



# Delhi Policy Group

Advancing India's Rise as a Leading Power

## INDO-PACIFIC MONITOR DECEMBER 2025

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Volume VI, Issue 12



**Delhi Policy Group**

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[www.delhipolicygroup.org](http://www.delhipolicygroup.org)



## INDO-PACIFIC MONITOR

### Vol. VI, Issue 12

### December 2025

#### ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

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#### INDO-PACIFIC MONITOR

This publication is a monthly analytical survey of developments and policy trends that impact India's interests and define its challenges across the extended Indo-Pacific maritime space, which has become the primary theatre of global geopolitical contestation. It is authored by Cmde. Lalit Kapur (Retd.), DPG Senior Fellow for Maritime Strategy, assisted by Ms. Divya Rai, based on open source reports and publications. Your comments and feedback may be addressed to the author at [lalit@dpg.org.in](mailto:lalit@dpg.org.in). To subscribe, please [click here](#).

#### Cover Images:

*Prime Minister Narendra Modi meets Russian President Vladimir Putin at Hyderabad House, New Delhi, on December 05, 2025. Source: PIB*

*President Emmanuel Macron of France meets with President Xi Jinping of China at Beijing on December 04, 2025. Source: MFA China.*

*Prime Minister Narendra Modi and His Majesty Sultan Haitham bin Tarik at the exchange of MoUs between India and Oman at Muscat on December 18, 2025. Source: PIB*

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**December 2025**

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## INDO-PACIFIC MONITOR

December 2025

### Abstract

Fighting on the Thailand-Cambodia border erupted again on December 08, as the truce overseen by US President Trump on October 26 broke down. The Defence Ministers of the two countries agreed to a 72-hour ceasefire on December 27. This continued to hold despite reports of Cambodian intrusions with drones over Thai territory on December 29.

Terror reared its head in Australia on December 14, when a father-son duo opened fire on people celebrating the Jewish festival of Hanukkah at Bondi Beach in Sydney, killing 15 persons and injuring 27 others. Australia moved to tighten its gun laws in the wake of the incident.

Russia's President Vladimir Putin visited India for the 23<sup>rd</sup> India Russia Annual Summit on December 4-5. The driving impulse of this summit was economic cooperation, and there were no major announcements regarding defence and security cooperation.

India's Prime Minister Narendra Modi visited Jordan, Ethiopia and Oman from December 15-18, enhancing bilateral ties with all three countries.

India launched Operation Sagar Bandhu in Sri Lanka during the first week of December in response to the devastation caused by cyclone Ditwah. The operation reaffirmed India's status as the first responder in regional humanitarian contingencies.

French President Emmanuel Macron, accompanied by an 80-strong business delegation, made his fourth state visit to China on December 3-5. He called on China to address unsustainable trade balances and provide fairer market access.

Indonesia's President Prabowo Subianto visited Moscow on December 10 and met Russian President Vladimir Putin. The two leaders explored enhanced ties, including in the sectors of nuclear power, military technical cooperation, agriculture and industry.

The Trump administration notified Congress of its intent to sell arms worth more than \$11 billion to Taiwan on December 17. In response, China launched exercises simulating a full blockade of Taiwan on December 29, and announced sanctions against several US defence firms.



China's Coast Guard vessels attacked Filipino fishing boats at Sabina Shoal with water cannon on December 12, causing damage to the boats and injuries to crew.

The Pentagon completed its review of AUKUS and intends moving full steam ahead on providing nuclear submarines to Australia. AUKUS defence ministers met at the Pentagon on December 10 and reiterated their commitment to ensuring long-term success of the partnership.

As the Gaza ceasefire held and Houthi attacks stopped, container vessels were reported to have begun returning to the Suez Canal route for their passage between Europe and Asia.

Quad activities continued, with the Quad Counter-Terrorism Working Group meeting at New Delhi on December 4-5, the US hosting an annual Quad HADR tabletop exercise and strategic meeting in Honolulu from December 2-5, and the Quad Indo-Pacific Logistics Network conducting a field training exercise at Guam on December 16.

The US National Defense Authorization Act was signed into law by President Trump on December 18. It envisages a total expenditure of \$900.6 billion for defense, including \$291 billion for operations and \$234 billion for personnel.

Japan's cabinet approved a supplementary budget request including an additional ¥ 1.1 trillion (about \$ 7 billion) for defense in FY 2025-26 on December 03. On December 26, the cabinet also approved a budget request of ¥122.3 trillion (\$ 783 billion) for FY 2026-27, including ¥8.8 trillion (\$56.4 billion) for defense. Both requests have to be approved by the Diet.

An unnamed official in the Takaichi cabinet sparked a debate on Japan's nuclear status on December 18 by saying that Japan needs nuclear weapons because of a worsening security environment. Although Japan's Cabinet Secretary clarified that Japan's nuclear policy had not changed, the debate continues.

China's Customs Agency announced that the country's trade surplus for goods and services had reached \$ 1.08 trillion through November. This is the first time that China's trade surplus has crossed \$ 1 trillion, that too despite US sanctions.

India successfully tested the K-4 Submarine Launched Ballistic Missile, with a range of 3500 Km, on December 24. China tested the YJ-20 hypersonic missile from a Type 055 destroyer for the first time on December 28.

## The Thailand Cambodia Conflict

On October 26, 2025, the Prime Ministers of Cambodia and Thailand met on the sidelines of the ASEAN Summit and signed a joint declaration affirming the unwavering commitment to peace and security between their countries<sup>1</sup>. They committed to refrain from the threat or use of force, peaceful settlement of disputes, and respect for international boundaries and international law. The peace agreement was brokered by US President Trump and Malaysian Prime Minister Anwar Ibrahim, with the former claiming credit for having stopped fighting. The agreement was suspended by Thailand on November 10 following injuries to Thai soldiers from what it claimed were Cambodia's newly placed land mines. It fell apart as the two sides resumed fighting on December 08, despite the US urging immediate cessation of hostilities and a return to the October 26 agreement<sup>2</sup>.

The conflict arises from a long-running, unresolved territorial dispute centred primarily around ancient Khmer temples, notably Preah Vihar, rooted in historical rivalries and ambiguous colonial era border mapping. Its origins date back to the early 20<sup>th</sup> century when France, the colonial power in Cambodia, delimited the border with Siam (now Thailand). A 1907 map, used as the basis for Cambodia's claims, placed the Preah Vihar temple within Cambodian territory. Thailand, however, disputes this map, arguing that the border should follow the natural watershed line of the Dangrek Mountains, which would place the temple in Thailand.

After Cambodia gained independence in 1953, Thai troops briefly occupied the temple area, resulting in Cambodia taking the case to the International Court of Justice (ICJ). In 1962, the ICJ awarded sovereignty of the temple to Cambodia, based on the Thai failure to object to the 1907 map at the time it was produced. The status of surrounding land was, however, left ambiguous. Thailand withdrew troops but retained control over the adjacent 4.6 Km<sup>2</sup>, leaving sovereignty ambiguous. The dispute remained dormant during Cambodia's internal turmoil and the Khmer Rouge regime.

Tensions flared up again in 2008 when Cambodia successfully nominated the Preah Vihar temple as a UNESCO World Heritage site, an action Thailand perceived as an assertion of sovereignty over the entire disputed area. Armed clashes between 2008

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<sup>1</sup> Joint Declaration by the Prime Minister of the Kingdom of Cambodia and the Prime Minister of the Kingdom of Thailand on the outcomes of their meeting in Kuala Lumpur, Malaysia, October 26, 2025. [https://image.mfa.go.th/mfa/0/mkKfL2iULZ/joint\\_declaration\\_261025/Thailand\\_Cambodia\\_Joint\\_Declaration.pdf](https://image.mfa.go.th/mfa/0/mkKfL2iULZ/joint_declaration_261025/Thailand_Cambodia_Joint_Declaration.pdf)

<sup>2</sup> On Fighting on the Cambodia-Thailand Border, December 08, 2025, <https://www.state.gov/releases/office-of-the-spokesperson/2025/12/on-fighting-on-the-cambodia-thailand-border/>



and 2011 resulted in the deaths of at least 28 soldiers (18 Cambodian, 10 Thai) and the displacement of thousands of civilians. Talks resulted in a ceasefire in April 2011, but domestic politics in Thailand fuelled protests and hardened positions. In 2011, the ICJ directed both nations to withdraw troops from a provisional demilitarised zone; both nations withdrew their troops in 2012. In a clarification of its 1962 ruling, the ICJ reaffirmed Cambodian sovereignty over the temple and the immediate vicinity of the promontory on which it stands, but not over all of the disputed surrounding areas.

The conflict erupted again in May 2025, following clashes in the Emerald Triangle area, where the borders of Cambodia, Laos and Thailand meet. A Cambodian soldier was killed, triggering a cycle of diplomatic and economic retaliation, including border closures and trade bans. Cambodia leaked a phone call between then Thai Prime Minister Paetongtarn Shinawatra and Cambodian leader Hun Sen in which she made disparaging comments about the Thai military, resulting in the removal of Shinawatra from office. The conflict escalated into open warfare following landmine explosions that injured Thai soldiers, with fighting spreading to at least 12 locations along the border and involving heavy artillery, rockets and Thai airstrikes using F-16 jets. Sporadic fighting continued till July 28, when a ceasefire brokered by the US and China came into effect. Both sides agreed to withdraw their heavy weapons from the disputed region, and to establish an ASEAN observer team to monitor it. Cambodian leader Hun Manet announced that he would nominate Trump for the Nobel Peace Prize for his role in restoring peace and stability along the border. The ceasefire agreement was formalised in Kuala Lumpur on October 26. However, both sides accuse each other of violating it, leading to the ceasefire falling apart following renewal of fighting on December 08.

On December 27, the defence ministers of Thailand and Cambodia announced that they had agreed to a 72-hour ceasefire, possibly leading to an end to the conflict<sup>3</sup>. They agreed to freeze front lines where they were at noon that day, ban reinforcements, and allow civilians living in border areas to return as soon as possible. Thailand has agreed to return 18 Cambodia soldiers captured in clashes 72 hours after the ceasefire has been fully maintained. There is, however, no guarantee that it will hold because it does not address the core issues between the two countries.

The core issues driving the conflict encompass disputed borders, unresolved historical claims, mutual suspicions in the security establishments, and the exploitation of nationalism by leaders of both countries to bolster their domestic legitimacy and distract from internal political crises. As of late 2025, an estimated 750,000 to 800,000

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<sup>3</sup> Thailand and Cambodia Reach Cease-Fire in Brutal Border War, December 27, 2025, <https://www.nytimes.com/2025/12/26/world/asia/thailand-cambodia-cease-fire-border-war.html>



people have been forced to flee their homes in the border areas. Both nations have imposed trade restrictions, including Cambodia's ban on Thai imports (fruits, vegetables and power) and Thailand's closure of major border check points. The conflict has tested ASEAN, with critics suggesting the organisation's non-interference policy has limited its ability to mediate a permanent resolution. It continues to strain ASEAN unity, drawing US and Chinese mediation efforts while exposing elite interests in military spending and political gains.

ASEAN and its monitoring mission in the border region face a test of credibility. ASEAN must ensure that its observers have unrestricted access to flashpoints and can report their assessments with full transparency. This will reduce opportunities for opportunistic exploitation by both sides. There is need to establish a crisis management group that can intervene immediately to any reported violation of the ceasefire, de-escalating the situation and preventing misunderstandings from leading to military response. ASEAN must also take the lead on motivating both sides to negotiate demarcation of their borders, leading to eventual resolution of the dispute.

The leaders of Thailand and Cambodia have a choice. They can either continue on the present path of periodic clashes and long-term conflict, or can act with sagacity and engage in a negotiating process that leads to an eventual solution. Which option they choose will determine whether the conflict continues to fester, destabilising border communities and the region, or enhances regional stability.

## **The India Russia Summit**

Russia's President Vladimir Putin paid a State Visit to New Delhi on December 4-5 for the 23rd India-Russia Annual Summit, his first trip to India in four years. The two-day visit focused on strengthening bilateral ties amid global tensions, including the Russia-Ukraine war and US pressures on India's Russian oil imports. Prime Minister Narendra Modi personally welcomed Putin at Palam Airport, followed by a shared car ride and private dinner at the PM's official residence. On December 5, Putin received a ceremonial welcome at Rashtrapati Bhavan, paid respects at Rajghat by laying a wreath for Mahatma Gandhi, attended a banquet hosted by President Droupadi Murmu and held delegation-level discussions with Prime Minister Modi.

India and Russia are celebrating the 25<sup>th</sup> anniversary of their strategic partnership, established when Putin visited India in October 2000<sup>4</sup>: Russia was India's second strategic partner, after France. The original partnership spanned the political, economy and trade, defence, science and technology, culture and terrorism fields. It

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<sup>4</sup> Declaration on Strategic Partnership Between the Republic of India and the Russian Federation, October 3, 2000, <https://www.mea.gov.in/Images/pdf/DeclarationStrategicPartnership.pdf>



was elevated to a Special and Privileged Strategic Partnership during the visit of the then Russian President Dmitry Medvedev to India in December 2010<sup>5</sup>. Areas of cooperation were expanded to include energy, disarmament, strengthening security cooperation in Asia and the Indian and Pacific Ocean Regions, strengthening the global economy and countering climate change. Several institutionalised dialogue mechanisms operate under this partnership at both political and official levels to ensure regular interaction and follow-up on cooperation activities. The major ones among them are the two divisions of the India-Russia Intergovernmental Commission: The Trade, Economic, Scientific, Technological and Cultural Cooperation Division led by the EAM and Russia's First Deputy Prime Minister, which last met in August 2025, and the Military and Military-Technical Cooperation Division led by the Defence Ministers, which met just before the summit in December 2025. A 2+2 dialogue was instituted in December 2021; this, however, does not seem to have convened thereafter.

Bilateral trade between India and Russia reached a record \$ 68.7 billion in 2025, with India's exports amounting to \$ 4.9 billion and Russia's amounting to \$ 63.8 billion. The two countries are working towards a target of \$50 billion in mutual investments in 2025 and \$ 100 billion in trade by 2030<sup>6</sup>. Defence cooperation has evolved from a buyer-seller relationship to include joint research, development and the production of several advanced systems in India, including Brahmos missiles, Su-30 MKI aircraft, T-90S tanks and AK-203 assault rifles. India has also procured the S-400 Triumf SAM system, used effectively in Operation Sindoor, from Russia. Other major platforms procured include the aircraft carrier INS Vikramaditya, and frigates INS Tushil and INS Tamal. Two more ships of this class are building at Goa. A nuclear submarine under lease contract signed in 2019 is expected to be delivered in 2028.

Prime Minister Modi and President Putin affirmed their support for further strengthening of the bilateral Special and Privileged Strategic Partnership<sup>7</sup>. They reaffirmed their shared ambition to expand bilateral trade in a balanced and sustainable manner, including by increasing India's exports to Russia, strengthening industrial cooperation, forging new technological and investment partnerships, and finding new avenues and forms of cooperation. They agreed to continue jointly developing systems of bilateral settlements through the use of national currencies in

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<sup>5</sup> Joint Statement: Celebrating a Decade of the India-Russian Federation Strategic Partnership and Looking Ahead, December 21, 2010, [https://www.mea.gov.in/bilateral-documents.htm?dtl/5118/Joint\\_Statement\\_Celebrating\\_a\\_Decade\\_of\\_the\\_India\\_Russian\\_Federation\\_Strategic\\_Partnership\\_and\\_Looking\\_Ahead](https://www.mea.gov.in/bilateral-documents.htm?dtl/5118/Joint_Statement_Celebrating_a_Decade_of_the_India_Russian_Federation_Strategic_Partnership_and_Looking_Ahead)

<sup>6</sup> From Strategic Partnership to Special and Privileged Bond: India Russia Relations at a Glance, December 04, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2198621&reg=3&lang=1>

<sup>7</sup> Joint Statement India-Russia: A Time-Tested Progressive Partnership, Anchored in Trust and Mutual Respect, December 05, 2025, <http://en.kremlin.ru/supplement/6426>

order to ensure the uninterrupted maintenance of bilateral trade; the share of national currencies in business deals has already reached 96%. They confirmed their intention to broaden cooperation in nuclear energy taking into account India's plans to increase its nuclear energy capacity to 100 GW by 2047. India committed to finalise formal allotment of a second site (after Kudankulam) in accordance with earlier signed agreements. They noted the reorientation of the military partnership to joint research and development, as well as co-development and co-production of advanced defence technology and systems. Both sides agreed to joint manufacturing in India of spare parts, components, aggregates and other products for maintenance of Russian origin arms and defence equipment under the Make-in-India programme through the transfer of technology and the setting up of joint ventures for meeting the needs of the Indian Armed Forces as well as export to mutually friendly third countries. The two sides expressed interest in deepening cooperation in exploration, processing and recycling technologies of critical minerals and rare earths.

The driving impulse of this summit was economic cooperation. Agreements were signed on labour mobility, maritime cooperation, health, culture, trade, media cooperation and business-to-business MoUs<sup>8</sup>. The two leaders prioritised enhancing connectivity between their countries, through the INSTC, the Northern Sea Route and the Chennai-Vladivostok Corridor. They announced cooperation for training of India's seafarers for operations in polar waters. Prime Minister Modi announced the introduction of a free 30-day e-Tourist Visa and a 30-day Group Tourist Visa for Russian citizens.

At a time when US policy toward India seems to have become coercive, Modi's warm reception of the Russian President sends a strong signal of the depth of India-Russia ties, and India as a sovereign power that will not be pushed into choosing sides and will continue charting its own course in international affairs. Nevertheless, the summit outcomes fell short of expectations, due to concern about US reaction. Notwithstanding this, the India-Russia partnership remains among the steadiest in the contemporary era with a shared commitment to a multipolar world and to expanding engagement.

### **Beyond a Routine Diplomatic Engagement: PM Modi's Three-Nation Visit**

by Divya Rai

In a significant move to strengthen India's diplomatic and economic footprint across West Asia and Africa, Prime Minister Narendra Modi embarked on a four-day official visit to Jordan, Ethiopia and Oman from December 15 to 18. The visit shored up

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<sup>8</sup> List of Outcomes: State Visit of the President of the Russian Federation to India, December 05, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2199504&reg=3&lang=1>

bilateral ties beyond traditional economic links to encompass security, technology, and multilateral cooperation.

PM Narendra Modi's tour commenced in Amman, from December 15 to 16, where he engaged in comprehensive talks with King Abdullah II. The high-level discussions resulted in agreements covering a wide canvas, from political engagement and economic cooperation to technology, culture and regional connectivity that outlines the next phase of the bilateral relationship. These include a Memorandum of Understanding (MoU) on technical cooperation in new and renewable energy; cooperation in water resources management and development; a twinning agreement between Jordan's Petra and India's Ellora; renewal of the cultural exchange programme for 2025-2029; and a Letter of Intent on sharing successful digital solutions for population-scale transformation<sup>9</sup>. Trade and economic ties form a cornerstone, with ambitious targets for US \$5 billion in bilateral trade, digital payment integration, and expanded cooperation in education, healthcare, agriculture, water management, and renewable energy to support capacity building, clean energy, and sustainable development.<sup>10</sup>

The 75-year-old India-Jordan relationship has been warm and characterised by mutual respect. This was the first Prime Ministerial visit from India to Jordan in about 40 years; although Prime Minister Modi did transit through Amman on his way to Palestine in February 2018. India is Jordan's 3<sup>rd</sup> largest trading partner, with bilateral trade amounting to \$2.875 billion in 2023-24. Jordan is a critical supplier to India of phosphates and potash; IFFCO and Jordan Phosphates Mines Company have invested \$ 860 million in a joint venture to provide Phosphoric Acid to India. 15 garment companies owned by NRIs, with an investment of over \$500 million, are located in Jordan. There are about 17,500 Indian diaspora in Jordan. PM Modi's visit took the relationship forward. As India deepens its engagements in West Asia, Jordan's role as a reliable economic and political partner will be significant.

Prime Minister Modi's paid his maiden bilateral visit to Addis Ababa and held talks with Prime Minister Dr. Abiy Ahmed Ali, on December 16. The bilateral relationship entered a transformative new chapter as both nations officially elevated their bilateral ties to a Strategic Partnership. Both leaders reviewed political, economic and strategic cooperation, which led to the signing of eight agreements. These included a debt restructuring agreement under the G20 Common Framework, an agreement on

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<sup>9</sup> Ministry of External Affairs (MEA), Government of India. "List of Outcomes: Visit of Prime Minister to Jordan (December 15 - 16, 2025)". December 15, 2025. <https://www.mea.gov.in/outgoing-visit-detail.htm?40481/List+of+Outcomes+Visit+of+Prime+Minister+to+Jordan+December+15++16+2025>.

<sup>10</sup> Press Information Bureau. "India's Engagements with Jordan". December 16, 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2204507&reg=3&lang=1>.

cooperation and mutual administrative assistance in customs matters, and a pact to establish a data centre at Ethiopia's Ministry of Foreign Affairs. Other agreements focused on artificial intelligence training, the doubling of Indian Council for Cultural Relations scholarships for Ethiopian students, the introduction of specialised short-term AI courses under the Indian Technical and Economic Cooperation programme, cooperation in United Nations peacekeeping operations training, and administrative collaboration.<sup>11</sup> PM Modi also addressed a joint session of Parliament, highlighting India-Africa cooperation and the Global South's role in fostering a more inclusive global order. The Ethiopian government honoured him with the 'Great Honour Nishan of Ethiopia', its highest civilian award, recognising his contributions to bilateral ties and global leadership.

New Delhi and Addis Ababa have maintained consistent high-level interactions in recent years, including Modi and PM Abiy Ahmed's meetings at the G20 Summit in Johannesburg on November 22, 2025, and the BRICS Summit on August 24, 2023. Ethiopia participated in the India-hosted Voice of the Global South Summits in November 2023 and August 2024, focusing on development, education, health, regional issues, and multilateral cooperation. Defence cooperation between both the countries has also gathered momentum since 2024. An MoU to formalise collaboration in defence industry, cybersecurity, R&D, and capacity building was signed at Aero India 2025. Both countries also held their first Joint Defence Cooperation (JDC) meeting in October 2025 to review existing cooperation and explore new avenues for collaboration in training, joint military exercises, medical cooperation, and defence industry engagement<sup>12</sup>.

India-Ethiopia relations are entering a more structured and forward-looking phase. Prime Minister Modi's first bilateral visit to Ethiopia – following earlier trips to Ghana, Namibia, and South Africa – advances India's expanded outreach to Africa and diversification of trade beyond traditional markets. The elevation to a formal 'Strategic Partnership', coupled with expanded trade, investment, and development cooperation, reinforces Ethiopia's pivotal role in India's Africa policy and Global South engagement.

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<sup>11</sup> Press Information Bureau. "India's Engagements with Ethiopia". December 17, 2025.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2205431&reg=3&lang=1>.

<sup>12</sup> Press Information Bureau. "India and Ethiopia Hold Inaugural Joint Defence Cooperation Meeting in New Delhi, Marking a New Chapter in Bilateral Defence Partnership". October 15, 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2179700&reg=3&lang=2>.

In the final leg of his three-nation visit, Modi visited Oman from December 17–18, where he met His Majesty Sultan Haitham bin Tarik to review bilateral ties.<sup>13</sup> Talks culminated with the signing of the Comprehensive Economic Partnership Agreement (CEPA) between India and Oman. The CEPA marks a transformative shift in bilateral trade by granting India duty-free access to 98.08% of Oman's tariff lines, effectively covering 99.38% of India's exports by value.<sup>14</sup> The agreement ensures full tariff elimination across all major labour-intensive sectors, including gems and jewellery, textiles, leather, pharmaceuticals, medical devices, and automobiles, while strategically excluding sensitive Indian sectors like dairy and tobacco. In exchange, India is liberalising 77.79% of its tariff lines, accounting for 94.81% of its imports from Oman. Beyond goods, the pact significantly enhances professional mobility by increasing Indian intra-corporate transferee quotas and offering 100% FDI opportunities for Indian firms in Omani services, positioning Oman as a vital gateway for Indian trade expansion into the Middle East and Africa<sup>15</sup>. The CEPA, signed, is India's sixth free trade agreement in five years and the second in six months after the United Kingdom. It is also Oman's first bilateral trade pact since its agreement with the US in 2006, underlining the political weight Muscat attaches to New Delhi.

India and Oman solidified their defence and security cooperation by adopting a Joint Vision Document on Maritime Cooperation, reflecting their shared commitment to regional maritime security, blue economy, and sustainable use of ocean resources. Oman is India's closest defence partner in the Gulf region and the only country with which all three wings of India's armed forces hold regular joint exercises – Army (Al Najah), Air Force (Eastern Bridge), and Navy (Naseem Al Bahr). Earlier, India secured access to Oman's strategically important Duqm Port for military use and logistical support, including using its dry dock for maintenance of Indian naval vessels. To enhance operational reach in the Indian Ocean region and contribute to maritime security efforts, both agreed to conduct high-level visits, joint exercises and training to prevent maritime crimes and piracy by enhancing maritime domain awareness and facilitating continued information exchange.

Various other MoUs were signed, including in maritime heritage and museums, agriculture and allied sectors, higher education, cooperation in millet cultivation and industry cooperation. A landmark feature of the agreements is Oman's commitment to traditional medicine across all modes of supply – the first such comprehensive

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<sup>13</sup> Ministry of External Affairs, Government of India. "India-Oman Joint Statement during the visit of Prime Minister of India, Shri Narendra Modi to Oman (December 17-18, 2025)." December 18, 2025. <https://www.mea.gov.in/bilateral-documents.htm?dtl/40518>.

<sup>14</sup> Press Information Bureau. "India and Oman sign Comprehensive Economic Partnership Agreement". December 18, 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2205889&reg=3&lang=2>.

<sup>15</sup> Ibid.



pledge by any nation—creating significant opportunities for India's AYUSH and wellness sectors to demonstrate their strengths in the Gulf region. The visit reached a diplomatic peak as PM Modi received “The First Class of the Order of Oman”, the Sultanate's highest civilian honour, his 29th international accolade of this kind.

PM Modi's visit to Oman carried strategic significance beyond symbolism. The signing of the India-Oman CEPA strengthens India's economic and geopolitical footprint in the Gulf and will infuse new energy into bilateral trade, generate employment, expand exports, strengthen supply chains, and open new avenues for deeper, long-term economic engagement between India and Oman.

Overall, Prime Minister Modi's three-nation visit to Jordan, Ethiopia and Oman was significant for deepening strategic and economic cooperation and reinforcing long-standing partnerships. The visits strategically aligned with key pillars of India's foreign policy: amplifying trade in the Gulf and West Asia, forging resilient alternative supply chains, and broadening engagement with Africa and the Global South.

## US National Defense Authorization Act 2026

The US Congress reached a bipartisan and bicameral consensus for the 65<sup>th</sup> successive year while passing the US National Defense Authorisation Act (NDAA) for 2026. The Bill was passed by the House of Representatives 312-112 on December 10 and by the Senate 77-20 a week later<sup>16</sup>. It was signed by President Trump into law on December 18<sup>17</sup>.

NDAA 2026 supports a total expenditure of \$900.6 billion for national defense, as against \$895.2 billion in NDAA 2025. The share of the Department of Defense (DoD) in this is \$855.7 billion, as compared to \$ 849.9 billion in NDAA 2025. The Department of Energy, responsible for the nuclear national security programmes, has been authorised \$ 34.3 billion, \$1 billion more than in 2025.

As in the past, the Act organises spending across broad functional categories rather than by the service. The authorisation for operations and maintenance is \$ 291 billion, that for personnel and healthcare \$ 234 billion (including a pay hike of 3.8% for all service members), and that for procurement \$ 162 billion. Research and development

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<sup>16</sup> S.1071 – National Defense Authorization Act for Fiscal Year 2026,  
<https://www.congress.gov/bill/119th-congress/senate-bill/1071/all-actions>

<sup>17</sup> Congressional Bill S.1071 Signed Into Law, December 18, 2025,  
<https://www.whitehouse.gov/briefings-statements/2025/12/congressional-bill-s-1071-signed-into-law/>





get \$ 146 billion, while military construction and family housing are authorised \$ 20 billion.

The sanctioned strength of active US Armed Forces increases by 26,100 personnel, from 1,276,700 to 1,302,800. The US Army is the biggest gainer, with an increase of 12,700 personnel. The US Navy gains 12,300 personnel, while the USAF gains 1,500.

The shipbuilding budget is over \$ 26 billion, including incremental funding and procurement of up to five Columbia-class submarines, two Ford-class aircraft carriers, Virginia-class submarines, DDG-51 destroyers, one ASW auxiliary ship, two Ship-to-Shore Connector Landing Craft and up to 15 Medium Landing Ships to support testing and experimentation of the Marine Littoral Regiment formation. The Navy is required to develop a strategy to strengthen the maritime industrial base and address shipbuilding cost and schedule challenges. The NDAA creates a three-year pilot program using automatic shipbuilding technologies to cut construction time and ease workforce strain.

In the Indo-Pacific, the administration had sought \$8.5 billion for the Pacific Deterrence Initiative (PDI). This has been funded in full, although Congress has directed the DoD to increase the transparency of its budget methodology to allow Congress to assess the utility of PDI. The NDAA prohibits a reduction in US military posture on the Korean Peninsula or a change in wartime operational control over the Combined Forces Command until the Secretary of Defense certifies to Congress that such action is in the national interest. It authorises a three-year Foreign Military Financing Grant of \$1.5 billion (\$500 million per year) for the Philippines, along with a Taiwan Security Cooperation Initiative of \$1 billion. It mandates a joint mobilisation study for a Taiwan Strait contingency, assessing US, allied and Taiwanese interoperability. It provides reform to the AUKUS defense trade partnership by ensuring that re-exports and retransfers between the allies are exempt from licencing requirements and eliminates the need for Congressional Notification for items covered by the AUKUS International Traffic in Arms Regulations exemption.

Section 1255 conveys the sense of the Congress that the Secretary of Defense should continue efforts that strengthen US defence alliances and partnership in the Indo-Pacific so as to further the comparative advantage of the US in strategic competition with the PRC. This is to be done by enhancing cooperation with Japan, reinforcing the alliance with South Korea, fostering bilateral and multilateral cooperation with Australia, advancing the US alliance with the Philippines and Thailand and US partnerships with other ASEAN nations, broadening US engagement with India, including through the Quadrilateral Security Dialogue to advance the shared objective of a free and open Indo-Pacific region and to enable greater cooperation on maritime



security, strengthening the US partnership with Taiwan, and reinforcing the status of Singapore as a Major Security Cooperation partner of the US.

Unlike the recently published US National Security Strategy (NSS), the NDAA retains a focus on Europe. It prohibits the use of funds to reduce US force levels in Europe below 76,000 troops, remove major equipment or relinquish the role of an American Supreme Allied Commander Europe (SACEUR), unless the Pentagon provides a detailed impact report certifying that such decisions were made in consultation with allies and are consistent with US national security interests. It provides \$ 200 million for EUCOM security assistance and \$ 175 million for the Baltic Security Initiative, intended to deepen cooperation with Estonia, Latvia and Lithuania by supporting the procurement of US defence equipment. It extends the Ukraine Security Assistance Initiative till 2028, providing \$400 million in funding for 2026 and 2027. This is in sharp contrast to the nearly \$14 billion passed by Congress in 2024. It identifies Russia as a strategic adversary, requiring the submission of an independent assessment from EUCOM on the capabilities and resources required for the US deterrence posture in Europe.

In the Middle East, the NDAA directs continued cooperation with allies and partners to implement an integrated air and missile defence architecture. It extends the Counter-ISIS Train and Equip authorities to Iraqi and Syrian partner forces to counter the threat from ISIS. It extends and increases funding for the US-Israel anti-tunnel cooperation initiative. It authorises increased funding for US-Israel cooperation to counter unmanned aerial systems, and establishes a US-Israeli Defence Industrial Base working group to study the potential for greater integration of the two countries' defence industrial base.

The NDAA introduces "the most significant acquisition reforms in a generation," aiming to cut red tape, accelerate decision-making, and speed up the delivery of modern capabilities to troops. This includes using new authorities for military construction and expanding participation from non-traditional defense contractors.

In sum, the FY26 NDAA positions the Indo-Pacific as a central theatre for US strategy, aligning investments with President Trump's vision of overmatch against an axis of aggressors including China. By prioritising PDI, Taiwan aid, and Quad partnerships, it deters aggression while reforming DoD to deliver capabilities at speed. Outcomes include sustained US forward presence, allied interoperability, and industrial resurgence, ensuring a free and open Indo-Pacific amid rising tensions.



## Other Indo-Pacific Developments

Macron Visit to China. French President Emmanuel Macron accompanied by an 80 strong business delegation paid his fourth state visit to Beijing and Chengdu, China, from December 3-5. Three Joint Statement were issued following the visit, the first on cooperation in addressing global climate and environmental challenges<sup>18</sup>; the second on enhancing global governance<sup>19</sup>; and the third on Ukraine and Palestine<sup>20</sup>. Macron called on China, without visible success, to address unsustainable trade imbalances and provide fairer market access. Nor did China deviate in any measurable respect on its position on Ukraine. 12 cooperation agreements were signed, including on nuclear energy, agriculture, environment and the loan of two Giant Pandas to France. There was no new aircraft order despite the presence of Airbus CEO Guillaume Faury in Macron's business delegation. The outcomes reflect a decline in France's influence in the face of Beijing's strategic priorities.

Bondi Beach Shooting. Terror reared its head in Australia when two gunmen (a father son duo) opened fire on people celebrating the Jewish festival of Hanukkah at Bondi Beach on December 14, killing 15 persons and putting 27 into hospital<sup>21</sup>. The elder of the two shooters was killed by police, while the younger was critically injured. Australian Prime Minister Anthony Albanese described the incident as "An act of evil, antisemitism, terrorism that has struck the heart of our nation"<sup>22</sup>.

Container Ships Return to Suez Canal. In an indication of impending return to normalcy as the Gaza conflict ended, container ships were reported as having recommenced transiting through the Suez Canal during the month<sup>23</sup>. Ships had stopped

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<sup>18</sup> Joint Statement Between the French Republic and the People's Republic of China on Cooperation in Addressing global Climate and Environmental Challenges, December 05, 2025,

<https://www.elysee.fr/en/emmanuel-macron/2025/12/05/joint-statement-between-the-french-republic-and-the-peoples-republic-of-china-on-cooperation-in-addressing-global-climate-and-environmental-challenges>

<sup>19</sup> Joint Statement Between the French Republic and the People's Republic of China on Enhancing Global Governance, December 05, 2025, <https://www.elysee.fr/en/emmanuel-macron/2025/12/05/joint-statement-between-the-french-republic-and-the-peoples-republic-of-china-on-enhancing-global-governance>

<sup>20</sup> Joint Statement between the French Republic and the People's Republic of China on the situation on Ukraine and the situation on Palestine, December 05, 2025, <https://www.elysee.fr/en/emmanuel-macron/2025/12/05/joint-statement-between-the-french-republic-and-the-peoples-republic-of-china-on-the-situation-on-ukraine-and-the-situation-on-palestine>

<sup>21</sup> Australia seeks tougher gun laws after 15 killed in Bondi Beach shooting, December 15, 2025, <https://edition.cnn.com/world/live-news/bondi-beach-gunshots-reported-12-14-25>

<sup>22</sup> Press Conference – Canberra, December 14, 2025, <https://www.pm.gov.au/media/press-conference-canberra-29>

<sup>23</sup> Two CMA vessels navigate the Suez Canal in sign of easing tension, December 23, 2025, <https://www.reuters.com/world/middle-east/two-cma-cgm-vessels-navigate-suez-canal-sign-easing-tension-2025-12-23/>

using the canal on passage between Europe and Asia in November 2023 following Houthi attacks on shipping in the Red Sea, preferring to adopt the 10 days longer route rounding South Africa. No attacks have taken place after the ceasefire in Gaza came into effect in October 2025.

US Assumes Presidency of G20. The US assumed the 2026 Presidency of the G20 on December 01, relieving South Africa<sup>24</sup>. It set three priorities: unleashing economic prosperity by limiting regulatory burdens, unlocking affordable and secure energy supply chains, and pioneering new technologies and innovations.

Prabowo Putin Meeting. Indonesia's President Prabowo Subianto visited Moscow on December 10 to meet Russian President Vladimir Putin<sup>25</sup>. Putin offered Russian assistance in nuclear power cooperation, industry, agriculture and military technical cooperation. Prabowo invited Putin to visit Indonesia at a time convenient to him, in 2026 or 2027.

Japan's Supplementary Budget. Japan's cabinet approved a Fiscal Year 2025 supplementary budget including an additional 1.1 trillion yen, or about \$ 7 billion, for defence spending<sup>26</sup>. If approved by parliament, it will take Japan's defence spending for FY 2025 to 11 trillion Yen (about \$ 70 billion), nearing 2% of Japan's GDP, a target that the former Kishida administration had sought to achieve by 2027. The increase is part of the Takaichi government's outlook towards acting to counter the increasingly difficult security situation Japan finds itself in.

Japan's Budget for FY 2026-27. The Takaichi cabinet on December 26 approved a record ¥ 122.3 trillion (\$783 billion) budget for the fiscal year commencing April 1, 2026<sup>27</sup>. This is ¥7.1 trillion more than the budget for the current year. Social security costs are around ¥39 trillion. The allocation for defence is ¥8.8 trillion (\$56.4 billion). The proposed budget will now be submitted to Japan's Diet (parliament) for approval.

Operation Sagar Bandhu. Responding to severe flooding, loss of life and widespread disruption in Sri Lanka due to the impact of cyclone Ditwah, India launched

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<sup>24</sup> United States Assumes Presidency of the Group of 20, December 01, 2025, <https://www.state.gov/releases/office-of-the-spokesperson/2025/12/united-states-assumes-presidency-of-the-group-of-20/>

<sup>25</sup> Russia-Indonesia Talks, December 10, 2025, <http://en.kremlin.ru/events/president/news/78700>

<sup>26</sup> Japan Poised to Increase Defence Spending to \$70 Billion, 2% of its GDP, December 03, 2025, <https://news.usni.org/2025/12/03/japan-poised-to-increase-defense-spending-to-70-billion-2-of-its-gdp>

<sup>27</sup> Takaichi's cabinet proposes record spending in next fiscal year, December 26, 2025, <https://www.japantimes.co.jp/business/2025/12/26/economy/takaichi-2026-budget/>

Operation Sagar Bandhu to provide SAR and HADR support<sup>28</sup>. IN Ships Vikrant and Udaygiri, which were in Colombo for the International Fleet Review, handed over relief material for distribution to the affected communities and launched their helicopters for rescue of affected Sri Lankans. INS Sukanya was deployed with relief material on December 01<sup>29</sup>. IN Ships Gharial and LCUs 54, 55 and 57 delivered 1000 tons of relief material on December 07 & 08<sup>30</sup>. Units from the Indian Army and Indian Air Force were extensively employed during the operation<sup>31</sup>. The operation highlights India's role as the First Responder in the region.

Japan to Change Rules on Arms Exports. Japan has strict rules on arms exports, limiting them to five non-lethal categories (rescue, transport, warning, surveillance and minesweeping). Parties of the ruling coalition have begun preparations and building internal consensus to abolish these restrictions<sup>32</sup>. The abolition is targeted for inclusion in Japan's three national security documents; revised documents are to be issued in 2026. The intention is to nudge domestic defence industry into making the long-term capital investments needed to expand production capacity and thus generate economies of scale, while stimulating the economy and creating a more favourable security environment. The push comes as Japan is negotiating the contract for Mogami-class frigates to Australia; New Zealand and Indonesia have also expressed interest in these ships and by scrapping restrictions, Tokyo would ensure there are no policy roadblocks to future sales.

Former US Official Calls for Collective Defence Pact in the Indo-Pacific. Ely Ratner, the former US Assistant Secretary of Defence for Indo-Pacific Security Affairs, repeated his call for a collective defence pact between Japan, the US, Australia and the Philippines to contain China and ensure regional peace and stability<sup>33</sup>. Ratner urged

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<sup>28</sup> India Undertakes Operation Sagar Bandhu for Emergency HADR Assistance to Sri Lanka following Cyclone Ditwah, December 01, 2025, [https://www.mea.gov.in/press-releases.htm?dtl/40354/India\\_Undertakes\\_Operation\\_Sagar\\_Bandhu\\_for\\_Emergency\\_HADR\\_Assistance\\_to\\_Sri\\_Lanka\\_following\\_Cyclone\\_Ditwah](https://www.mea.gov.in/press-releases.htm?dtl/40354/India_Undertakes_Operation_Sagar_Bandhu_for_Emergency_HADR_Assistance_to_Sri_Lanka_following_Cyclone_Ditwah)

<sup>29</sup> Indian Navy Extends Humanitarian Assistance to Sri Lanka in the Wake of Cyclone Ditwah, December 02, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2197802&reg=3&lang=1>

<sup>30</sup> Operation Sagar Bandhu – Indian Navy Deploys Four More Warships to Deliver 1000 tons of HADR Material to Sri Lanka, December 08, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2200316&reg=3&lang=1>

<sup>31</sup> Operation Sagar Bandhu continues providing Emergency HADR Support to Sri Lanka following Cyclone Ditwah, December 09, 2025, [https://www.mea.gov.in/press-releases.htm?dtl/40420/Operation\\_Sagar\\_Bandhu\\_continues\\_providing\\_Emergency\\_HADR\\_Support\\_to\\_Sri\\_Lanka\\_following\\_Cyclone\\_Ditwah](https://www.mea.gov.in/press-releases.htm?dtl/40420/Operation_Sagar_Bandhu_continues_providing_Emergency_HADR_Support_to_Sri_Lanka_following_Cyclone_Ditwah)

<sup>32</sup> Japan has long had tough rules on arms exports. That may soon change, December 17, 2025, <https://www.japantimes.co.jp/news/2025/12/17/japan/politics/japan-arms-exports-analysis/>

<sup>33</sup> Ex-US Official Calls for Collective Defense Pact in Indo-Pacific, December 14, 2025, <https://www.japantimes.co.jp/news/2025/12/14/japan/politics/ratner-collective-defense-pact-indo-pacific/>



Japan to overcome constitutional issues to enable it to fully exercise the right to collective self-defence, which would be the premise of the proposed pact.

AUKUS Review. Reports indicate that the Pentagon has completed its review of the trilateral AUKUS security agreement and intends to move forward with the historic and ambitious AUKUS agenda of providing nuclear submarines to Australia<sup>34</sup>. A Pentagon spokesperson was reported to have said that the review identified opportunities to put AUKUS on the strongest possible footing, but did not elaborate on what these were.

Indian Maritime Doctrine 2025. The Indian Maritime Doctrine 2025 was released by the Chief of the Naval Staff, Admiral Dinesh Tripathi, on Navy Day<sup>35</sup>. The new doctrine, which was not available in the public domain at the time of writing, is reported to recognise “no war, no peace” as a distinct category for the first time, treating this grey zone as a critical operational space marked by coercion, hybrid operations and sub-threshold conflict. The doctrine promotes integration with the Army and Air Force for unified operations and supports future theatre commands. It expands focus beyond the seas to cyber, space and the cognitive domains, recognising complex threats and stressing incorporation of AI, autonomous systems and advanced technologies for asymmetric advantage.

Review of US Tanzania Relationship. The US launched a review of its relations with Tanzania on December 04<sup>36</sup>, citing the Tanzanian Government’s ongoing repression of religious freedom and free speech, the presence of persistent obstacles to US investment, and disturbing violence against civilians in the days leading up to and following Tanzania’s October 29 elections.

Taiwan’s Indigenous Submarine. Taiwan’s indigenous submarine programme took a step forward when Hai Kun, the first submarine of the class, began its fourth sea trial at the end of November 2025<sup>37</sup>. Eight boats displacing under 3000 tons and equipped with Mk-48 Mod 6 torpedoes as well as UGM-84L Harpoon Block II missiles are to be built under a programme envisaged to cost \$ 10 billion. The first boat under the

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<sup>34</sup> Pentagon’s AUKUS review finds areas to put nuclear submarine pact on ‘strongest possible footing’, December 05, 2025, <https://www.abc.net.au/news/2025-12-05/aukus-review-pentagon-donald-trump-administration/105588512>

<sup>35</sup> No War, No Peace: Navy’s new category in Indian Maritime Doctrine 2025, December 03, 2025, <https://indianexpress.com/article/india/no-war-no-peace-navys-new-category-in-indian-maritime-doctrine-2025-10399060/>

<sup>36</sup> Review of US Bilateral Relationship with Tanzania, December 04, 2025, <https://www.state.gov/releases/office-of-the-spokesperson/2025/12/review-of-u-s-bilateral-relationship-with-tanzania/>

<sup>37</sup> Taiwan-built Attack Sub Holds Sea Trials Amid Program Delays, December 04, 2025, <https://news.usni.org/2025/12/04/taiwan-built-attack-sub-holds-sea-trials-amid-program-delays>



programme was expected to be delivered in 2025, but is likely to get delayed. The ROC Navy currently operates four submarines, including two WWII vintage Tench Class submarines (the same as PNS Ghazi, which was sunk off Visakhapatnam in December 1971) and two former Zwaardvis class submarines purchased from the Netherlands in the mid-1980s.

North Korea's Nuclear Submarine Under Construction. North Korea's state media carried photographs of the completed hull of its 8700-ton nuclear submarine under construction on December 24<sup>38</sup>. The completed hull indicates that the propulsion system and the reactor are already installed. The vessel is described as capable of carrying nuclear ballistic and cruise missiles to strengthen the country's second-strike capability. With this development, the arms race between North and South Korea has expanded to the underwater domain: South Korea obtained US approval to build nuclear attack submarines last month.

Australia Indonesia PNG Defence Ministers' Meeting. Defence Ministers of Australia, Indonesia and Papua New Guinea met in Port Moresby for the inaugural trilateral Defence Ministers' Meeting on December 03<sup>39</sup>. They explored opportunities to enhance cooperation in areas of mutual interest, including maritime domain awareness, humanitarian assistance and disaster relief, and aviation best practice. Indonesia agreed to host the next edition of the meeting in 2026. The meeting establishes a new framework for regional security cooperation and stability in the Indo-Pacific. It provides a forum for nations with differing strategic orientations (Indonesia is non-aligned, while Australia is embedded in Western alliances) to align their security policies for mutual benefit.

Japan Australia Defence Ministers' Meeting. The Defence Ministers of Japan and Australia met in Tokyo on December 07. They announced the establishment of the Framework for Strategic Defence Coordination, which will be Defence Minister led and convened at least annually, to enable greater consultation on matters relating to defence policy, intelligence, bilateral and multilateral activities, industry and technology, and capabilities including space, cyber and integrated air and missile defence, with a view to ensuring effective collaboration at all levels and in all situations in support of a stable and secure Indo-Pacific<sup>40</sup>. They committed to utilise

<sup>38</sup> North Korea Unveils the Completed Hull of What it Calls a Nuclear Submarine, December 25, 2025, <https://www.nytimes.com/2025/12/25/world/asia/north-korea-nuclear-submarine.html>

<sup>39</sup> Joint Statement, Australia-PNG-Indonesia Trilateral Defence Ministers' Meeting, December 03, 2025, <https://www.minister.defence.gov.au/statements/2025-12-03/joint-statement-australia-png-indonesia-trilateral-defence-ministers-meeting>

<sup>40</sup> Japan-Australia Defence Ministers' Joint Statement – Establishment of the Framework for Strategic Defence Coordination, December 07, 2025, <https://www.minister.defence.gov.au/statements/2025->

the Framework and other meetings to enhance their strategic alignment and inform updates to their respective strategic documents, including National Defence Strategies. They reaffirmed that Japan and Australia will continue to work closely with the United States to strengthen deterrence and response capabilities in the Indo-Pacific. They opposed unilateral attempts to change the status quo by force or coercion in the Taiwan Straits, East China Sea and South China Sea.

40<sup>th</sup> AUSMIN Meeting. Foreign and Defence Ministers of Australia and the US met in Washington DC on December 08 for the 40<sup>th</sup> AUSMIN meeting<sup>41</sup>. They committed to a range of new initiatives designed to promote a Free and Open Indo-Pacific, strengthen the US-Australia alliance and strengthen national security through economic cooperation. Secretary Rubio spoke of the deep commitment of the US towards the Quad. The Ministers announced that in line with the direction of President Trump and Prime Minister Albanese to move full steam ahead on AUKUS, Australia will soon deliver the next tranche of \$ 1 billion to expand US submarine construction capability.

AUKUS Defence Ministers' Meeting. AUKUS Defence Ministers met at the Pentagon on December 10<sup>42</sup>. In line with the shared intent to move “full steam ahead” on AUKUS, they recognised work underway to deliver priority infrastructure and work force uplift in support of an enhanced trilateral submarine industrial base. They discussed ways to continue to strengthen AUKUS and reiterated their shared commitment to ensure long-term success of the partnership.

US National Security Strategy. The second Trump administration's National Security Strategy was released on December 04<sup>43</sup>. The largest section of the document concerns US interactions with Asia, and by extension, the Indo-Pacific. However, China is no longer framed as a pacing threat or systematic challenger with a world vision that is incompatible with US interests. Rather, it is seen as an economic competitor that has to be dealt with by rebalancing economic ties, while maintaining deterrence<sup>44</sup>.

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[12-07/japan-australia-defence-ministers-joint-statement-establishment-framework-strategic-defence-coordination](https://www.state.gov/j-12-07/japan-australia-defence-ministers-joint-statement-establishment-framework-strategic-defence-coordination)

<sup>41</sup> Joint Fact Sheet on Australia-US Ministerial Consultations (AUSMIN) 2025, December 08, 2025, <https://www.state.gov/releases/office-of-the-spokesperson/2025/12/joint-fact-sheet-on-australia-u-s-ministerial-consultations-ausmin-2025/>

<sup>42</sup> AUKUS Defense Ministers' Joint Statement, December 10, 2025, <https://www.war.gov/News/Releases/Release/Article/4356910/aucus-defense-ministers-meeting-joint-statement/>

<sup>43</sup> National Security Strategy of the United States of America, <https://www.whitehouse.gov/wp-content/uploads/2025/12/2025-National-Security-Strategy.pdf>

<sup>44</sup> For an overview of the NSS, see Lalit Kapur, US National Security Strategy 2025, [https://www.delhipolicygroup.org/storage/uploads/publications\\_file/publication\\_DPG%20Policy\\_Brief\\_X\\_Issue\\_27.pdf](https://www.delhipolicygroup.org/storage/uploads/publications_file/publication_DPG%20Policy_Brief_X_Issue_27.pdf)

Remarks by Secretary of War Pete Hegseth. Delivering the keynote address at the Reagan National Defense Forum on December 06, Secretary of War Pete Hegseth launched a blistering attack on those who tried to make America the policeman, the protector and the arbiter of the whole world, turning American allies into dependents and encouraging them to free ride while their defence was subsidised by US taxpayers<sup>45</sup>. He highlighted the debacle under the previous administration in Afghanistan, the weakness that unleashed the Islamist war against Israel on October 07 and the same weakness that invited war in Ukraine. He said the War Department will no longer be distracted by democracy building interventionism, regime change, climate change, woke moralising and feckless nation building. He identified four priority lines of effort for the Department of War: defending the US homeland and the Western Hemisphere; deterring China through strength, not confrontation; increased burden sharing for US allies and partners; and supercharging the US defence industrial base.

China Military Power Report. The Pentagon's annual report to Congress on Military and Security Developments Involving the People's Republic of China was released on December 23<sup>46</sup>. Among the key inputs revealed by the report is that Ream Naval Base in Cambodia is now operational; the PLA (Navy) plans to produce six additional aircraft carriers by 2035 for a total of nine; and the DF-27 land-attack/anti-ship DF-27 ICBM has a range of 5000-8000 Km, covering Hawaii and parts of Continental United States. The report says that Beijing recognises the First Island Chain region running from the Japanese archipelago to the Malay Peninsula as the strategic centre of gravity for its goals. It assesses that the PLA continues to make progress towards its 2027 goals of being able to achieve strategic decisive victory over Taiwan; strategically counterbalance against the US in the nuclear and other strategic domains; and exert strategic deterrence and control against other countries.

Quad Activities. The 3<sup>rd</sup> Quad Counter Terrorism Working Group meeting was held in New Delhi on December 04-05, as part of India's rotation hosting of the next Quad Summit<sup>47</sup>. Quad partners condemned terrorism in all its forms and manifestations

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<sup>45</sup> Remarks by Secretary of War Pete Hegseth at the Reagan National Defense Forum (As Delivered), December 06, 2025, <https://www.war.gov/News/Speeches/Speech/Article/4354431/remarks-by-secretary-of-war-pete-hegseth-at-the-reagan-national-defense-forum-a/>

<sup>46</sup> Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2025, <https://media.defense.gov/2025/Dec/23/2003849070/-1/-1/1/ANNUAL-REPORT-TO-CONGRESS-MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA-2025.PDF>

<sup>47</sup> Joint Statement on the 3<sup>rd</sup> Quad Counterterrorism Working Group (CTWG) meeting between India, Japan, Australia and the United States, December 06, 2025, [https://www.mea.gov.in/press-releases.htm?dtl/40414/Joint\\_Statement\\_on\\_the\\_3rd\\_Quad\\_Counterterrorism\\_Working\\_Group\\_CT\\_WG\\_meeting\\_between\\_India\\_Japan\\_Australia\\_and\\_the\\_United\\_States](https://www.mea.gov.in/press-releases.htm?dtl/40414/Joint_Statement_on_the_3rd_Quad_Counterterrorism_Working_Group_CT_WG_meeting_between_India_Japan_Australia_and_the_United_States)

and urged all UN member states to cooperate in bringing terrorism perpetrators, organisers and financiers to justice. The US hosted the 4<sup>th</sup> annual Quad HADR Tabletop Exercise and Strategic Meeting in Honolulu from December 2-5<sup>48</sup>. Quad partners also conducted their first Field Training Exercise on the sidelines of Operation Christman Drop at the Andersen Air Force Base, Guam, as part of the Quad Indo-Pacific Logistics Network (IPLN) from December 8-12<sup>49</sup>. The FTX strengthens the Quad partners' disaster response capacity.

Japan's Nuclear Debate. An unnamed official in the Takaichi administration was quoted on December 18 as saying that Japan needs nuclear weapons because of a worsening security environment while acknowledging that such a move would be politically difficult, kindling renewed debate in Japan on the nuclear question<sup>50</sup>. The late Henry Kissinger had in May 2023 predicted that Japan was heading towards becoming a nuclear power in five years<sup>51</sup>. China's nuclear experts estimate that Japan has the technical capacity to develop nuclear weapons and delivery systems in less than three years. Japan's Chief Cabinet Secretary Minoru Kihara said Japan's nuclear policy had not changed, but refused to comment on the remarks or say whether the official would remain in office. That the debate remains live is evident from former Defense Minister Itsunori Onodera<sup>52</sup>, who went on record to say that Japan needs to debate the future of its non-nuclear principles.

US Announces Arms Sale to Taiwan. The Trump administration notified Congress on December 17 of an intended arms sale package worth more than \$11 billion to Taiwan<sup>53</sup>. The package includes HIMARS rocket launchers, M109A7 self-propelled howitzers, Javelin and Tow anti-armour missiles and Altius kamikaze drones. China condemned the announcement as a violation of its sovereignty over Taiwan. Its ships

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<sup>48</sup> United States Hosts Quad Humanitarian Assistance and Disaster Response Tabletop Exercise in Honolulu, December 6, 2025, <https://www.state.gov/releases/office-of-the-spokesperson/2025/12/united-states-hosts-quad-humanitarian-assistance-and-disaster-response-tabletop-exercise-in-honolulu/>

<sup>49</sup> Quad Concludes Field Training Exercise to Advance Indo-Pacific Logistics Network, December 16, 2025, <https://www.state.gov/releases/office-of-the-spokesperson/2025/12/quad-concludes-field-training-exercise-to-advance-indo-pacific-logistics-network/>

<sup>50</sup> Japan reaffirms no-nukes pledge after official floats weapons idea, December 19, 2025, <https://www.reuters.com/world/china/japan-reaffirms-no-nukes-pledge-after-senior-official-suggests-acquiring-weapons-2025-12-19/>

<sup>51</sup> Henry Kissinger explains how to avoid World War Three, May 17, 2023, <https://www.economist.com/briefing/2023/05/17/henry-kissinger-explains-how-to-avoid-world-war-three>

<sup>52</sup> Ex-defense minister stresses the need to debate Japan's non-nuclear principles, December 21, 2025, <https://japantoday.com/category/politics/ex-defense-minister-stresses-need-to-debate-japan's-non-nuclear-principles>

<sup>53</sup> Trump Officials Announce More Than \$11 Billion in Arms Sales for Taiwan, December 18, 2025, <https://www.nytimes.com/2025/12/18/us/politics/trump-taiwan-weapons-sale.html>

and aircraft<sup>54</sup> launched exercise Justice Mission 2025 simulating a blockade of Taiwan on December 29<sup>55</sup>. This included firing of rockets and missiles in declared live fire zones to the north and southwest of Taiwan<sup>56</sup>. Meanwhile, Taiwan's opposition KMT party, which holds the majority in the legislature, refused to pass a \$ 40 billion supplementary defence budget that Taiwan's President Lai Ching-te has been pushing for<sup>57</sup>. Until the budget is passed, Taiwan will not be able to pay for the weapons package.

Japan – New Zealand Agreements. Japan and New Zealand signed an agreement concerning reciprocal provision of supplies and services between their defence forces (ACSA agreement) on December 19<sup>58</sup>. They also signed a security of information agreement the same day<sup>59</sup>.

China's Trade Surplus Crosses \$ 1 Trillion. China's Customs Agency announced that China's trade surplus for goods and services for the year had reached \$ 1.08 trillion through November<sup>60</sup>. This includes a surplus of \$111.68 billion in November alone. China sells three times as much to the United States as it buys. Similarly, it sells twice as much to the European Union as it buys. China's exports have also grown in Southeast Asia, Africa and Latin America.

Pax Silica Initiative. The Pax Silica initiative was launched by the US in Washington DC on December 11-12<sup>61</sup>. This is a US-led strategic initiative designed to secure global supply chains for semiconductors and artificial intelligence, aiming to create a resilient silicon supply chain among trusted partners to reduce coercive dependencies and counter China's dominance in high-tech sectors. Signatories for the initiative were the

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<sup>54</sup> PLA Eastern Theatre Command Dispatches Bomber Task Forces to Conduct Far-Seas Combat Readiness Patrols to the East of Taiwan Island, December 29, 2025,

[http://eng.chinamil.com.cn/2025xb/H\\_251454/L\\_251456/16429781.html](http://eng.chinamil.com.cn/2025xb/H_251454/L_251456/16429781.html)

<sup>55</sup> PLA Eastern Theatre Command Conducts Drills on Assault Against Maritime Targets and Long-Distance Raids to the Southeast of Taiwan Island, December 29, 2025,

[http://eng.chinamil.com.cn/2025xb/H\\_251454/L\\_251456/16429816.html](http://eng.chinamil.com.cn/2025xb/H_251454/L_251456/16429816.html)

<sup>56</sup> China Fires Rockets Near Taiwan in Display of Military Power, December 30, 2025,

<https://www.nytimes.com/2025/12/30/world/asia/china-taiwan-military-drills.html>

<sup>57</sup> Weapons on offer, but Taiwan can't pay, December 19, 2025,

<https://www.politico.com/newsletters/national-security-daily/2025/12/19/weapons-on-offer-but-taiwan-cant-pay-00700892>

<sup>58</sup> Agreement Between the Government of Japan and the Government of New Zealand Concerning Reciprocal Provision of Supplies and Services Between the Self-Defense Forces of Japan and the New Zealand Defence Force, December 19, 2025, <https://www.mofa.go.jp/files/100953732.pdf>

<sup>59</sup> Agreement Between the Government of Japan and the Government of New Zealand on the Security of Information, December 19, 2025, <https://www.mofa.go.jp/files/100953734.pdf>

<sup>60</sup> China's Trade Surplus Climbs Past \$1 Trillion for First Time, December 07, 2025,

<https://www.nytimes.com/2025/12/07/business/china-trade-surplus.html?smid=nytcore-ios-share>

<sup>61</sup> Pax Silica Summit Fact Sheet, December 11, 2025, <https://www.state.gov/releases/office-of-the-spokesperson/2025/12/pax-silica-initiative/>



US, Japan, South Korea, Singapore, the Netherlands, United Kingdom, Israel, UAE and Australia. Guest participants were Taiwan, Canada, the EU and the OECD. India was notably excluded from the initiative.

Radar Illumination of Japanese Aircraft. Japan protested the radar illumination of its F-15 aircraft by Chinese J-15 fighters from the aircraft carrier Liaoning in international waters near Okinawa on December 06<sup>62</sup>. China, on the other hand, accused the Japanese aircraft of repeatedly approaching and disrupting the training zones of the Liaoning carrier task group, seriously affecting its normal operations and posing a serious threat to flight safety<sup>63</sup>.

Russia China Bomber Patrol in East China Sea. Russian and Chinese bombers conducted a joint patrol over the East China Sea and Western Pacific on December 09, prompting Seoul and Tokyo to scramble fighters to monitor the flight<sup>64</sup>.

China Philippines Clash at Sabina Shoal. China's Coast Guard vessels attacked Filipino fishermen at Sabina Shoal with water cannon on December 12, injuring three of them<sup>65</sup>. Two Philippines fishing vessels were also damaged due to water cannon blasts. China said its ships took necessary control measures against the Philippines fishermen, operating in an area it claims as its waters. The US condemned China's action<sup>66</sup>, resulting in China's spokesperson pointing out that the US is not a party to the South China Sea issue and has no right to interfere, the US needs to stop fact-distorting and provocative remarks and stop abetting and supporting the Philippines' attempt at creating troubles in the region<sup>67</sup>.

ASEAN US Maritime Exercise. The second ASEAN-US Maritime Exercise was co-hosted by Indonesia and the US from December 09-13 and witnessed participation by all 11 ASEAN members<sup>68</sup>. The harbour phase was conducted at Batam, Indonesia and

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<sup>62</sup> Radar illumination to Self-Defense Force aircraft by Chinese military aircraft, December 7, 2025,

[https://www.mofa.go.jp/press/release/pressite\\_000001\\_01899.html](https://www.mofa.go.jp/press/release/pressite_000001_01899.html)

<sup>63</sup> Japan should strictly discipline its front-line operations: Navy Spokesperson, December 07, 2025,

[http://eng.chinamil.com.cn/2025xb/H\\_251454/L\\_251456/16425789.html](http://eng.chinamil.com.cn/2025xb/H_251454/L_251456/16425789.html)

<sup>64</sup> Russian, Chinese Bombers Fly Joint Patrol Near Japan, South Korea, December 09, 2025,

<https://news.usni.org/2025/12/09/russian-chinese-bombers-fly-joint-patrol-near-japan-south-korea>

<sup>65</sup> China Coast Guard Blasts Fishermen With Water Cannon Near Sabina Shoal, Philippines Dispatches Patrol Boats, December 13, 2025, <https://news.usni.org/2025/12/13/video-china-coast-guard-blasts-fishermen-with-water-cannon-near-sabina-shoal-philippines-dispatches-patrol-boats>

<sup>66</sup> Condemning China Water Cannoning Filipino Fishers, December 14, 2025,

<https://www.state.gov/releases/office-of-the-spokesperson/2025/12/condemning-china-water-cannoning-filipino-fishers/>

<sup>67</sup> Foreign Ministry Spokesperson Guo Jiakun's Regular Press Conference on December 15, 2025,

[https://www.fmprc.gov.cn/eng/xw/fyrbt/lxjzh/202512/t20251215\\_11773003.html](https://www.fmprc.gov.cn/eng/xw/fyrbt/lxjzh/202512/t20251215_11773003.html)

<sup>68</sup> Second ASEAN-US Maritime Exercise Concludes with Support from the RSN's Information Fusion Centre, December 13, 2025, <https://www.mindef.gov.sg/news-and-events/latest-releases/13dec25-nr/>



the sea phase, with participation of eight ships, off Bintan Island at the exit of the Singapore Straits. The first such exercise was conducted in 2019.

Trump Class Battleship Announced. US President Trump, together with his Secretary of the Navy and the Secretary of War, announced their intent to construct a new class of American-designed battleships that will be the most lethal surface combatant ever constructed<sup>69</sup>. USS Defiant, the first Trump Class Battleship, will be 840-880 ft long, 105-115 ft wide, have a draft of 24-30 ft and a displacement of over 35,000 tons<sup>70</sup>. Her main armament will comprise Surface Launched Cruise Missiles-Nuclear, 12 cells of the Conventional Prompt Strike long range hypersonic missiles, and 128 cells of the Mk 41 VLS capable of firing a range of surface-to-air, surface-to-surface and anti-submarine missiles. Other armament comprises a railgun, 5" guns, lasers, RAM launchers, 30 mm guns and counter Unmanned Vehicle systems. Plans call for an eventual purchase of 20-25 of the ships, with construction planned to begin in 2030.

India Tests K-4 SLBM. Media reports indicate India successfully tested the nuclear-capable K-4 Submarine Launched Ballistic Missile (SLBM) from INS Arighaat on December 24, moving the system towards full operational readiness<sup>71</sup>. There was no official statement from the Ministry of Defence. The K-4 SLBM has a strike range of 3,500 Km, as compared to the 750-Km range of the K-15 fitted on INS Arihant. The K-5 and K-6 SLBMs, with ranges of 5000-6000 Km and 6000-8000 Km respectively are under development.

China Tests YJ-20 Hypersonic Anti-Ship Ballistic Missile. A Chinese media report on December 28 showed the launch of a YJ-20 hypersonic anti-ship ballistic missile from the Type 055 cruiser Wuxi<sup>72</sup>. The missile is believed to have a maximum range of 620 missiles and a terminal velocity of around Mach 9.

Upgrade of Pakistan's F-16s. The Trump administration informed Congress on December 08 of a \$ 686 million proposal to upgrade Pakistan's F-16 fighter jets with

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<sup>69</sup> President Trump Announces New Battleship, December 22, 2025, <https://www.navy.mil/Press-Office/Press-Releases/display-pressreleases/Article/4366856/president-trump-announces-new-battleship/>

<sup>70</sup> Golden Fleet, <https://www.goldenfleet.navy.mil/>

<sup>71</sup> India successfully tests nuclear-capable K-4 missile from INS Arighaat: Sources, December 25, 2025, <https://www.indiatoday.in/india/story/india-tests-nuclear-missile-k4-ins-arighaat-slmb-defence-forces-navy-submarines-2841580-2025-12-25>

<sup>72</sup> YJ-20 hypersonic missile filmed launching from Type 055 large destroyer in Chinese media report, December 28, 2025, <https://www.globaltimes.cn/page/202512/1351645.shtml>

Link-16 data link systems<sup>73</sup>, new avionics, cryptographic gear and logistical support, so as to extend the life of Pakistan's F-16 fleet through 2040.

Exercise Garuda Shakti. The 10<sup>th</sup> edition of India-Indonesia Joint Special Forces Exercise Garuda Shakti was conducted at the Special Forces Training School, Bakloh, Himachal Pradesh, from December 3-12<sup>74</sup>. The exercise deepens bilateral defence ties between India and Indonesia, enhances joint counter-terrorism capabilities, builds interoperability for the Special Forces, and strengthens regional security in the Indo-Pacific.

Exercise Harimau Shakti. The 5<sup>th</sup> edition of India-Malaysia Joint Military Exercise Harimau Shakti was conducted at the Mahajan Field Firing Range in Rajasthan from December 05-18<sup>75</sup>. The exercise focuses on the conduct of sub-conventional operations under Chapter VII of a UN Mandate. It serves to enhance defence cooperation between India and Malaysia.

Exercise Desert Cyclone. The second edition of the India-UAE Joint Military Exercise Desert Cyclone was conducted in Abu Dhabi from December 18-30<sup>76</sup>. The exercise was aimed at joint training in an urban environment, with a focus on sub-conventional operations under a UM mandate.

Commissioning/Decommissioning of Units. The Indian Navy commissioned DSC A20, the first of five diving support craft being built indigenously, at Kochi on December 16<sup>77</sup>. INAS 335, the second Indian Naval Air Squadron to operate MH 60R helicopters, was commissioned at Goa on December 17<sup>78</sup>. INS Sindhughosh, the lead submarine of her class, was decommissioned in Mumbai at sunset on December 19,

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<sup>73</sup> Big boost for Pak's F-16 jets as US approves \$686 million tech upgrade: Report, December 08, 2025, <https://www.indiatoday.in/world/story/pakistan-f-16-fighter-jet-tech-upgrade-us-686-million-deal-trump-shehbaz-sharif-2834274-2025-12-11>

<sup>74</sup> India-Indonesia Joint Special Forces Exercise Garuda Shakti Commences in Himachal Pradesh, December 04, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2198755&reg=3&lang=1>

<sup>75</sup> India-Malaysia to Participate in Joint Military Training Exercise Harimau Shakti in the Deserts of Rajasthan, December 05, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2199345&reg=3&lang=1>

<sup>76</sup> Indian Army Contingent Departs for India-UAE Joint Military Exercise Desert Cyclone 2025, December 17, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2205132&reg=3&lang=1>

<sup>77</sup> Commissioning of DSC A20 (First Diving Support Craft), December 16, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2204647&reg=3&lang=1>

<sup>78</sup> INAS 335 (Ospreys) Commissioned, December 17, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2205534&reg=3&lang=1>



2025<sup>79</sup>. Anjadip, the third of the ASW Shallow Water Craft indigenously designed and built by GRSE Kolkata, was handed over to the Navy at Chennai on December 22<sup>80</sup>.

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<sup>79</sup> Decommissioning Ceremony of INS Sindhughosh, December 20, 2025,

<https://indiannavy.gov.in/content/decommissioning-ceremony-ins-sindhughosh>

<sup>80</sup> Delivery of 'Anjadip' – Third Anti-Submarine Warfare Shallow Water Craft to the Indian Navy,

December 22, 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2207446&reg=3&lang=1>



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