has advanced in parallel. During a recent visit to Pakistan, the UAE's minister responsible for tolerance and coexistence met with Pakistan's interior minister to discuss closer bilateral ties, joint initiatives, and issues of mutual interest, highlighting the depth of the political relationship between the two countries. [Arab News 3]

At the economic level, cooperation advanced with the announcement that AD Ports Group, a UAE state-linked ports and logistics operator, has formed a joint venture with a Pakistan-based logistics company to expand door-to-door freight and supply chain services. Under the agreement, AD Ports will hold a 51 percent majority stake in the new entity, which will link port infrastructure with inland logistics networks across major Pakistani cities. The move builds on AD Ports' existing long-term concessions at Karachi Port and follows its commitment to invest USD 250 million in Pakistan over the next decade, reflecting Islamabad's broader push to attract Gulf investment into ports, shipping, and logistics. [Arab News 4]

Parallel discussions also took place at the provincial level, where the government of Sindh and the UAE's ambassador to Pakistan agreed to expand cooperation in trade, investment, and development. Sindh officials highlighted opportunities for joint projects in infrastructure, health, education, transport, and water-related initiatives, including desalination. [Arab News 5]

Pakistan-Libya defense engagement expands amid reported multi-billion-

dollar arms deal and talks on training and counterterrorism

(lm) Pakistan has significantly expanded its defense engagement with Libya, combining high-level military talks with a reported weapons export agreement valued at more than USD 4 billion, according to separate official disclosures and reporting by Reuters and Arab News. The developments center on contacts with the Libyan National Army, which controls eastern and southern Libya and operates outside the authority of the UN-recognized government in Tripoli.

According to four Pakistani officials cited by Reuters, Pakistan has reached an agreement to supply military equipment to the Libyan National Army under a deal spread over approximately 2.5 years. The package is described as one of Pakistan's largest-ever arms exports and is reported to include equipment for air, land, and sea forces, with officials placing the total value between USD 4 billion and USD 4.6 billion. Documents reviewed by Reuters list JF-17 fighter jets, a multi-role combat aircraft jointly developed by Pakistan and China, and Super Mushak trainer aircraft used for basic pilot training, though officials said exact quantities could change.

The reported agreement was finalized following a visit by Pakistan's army chief to Benghazi, eastern Libya, where he met senior figures from the Libyan National Army. Separately, Arab News reported that Pakistan and Libya also discussed broadening defense cooperation, with particular emphasis on military training and counterterrorism cooperation, reflecting an effort to deepen engagement beyond equipment sales. Diplomatic relations between Pakistan and Libya date back to 1951, but defense ties have historically remained limited, especially when compared with Pakistan's security cooperation with Gulf and other Middle Eastern states.

Any arms transfers to Libya are subject to scrutiny due to the United Nations arms embargo in place since 2011, following the country's fragmentation after the overthrow of Muammar Qaddafi. It remains unclear whether any exemption requests were submitted. Pakistani officials involved in the discussions told Reuters that the deal did not violate UN restrictions, while a UN panel of experts has previously described the embargo as ineffective and frequently circumvented by external actors. [Arab News 1] [Arab News 2]

China and Philippines trade accusations after Filipino fishermen hurt near Sabina Shoal

(ms) Manila and Beijing exchanged fresh allegations in mid-December after Philippine authorities reported that Chinese maritime forces used water cannons and “dangerous” maneuvers against Filipino fishermen near Sabina Shoal, a disputed feature in the South China Sea that the Philippines also calls Escoda Shoal and China calls Xianbin Reef.

Mid-December, the Philippine Coast Guard said three Filipino fishermen were injured and two fishing boats were significantly damaged when Chinese Coast Guard ships fired high-pressure water cannons and conducted blocking actions against nearly two dozen Philippine boats in the area. The Philippine side also said a smaller Chinese vessel cut anchor lines of several Filipino boats, raising safety risks at sea.

China’s Coast Guard said it had taken “control measures” and expelled Philippine vessels, while China’s Foreign Ministry defended the actions as necessary to safeguard sovereignty. Philippine Defense Secretary Gilberto Teodoro later denounced the incident as “dangerous” and “inhumane,” and rejected Chinese claims that Filipino fishermen threatened Chinese personnel with knives, calling those assertions false.

On December 16, Philippine officials said a formal diplomatic protest had been lodged with the Chinese Embassy in Manila. Philippine President Ferdinand Marcos Jr. also ordered the deployment of more Philippine Coast Guard patrol vessels to protect fishermen, according to Philippine media reports.

One day later Beijing’s Defense Ministry followed accusing the Philippines of “distorting” facts about the incident and repeating claims that Philippine vessels intruded in an organized manner, while Manila said its account was supported by video recordings and vessel logs.

Sabina Shoal lies about 150 kilometers west of Palawan within the Philippines’ exclusive economic zone, according to Philippine and Reuters reporting. The clash adds to sustained tensions in the South China Sea, a key corridor for more than USD 3 trillion in annual commerce. [Channel News Asia] [Indo-Pacific Defense Forum] [PhilStar 1] [PhilStar 2] [Reuters]

Philippines to acquire two new Frigates from South Korean manufacturer

(ms) The Philippines is preparing to sign a PHP 34 billion (USD 585 million) contract to acquire two new frigates for the Philippine Navy, further expanding its naval modernization program. The Department of National Defense has issued a notice of award to South Korean shipbuilder HD Hyundai Heavy Industries on December 22, following the release of additional funds by the Department of Budget and Management, according to defense sources.

The deal builds on a long-standing partnership between Manila and HD HHI. Over the past five years, the shipbuilder has delivered four frigates to the Philippine Navy and is currently constructing six offshore patrol vessels. The first of these, the future BRP *Rajah Sulayman*, is scheduled for delivery in January 2026. Once completed, HD HHI will have built 12 warships for the Philippine Navy.

The two new frigates are expected to be based on the Malvar-class or HD HHI's HDF-3200 design. A July procurement report described the project as "inventory-based," indicating a repeat order. Including weapons, the total package is estimated at PHP 42 billion (USD 720 million). The Malvar-class is equipped with vertical launch missiles, anti-ship missiles, torpedoes, close-in weapon systems, and advanced AESA radar. Delivery is expected in 2029.

The acquisition is part of a broader modernization drive aimed at strengthening maritime security amid rising tensions in the South China Sea. The Philippines plans to spend about PHP 2 trillion (USD 35 billion) over the next decade to upgrade its armed forces and narrow capability gaps with regional counterparts. [Naval News]

France signals deeper security, maritime, and regional cooperation under new Seychelles' presidency

(lm) Seychelles' President Patrick Herminie held talks with France's ambassador to Seychelles and Patrice Latron, the French prefect of La Réunion — a French overseas department in the Indian Ocean east of Madagascar that functions as a key French administrative, security, and logistical hub for the region.

The discussions focused on practical cooperation priorities rather than ceremony. On the security side, France reaffirmed support for maritime surveillance and counter-narcotics efforts, responding to rising drug trafficking and domestic drug use in Seychelles. Both sides identified tighter monitoring of Seychelles' vast maritime zone as critical to disrupting trafficking routes and protecting public health.

France also proposed renewed structured coordination between Seychelles and La Réunion, including reviving a joint steering committee to oversee cooperation in concrete areas such as maritime security, the blue economy, infrastructure, education, health, and Francophone cooperation.

At the regional and international level, France formally invited President Herminie to attend the Africa–France Summit in May 2026, where topics will include multicultural governance, financial institutions, health, artificial intelligence, and the blue economy—areas directly relevant to Seychelles' development model as a small island state.

South Korea rescue man from scam center in Cambodia

(co) South Korean police on December 21 said they rescued a South Korean man held at a scam compound in Cambodia and detained 26 other nationals in a joint operation with local authorities, underscoring Seoul's stepped-up efforts to combat transnational fraud networks in Southeast Asia.

The operation, carried out last week in Mondulkiri province, followed a missing-persons report and involved coordinated raids with Cambodian officials that freed the victim and launched investigations into whether the detainees were trafficked or voluntarily involved in scam activities. [The Korea Herald]

South Korea and Russia reportedly held closed-door talks on North Korea

(co) Seoul and Moscow reportedly held rare, undisclosed talks on North Korean nuclear and security issues, including a clandestine visit to Moscow by a senior South Korean foreign ministry official who met Russian counterparts.

The meeting has drawn attention amid preparations by the Lee Jae Myung administration for possible shifts

following U.S.-led efforts to end the war in Ukraine, which could affect both Seoul–Moscow ties and prospects for renewed U.S.–North Korea dialogue.

While the South Korean foreign ministry declined to confirm the talks, it has signaled plans to gradually reset relations with Russia and expand strategic communication, while inducing Moscow to play a constructive role on the Korean Peninsula. [The Korea Times]

Russia denies that talks took place, turning down any expectations that Russia might act as a mediator between the Koreas. [NK News]

South Korean President Lee urges tougher crackdown on illegal Chinese fishing

(co) President Lee Jae Myung urged the Korea Coast Guard to take tougher action against Chinese fishing vessels operating illegally in South Korean waters, citing violent resistance to enforcement.

He called for sharply higher fines to strengthen deterrence, instructing authorities to consider penalties severe enough to discourage collective cost-sharing among violators. [The Korea Herald]

South Korea, U.S. agree on purpose of North Korea policy consultations

(co) South Korea and the United States sought to clarify the purpose of the renewed consultations on North Korea related policies in response to growing concerns over its effectiveness and potential trajectory. Officials on both sides dismissed criticism that the talks between South Korea's foreign and defence ministries and the U.S. State and Defense Departments would revive the former bilateral working group, which was criticized for allowing Washington to constrain inter-Korean cooperation during President Trump's first term.

Seoul and Washington stressed that the current talks—labeled as "follow-up consultations to the Korea–U.S. summit Joint Fact Sheet"—are intended to broadly coordinate North Korea policy between the two allies. This contrasts with the former working group's narrow mandate, which focused on denuclearization, inter-Korean cooperation, and sanctions compliance.

The absence of South Korea's unification ministry has raised questions about Seoul's North Korea strategy and highlighted internal divisions that could weaken policy coherence. [The Korea Herald] [United Press International]

South Korea, U.S. talks on civil uranium enrichment and atomic submarine partnership held

(co) South Korean National Security Adviser Wi Sung-lac met with U.S. Energy Secretary Chris Wright for talks that reportedly focused on advancing South Korea's civil uranium enrichment, spent fuel reprocessing, and plans to develop nuclear-powered submarines.

The consultations followed recent summit agreements between President Lee Jae Myung and President Donald Trump in August. According to the joint fact sheet, the United States committed to supporting South Korea's pursuit of civil uranium enrichment and spent fuel reprocessing for peaceful purposes. [Yonhap News Agency]

Furthermore, the U.S. signaled further support of Seoul's push to develop nuclear-powered submarines. The joint project, a key outcome of the South Korea–US summit held in October, marks a significant step in South Korea's relations with the United States and comes amid heightened tensions on the Korean Peninsula, driven by nuclear-armed North Korea and an increasingly assertive China.

South Korea aims to upgrade its diesel propelled submarine fleet with highly capable nuclear submarines to enhance deterrence, particularly as North Korea is reported to pursue its own nuclear submarine program with analysts expecting acquisition in the coming years. [BBC]

Separately, defense minister Ahn Gyu outlined the government's approach to developing domestically built nuclear-powered submarines at a policy briefing on December 18 with President Lee, including plans to finalize a basic plan next year and complete key institutional groundwork. The plan will specify construction methods and sites and clarify Seoul's nonproliferation position.

The government aims to advance nuclear fuel negotiations with the United States within two years and establish safety regulations and legal frameworks for South Korea's first use of a nuclear reactor aboard

a submarine. From next year, the defence ministry will lead efforts to set up a permanent, pan-government task force to pursue the project as a national strategic initiative. [The Korea Herald]

In parallel, an interagency task force comprising ten relevant agencies convened on December 18, exchanging broad views on key elements regarding submarine construction. [The Korea Herald]

South Korea's initiative is being seen as a step in the larger trend of rising tensions and East Asia's escalating arms race. For Washington, the partnership is intended to increase pressure on both Pyongyang and Beijing. While Trump stated that the submarines would be built in Philadelphia, South Korean officials have maintained that construction would take place domestically, citing more suitable facilities and faster delivery timelines. [BBC 2]

In the latest development, Trump announced plans for the US Navy to develop a new class of frigates in cooperation with South Korea's Hanwha Group, signaling early momentum for the USD 150 billion "Make American Shipbuilding Great Again" (MASGA) initiative.

While no formal contracts have been signed, Trump's public naming of Hanwha—one of South Korea's largest conglomerates, with core businesses spanning defense, shipbuilding, aerospace, energy, chemicals, and finance—points to growing openness to foreign participation in US military shipbuilding, reinforced by Hanwha's planned USD 5 billion investment in reviving a Philadelphia shipyard.

The proposed frigates would be smaller and more agile vessels complementing larger US warships, and Hanwha is seeking the security clearances needed to participate in sensitive Navy programs. The announcement comes alongside broader plans to expand US naval power under the "Golden Fleet" concept and follows a US–South Korea deal linking major South Korean investment in US shipbuilding to reduced US tariffs. [The Investor]

U.S. introduces defense policy bill restricting USFK troop reduction in South Korea

(co) U.S. President Donald Trump signed the annual defense policy bill that includes a measure restricting the government from unilaterally reducing the 28,500-

strong United States Forces Korea (USFK). [The White House]

The National Defense Authorization Act for fiscal year 2026, which authorizes Defense Department funding, passed the House last week and the Senate on December 17. Under the bill, funds may not be used to reduce U.S. troop levels in South Korea unless the administration certifies that such a move serves U.S. national security interests and follows consultations with allies, including Seoul.

Furthermore, absent such certification, the act also bans the use of funds to alter the agreed framework for transferring wartime operational control from the United States to South Korea. The measure reappeared for the first time in five years after being used during Trump's first term. [Yonhap News Agency]

The transfer of wartime operational control from the United States to South Korea, a controversial defense topic, is a national security priority of President Lee Jae Myung's administration, aiming for completion in 2030. The South Korean defense ministry said last week that next year will be a "watershed moment" for the transition and pledged to focus its capabilities on accelerating the process. South Korea and the U.S. agreed in 2006 on a three-stage framework—initial operational capability (IOC), full operational capability (FOC), and full mission capability (FMC)—with the first two stages completed by 2022, and both sides now set to pursue verification of FOC next year following last month's Security Consultative Meeting. [The Korea Times] [The Korea Herald]

The USFK is a subordinate unified command of the U.S. Indo-Pacific Command, stationed in South Korea. Its mission is to support the United Nations Command (UNC), the multinational military force administering the demilitarized zone. It operates under the U.S.–South Korea alliance and plays a central role in maintaining regional security and stability.

South Korea has not exercised wartime operational control of its forces since the Korean War began in 1950, when authority was transferred to the UNC and later to the ROK/US Combined Forces Command (CFC) led by a U.S. four-star general. In 1994, under the Kim Young-sam administration, Seoul regained peacetime operational control of its military. However, wartime command authority continues to reside with the United States under the current CFC structure. [Yonhap News Agency 2]

Senior Chinese parliamentary leader arrives in Sri Lanka for official visit

(lm) A senior Chinese parliamentary leader, Wang Dongming, vice chairman of the Standing Committee of the National People's Congress of the People's Republic of China, arrived in Sri Lanka on December 16 for a three-day official visit. No detailed program for Wang's visit had been publicly outlined, but such engagements commonly include meetings with parliamentary leaders, senior government officials, and discussions linked to political cooperation and the wider Sri Lanka–China relationship. [Daily Mirror]

India pledges USD 450 million reconstruction support to Sri Lanka during top diplomat's visit

(lm) India's Minister of External Affairs S. Jaishankar arrived in Sri Lanka earlier this week, holding high-level meetings with Sri Lanka's leadership amid post-disaster recovery efforts. During talks with President Anura Kumara Dissanayake, Jaishankar announced an Indian reconstruction package worth USD 450 million, conveyed in a letter from Prime Minister Narendra Modi. The assistance comprises USD 350 million in a concessional line of credit and USD 100 million in grants, aimed at supporting Sri Lanka's recovery following Cyclone Ditwah, a severe late-November storm that caused widespread flooding, infrastructure damage, and humanitarian needs across the island. [Daily Mirror 1] [Daily Mirror 2]

Taiwan urges Japan's support for CPTPP bid

(dql) Taiwan's Foreign Minister Lin Chia-lung has urged Japan to actively back Taipei's application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), arguing that Taiwan already meets the bloc's accession criteria and that Tokyo could play a leading role in opening formal entry talks. The appeal was made during talks with visiting pro-Taiwan lawmakers from Japan's Upper House on December 22. The meeting was part of the delegation's visit to Taiwan on December 20-22. The group was led by former Minister of Justice Keisuke Suzuki. [Ministry of Foreign Affairs, Taiwan, in Chinese]

Beyond trade, Taiwan proposed closer cooperation with Japan on regional development, disaster

preparedness, and security, citing economic complementarity and shared exposure to Chinese pressure along the first island chain. [Taiwan News]

Taiwan formally applied to join the CPTPP in September 2021 (see AiR No. 39, September/2021, 4), shortly after China filed its own bid, highlighting the geopolitical dimension of the accession process. While several members, notably Japan, have expressed support in principle, Taiwan's entry requires consensus among all CPTPP members, leaving its bid vulnerable to political pressure from Beijing despite Taiwan's strong economic case. CPTPP members include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United Kingdom, and Vietnam.

Last month, Taiwan accused China of obstructing its accession to the CPTPP, despite Taipei meeting the bloc's formal entry criteria. At the latest CPTPP Commission meeting, members agreed to begin Uruguay's accession process and acknowledged several other applicants, but Taiwan was omitted, a move Taiwanese officials attributed to Chinese political pressure rather than technical deficiencies.

Although Japan and the UK have voiced support for Taiwan's bid, no accession task force has been established. Taiwan has continued lobbying member states and urged Vietnam, the next CPTPP chair, to process its application in a fair and rules-based manner. [Taipei Times]

In a separate meeting, senior Japanese ruling Liberal Democratic Party (LDP) lawmaker and LDP acting secretary-general Koichi Hagiuda and Taiwanese President Lai Ching-te agreed to further deepen Japan–Taiwan ties, highlighting strong political relations and expanding cooperation beyond semiconductors.

Hagiuda welcomed Taiwan's recent lifting of post-Fukushima food import restrictions, while Lai called for closer democratic unity, stressing Japan's role in safeguarding stability in the Taiwan Strait and the wider Indo-Pacific. [Office of the President, Taiwan, in Chinese] [Taiwan Today] [The Japan Times]

U.S. announces USD 11.1 billion arms sale package to Taiwan

(yl) The United States announced a proposed USD 11.1 billion arms sale to Taiwan, covering eight packages that include HIMARS rocket systems, M109A7 howitzers, Javelin and TOW anti-tank missiles, anti-

armor drones, and related support systems. The notification was submitted to Congress after approval by the U.S. State Department and is subject to a standard review period before contracts are finalized.

Taiwan's Ministry of National Defense welcomed the move, noting that several items are already included in the government's proposed NTD 1.25 trillion (approx. USD 40 billion) special defense budgets. [Focus Taiwan]

Taipei also welcomed the Trump administration's national security strategy released earlier this month, which states that the United States aims to deter a conflict over the island by maintaining military superiority over China in the region. The document also emphasizes Taiwan's strategic significance, highlighting its geographic position as a dividing line between Northeast and Southeast Asia into separate strategic theaters. [Reuters]

Separately, US President Donald Trump has signed the National Defense Authorization Act into law, authorizing NTD 31.58 billion (USD 1 billion) in funding to strengthen Taiwan's security, while formally raising reservations about several Taiwan-related provisions. Trump said some clauses intrude on presidential authority over foreign and military affairs and would be implemented in line with his constitutional powers.

The legislation expands US–Taiwan defense cooperation, including plans for joint development of unmanned and counter-unmanned systems, enhanced coast guard coordination, expanded medical and casualty-care support, and a multi-year Taiwan security assistance roadmap. It also contains provisions backing Taiwan's participation in the International Monetary Fund. [Taiwan News]

Poland emerges as largest overseas buyer of Taiwanese drones

(dql) Poland has become Taiwan's largest overseas market for drones this year, accounting for nearly 60 percent of exports, according to a regional security analysis. The surge reflects Poland's shift in defense planning amid the war in Ukraine, growing military demand in Europe, and concerns about reliance on Chinese technology.

Taiwanese drones have gained traction due to their reliability, affordability, and ability to be delivered quickly without major political constraints. Their reported use by Ukrainian forces has further increased confidence among European militaries, while similar

moves to limit Chinese technology are underway in other Central and Eastern European countries. [Taiwan News] [China Observers]

Taiwan seeks talks with South Africa amid dispute over status of liaison offices

(dql) Taiwan and South Africa are exploring the possibility of resuming bilateral consultations in early 2026 after South Africa requested negotiations on protocols governing ties. Talks initially planned for late 2025 were postponed due to South Africa's hosting of the G20 summit. Discussions are ongoing over the venue and the level of representation, with no agreement yet reached.

The prospective negotiations follow renewed friction after South Africa downgraded Taiwan's representative offices and again demanded the relocation of the Taipei office from Pretoria, the seat of the government, to Johannesburg, citing UN Resolution 2758 and its "one China" policy—moves Taiwan has rejected. [Taiwan News]

Taiwan reaffirms economic and diplomatic support for Palau

(dql) Taiwan's Foreign Minister Lin Chia-lung has reaffirmed Taipei's commitment to supporting Palau's economic resilience through an "integrated diplomacy" approach during a four-day visit to the Pacific ally on December 18-21. Leading a delegation of Taiwanese businesses from the healthcare, tourism and sustainable energy sectors, Lin said the trip aims to identify concrete opportunities for expanded bilateral cooperation.

Palauan President Surangel Whipps Jr. welcomed Taiwan's technological and innovative strengths, while both sides highlighted shared democratic values as the foundation of their long-standing partnership. [Taiwan News]

Cambodia-Thailand border fighting intensifies amid stalled ceasefire efforts and competing mediation proposals

(lm) Armed clashes between Thailand and Cambodia along sections of their roughly 800-kilometer shared

border have intensified since early December, with no ceasefire in place despite parallel diplomatic initiatives. The current escalation resumed on December 7 and has spread across multiple contested areas, including border districts in Sa Kaeo, Surin, Si Sa Ket, Ubon Ratchathani, Trat, and adjacent Cambodian provinces, involving artillery exchanges, rocket fire, air operations, drone activity, and ground engagements.

Both sides report sustained hostilities. Thai authorities state that Cambodian forces have used heavy artillery and BM-21 multiple-rocket launchers, with rockets landing in military positions and civilian areas, causing fatalities, injuries, and damage to homes and farmland. Cambodian officials, in turn, accuse Thai forces of conducting air and ground strikes inside Cambodian territory, including around border towns such as Poipet, and of damaging civilian structures and sites of cultural significance. Each side rejects the other's allegations and maintains that its own operations are limited to legitimate military objectives. [Bangkok Post 1] [Bangkok Post 2] [Bangkok Post 3] [Bangkok Post 4] [Bangkok Post 5]

Several flashpoints have emerged as tactically significant. Fighting around Hill 350, near the Prasat Ta Kwai temple complex in Surin province, has involved repeated attempts by both militaries to secure high ground overlooking disputed terrain. Casualties have been reported during these engagements, and both sides have cited risks from landmines and improvised explosive devices in previously contested areas. Separate clashes have also been reported near historic temple sites and along rural border communities, contributing to civilian displacement. [Bangkok Post 6] [Bangkok Post 7]

Humanitarian impacts are growing. Cambodian authorities report large-scale internal displacement, with temporary shelters established across multiple provinces, while Thai officials confirm evacuations from border districts affected by shelling and rocket fire. Civilians on both sides face ongoing risks from indirect fire, unexploded ordnance, and disruption to livelihoods.

Alongside military operations, the confrontation has taken on broader political and economic dimensions. Thailand has introduced restrictions affecting cross-border fuel flows and maritime movements, while Cambodian officials have criticized these measures as coercive. At the same time, Thai authorities have publicly linked some military targets to alleged transnational scam and cybercrime networks operating in border areas, a characterization rejected by Cambodia. Phnom Penh continues to frame the

conflict primarily as a matter of territorial sovereignty and has sought wider international attention. [The Japan Times] [the macao news] [Bangkok Post 8] [Bangkok Post 9]

Diplomatic engagement has intensified but remains inconclusive. A special meeting of foreign ministers from the Association of Southeast Asian Nations in Kuala Lumpur ended without a ceasefire agreement. Both governments agreed in principle that further discussions should continue under the General Border Committee (GBC) framework, a bilateral military mechanism chaired by the two defense ministers, with talks scheduled in Chanthaburi. Cambodia has argued for greater third-party involvement, while Thailand has emphasized bilateral mechanisms as the primary channel for de-escalation. [The Nation] [Bangkok Post 10]

Within ASEAN, mediation options are evolving. The Philippines, which will assume the ASEAN chairmanship next year, has stated that it is prepared to facilitate dialogue should both parties request its good offices. [Bangkok Post 11]

Separately, China has dispatched a special envoy to both capitals to explore de-escalation possibilities, and the European Union has called for an immediate ceasefire while offering technical support, including satellite imagery, for monitoring purposes. [Bangkok Post 12] [Bangkok Post 13]

Thailand and Laos set bilateral trade goal, prioritize logistics and agricultural partnerships

(bk) Thailand and Laos have set a target to increase bilateral trade to USD 11 billion by 2027, focusing on logistics, agriculture, and cross-border trade to strengthen their economic partnership. The announcement came after the 8th Thailand-Laos Joint Cooperation Plan meeting held in Bangkok on December 17, 2025, co-chaired by Thailand's Minister of Commerce Suphajee Suthumpun and Laos' Minister of Industry and Commerce Malaythong Kommasith. The meeting was dedicated to expanding economic cooperation between the two countries, with a particular emphasis on improving transportation and agricultural systems.

One key initiative discussed was enhancing the Laos-China railway route, aimed at reducing transfer time and procedures for goods traveling from Thailand. This would eliminate the need for multiple vehicle

transfers, making the supply chain more efficient. The countries also agreed to establish a clear fee structure for transportation, allowing businesses to better plan and estimate transport costs. This move supports Laos' "Land Linked" strategy and aims to make Thailand and Laos central hubs for trade between ASEAN and China.

In addition to logistics, both nations outlined plans to develop a five-year roadmap (2026-2030) to guide bilateral cooperation in various sectors. One of the major goals of the plan is to revitalize agricultural mechanisms, particularly by creating product standards and strengthening the supply chain from farm to market. Thailand and Laos also plan to focus on sustainable agricultural practices, aiming to produce crops free from burning to help reduce cross-border PM2.5 pollution, a significant environmental issue in the region.

Thailand is Laos' 7th largest ASEAN trading partner, with key exports including refined petroleum, gems, chemicals, cars, and sugar, while imports from Laos include electricity, fruits, vegetables, processed foods, and gold. [The Nation]

Major progress reported in Thailand-Peru free trade negotiations

(msz) Thailand and Peru have reported significant progress in negotiations to upgrade their bilateral free trade agreement (FTA), with officials indicating that agreement has been reached on core elements and that only a limited number of technical issues remain before formal completion. Talks to modernize the existing FTA had been stalled for more than a decade but were revived in mid-2025 and have since advanced at an accelerated pace.

From Thailand's perspective, Peru is framed as a strategic South American partner, citing its natural resources, agricultural and food industries, mining sector, and its position as a gateway to broader South American and Pacific Rim markets. However, current trade data underscore the modest economic baseline from which the upgraded agreement would expand. Between January and October 2025, Peru ranked only as Thailand's sixtieth largest trading partner globally and fifth in South America. [Bangkok Post]

Timor-Leste and Indonesia plan new maritime border talks in 2026

(ms) Timor-Leste and Indonesia have agreed to hold a third round of negotiations in 2026 aimed at resolving their long-running maritime boundary dispute, officials from Timor-Leste's Land and Maritime Borders Office said on December 17.

The decision follows a second round of talks held from December 8 to December 10 in Yogyakarta, Indonesia, after an initial meeting in Dili in August, where both sides agreed on guiding principles for the negotiations. According to Timorese officials, discussions were conducted in a constructive manner and made progress toward what both governments describe as an equitable outcome.

The negotiations focus on defining maritime boundaries in accordance with international law, particularly the United Nations Convention on the Law of the Sea, which governs exclusive economic zones and continental shelves. Clear boundaries are seen as important for fisheries management, maritime security, environmental protection and the potential development of offshore resources.

The talks also carry historical weight. After Timor-Leste voted for independence from Indonesia in 1999 and became a sovereign state in 2002, the two countries inherited unresolved land and sea boundary issues dating back to the colonial era, when Portugal administered Timor and the Netherlands controlled what is now Indonesia. While land borders were largely settled through agreements finalized in 2019, maritime boundaries have proven more complex due to overlapping claims and differing interpretations of coastal geography. [Government Timor-Leste] [Macau Business]

Timor-Leste's Prime Minister Xanana Gusmão, who participated in the latest talks, said he was satisfied with the progress, describing it as a positive start to what he acknowledged would be a difficult negotiation process.

The Timorese delegation was led by Elizabeth Exposto, head of the Land and Maritime Borders Office, while Indonesia's team was headed by Ambassador Amrih Jinangkung, Director-General for International Treaties at Indonesia's foreign ministry.

Timor-Leste previously reached a landmark maritime boundary agreement with Australia in 2018 following compulsory conciliation under UNCLOS, setting a precedent that officials say could help guide talks with Indonesia.

Laos and Vietnam reaffirm special partnership at 12th ministerial political consultation

(hn) Lao Foreign Minister Thongsavanh Phomvihane paid an official visit from December 17–20 to co-chair the 12th Vietnam–Lao Ministerial Political Consultation with Vietnamese Foreign Minister Le Hoai Trung, in line with the cooperation agreement between the two foreign ministries. [Voice of Vietnam]

On December 18, during a meeting with Lao Foreign Minister Thongsavanh Phomvihane, both sides agreed to strengthen economic connectivity, effectively implement high-level agreements, and address challenges in key cooperation projects. The leaders praised close coordination between the two foreign ministries and committed to deeper bilateral cooperation, stronger ASEAN unity, and continued coordination on regional and international issues. [Vietnamnews1]

On the same day, Vietnamese and Lao foreign ministers co-chaired the 12th Vietnam–Laos Ministerial Political Consultation in Hà Nội, reaffirming their commitment to strengthening bilateral cooperation and coordination on regional and international issues. Both sides praised effective implementation of existing agreements and welcomed a new foreign ministry cooperation agreement for 2026–30, which outlines priorities for the next phase of relations. They highlighted progress in political trust, defense, security, trade, investment, and cooperation in culture, education, science and technology, while agreeing to maintain regular dialogue mechanisms and close coordination within ASEAN, the UN, and Mekong sub-regional frameworks to further consolidate the special Vietnam–Laos relationship. [Vietnamnews2]

Vietnam and Singapore aim to prioritize upgrading the Việt Nam–Singapore Industrial Park (VSIP) network

(ln) Following a phone conversation between Prime Minister Phạm Minh Chính and Singapore's Prime Minister Lawrence Wong, the upgrade of the Việt Nam–Singapore Industrial Park (VSIP) network took priority, exchanged proposals for energy deals and reaffirmed ASEAN coordination and cooperation.

Both sides showed satisfaction at the current development of Vietnam-Singapore bilateral relations as a result of the Comprehensive Strategic Partnership

and agreed to effectively implement the Action Program for 2025-2030. They also agreed to upgrade the VSIP to a more modern model that is more green, smarter and more inclusive with a goal of 30 VSIPs before 2030. PM Phạm encouraged surveys for a project revolving around wind power between Vietnam and Singapore and suggested cooperation between the countries for the development of small modular nuclear power. In addition, possibilities for cooperative projects for carbon credits and food security were discussed. The PMs acknowledged their concerns over the conflict between Cambodia and Thailand, urging both countries to resolve the conflicts peacefully and through productive dialogue. They also reaffirmed coordination and cooperation with other ASEAN countries to strengthen unity between the countries and promote regional peace. [Vietnamnews]

France and Vietnam reaffirm comprehensive strategic partnership at political consultation

(hn) On December 19, Vietnam and France reaffirmed their strong bilateral relationship during a political consultation co-chaired in Hanoi by Deputy Foreign Minister Lê Thị Thu Hằng and Benoit Guidée of France's Foreign Ministry.

Both sides praised the consultation mechanism as an effective way to advance cooperation under the Comprehensive Strategic Partnership established in 2024. They highlighted growing collaboration across politics, trade, infrastructure, energy, education, science, and culture, supported by high-level visits planned for 2025.

France confirmed its continued support for Vietnam's development and training needs, while Vietnam called on France to ratify the EU–Vietnam Investment Protection Agreement and support the lifting of the EU's yellow card on Vietnamese seafood. [Vietnamnews]

Announcements

Recent Book Releases

Mareike Beck, ***Extroverted Financialisation: Banking on US Dollar Debt***, Cambridge University Press, 218 pages, published August 21, 2025. For a review, see [LSE].

Sean Mathews, ***The New Byzantines: The Rise of Greece and Return of the Near East***, C Hurst & Co, 304 pages, published December 11, 2025. For a review, see [Asian Review of Books].

Calls

The **Swiss Society for African Studies (SGAS/SSEA)** and the **Association for African Studies in Germany e.V. (VAD)** invites paper proposals for their conference "African Perspectives on Global Treansformations," scheduled for August 26-28, 2026. The deadline for abstract submission is January 11, 2026. For more information, see [African Perspectives].

The **Oxford Programme in Asian Laws (OPAL) of the University of Oxford and the Faculty of Law, Thammasat University**, invite paper proposals for the ***3rd International Forum on Asian Laws: "Identity of Asian Laws,"*** to be held on July 30-31 at Thammasat University. The deadline for abstract submission is January 15, 2026. For more information, see [University of Oxford].

Jobs and Positions

The **International Organization for Migration (IOM)** seeks a **National Displacement Consultant.** The deadline for application submission is January 7, 2026. For more information, see [IOM].

The **International Labour Organization (ILO)** seeks a **Project Manager.** The deadline for application submission is January 10, 2026. For more information, see [ILO].

The **Food and Agriculture Organization (FAO)** seeks **Project Coordinator**. The deadline for application submission is January 14, 2026. For more information, see [FAO].

The **Food and Agriculture Organization (FAO)** seeks a **Senior Coordinator – Governance and Policy Support**. The deadline for application submission is December 23, 2025. For more information, see [FAO].

The **World Health Organization (WHO)** seeks a **Compliance and Risk Management Officer**. The deadline for application submission is December 30, 2025. For more information, see [WHO].

The **International Monetary Fund (IMF)** seeks a 2025 Research Analyst. The deadline for application submission is December 31, 2025. For more information, see [IMF].

The **World Bank** seeks an **Operations Analyst**. The deadline for application submission is January 9, 2026. For more information, see [World Bank].

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