



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## INDO-PACIFIC MONITOR

FEBRUARY 2025

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## INDO-PACIFIC MONITOR Volume VI, Issue 2 February 2025

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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:

*India's Prime Minister Narendra Modi and French President Emmanuel Macron inaugurate the Consulate of India in Marseille, February 12, 2025. Source: MEA Photo Gallery*

*Aircraft from the Carl Vinson Carrier Strike Group and French Carrier Strike Group fly in formation over the Philippine Sea with ships from VINCSG, French CSG, the Japan Maritime Self-Defense Force (JMSDF), and U.S. Military Sealift Command (MSC) during Exercise Pacific Steller 2025, February 12, 2025. Source: Indo-PACOM*

*India's Prime Minister Narendra Modi meets US President Donald Trump in the White House on February 13, 2025. Source: MEA Photo Gallery*

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# INDO-PACIFIC MONITOR

February 2025

## Abstract

Finance Minister Smt. Nirmala Sitharaman presented India's Union Budget for 2025-26 on February 01. The budget estimates the GDP for the current year as ₹ 356,97,923 crores (about \$ 4.11 trillion), total government spending of ₹ 5065345.04 crores (about \$ 583.5 billion), and a defence budget of ₹ 681210.27 crores (about \$ 78.5 billion).

Prime Minister Narendra Modi visited France from February 10-12, to co-chair the Third Artificial Intelligence Action Summit and review bilateral relations. He followed up with a consequential visit to the US on February 13, becoming the fourth foreign leader to meet President Donald Trump after his inauguration and formulating the blueprint for the near-and medium-term future of the India-US relationship.

The Amir of Qatar, Sheikh Tamim bin Hamad Al-Thani visited India on February 17-18, elevating the bilateral relationship to a strategic partnership and advancing bilateral economic cooperation between the two countries.

Japan's Prime Minister Shigeru Ishiba visited Washington D.C. on February 07 for a summit meeting with US President Donald Trump, offering to increase Japan's investment stock in the US to over \$ 1 trillion and supporting the 'Make in America' agenda.

Australian Deputy Prime Minister and Minister for Defence Richard Marles met US Secretary of Defense Pete Hegseth at the Pentagon on February 07, obtaining reconfirmation of US support for AUKUS. USS Minnesota arrived at HMAS Stirling for a port visit on February 25, confirming AUKUS remains on track.

Australian Prime Minister Anthony Albanese launched the new Roadmap for Australia's Economic Engagement with India on February 26. The roadmap identifies clean energy, education and skills, agribusiness and tourism, as key sectors of significant potential.

China continued its provocative brinkmanship in the South China Sea during the month, dropping flares in close proximity of an Australian Maritime Patrol Aircraft on February 11, followed by a PLA(N) helicopter flying with 10 feet of a Philippines reconnaissance aircraft in the region. Later, PLA (N) warships conducted live firing exercises in the Tasman Sea without advance notice on February 21 and 22, contravening international norms. China was reported to have sent two additional warships to Ream Naval Base in Cambodia on February 18.

Vietnam's Ministry of Foreign Affairs established the country's baseline to measure the breadth of its territorial waters and EEZ in the Gulf of Tonkin on February 21.

The Philippines and New Zealand completed negotiations for a Status of Visiting Forces Agreement on February 18. The expectation is that the agreement will be signed later in the year.

An Indian contingent of 120 personnel departed for Japan on February 23 to participate in Exercise Dharma Guardian which runs from February 24 – March 09, 2025.

Two USN ships transited the Taiwan Strait from February 10-12, marking the first Taiwan Strait transits under the Trump administration. On February 16, HMCS Ottawa became the first allied warship to transit the Taiwan Strait under the Trump administration.

INS Tushil, on her maiden voyage back to India, arrived at her home port of Karwar on February 15 after calls at Durban and Seychelles enroute.

## Analysing India's Defence Budget 2025-26

"Our economy is the fastest-growing among all major global economies. Our development track record of the past 10 years and structural reforms have drawn global attention. Confidence in India's capability and potential has only grown in this period". So said Finance Minister Nirmala Sitharaman while presenting the Union Budget 2025-26<sup>1</sup>. It was based on an estimated GDP of ₹ 356,97,923 crores (about \$ 4.11 trillion, as compared to \$ 3.95 trillion last year<sup>2</sup>) and aimed for transformative reforms across six domains: taxation, the power sector, urban development, mining, the financial sector, and regulatory reforms. It envisaged a total government spending of ₹ 39,44,255.27 crores (about \$ 454.35 billion<sup>3</sup>) on the Revenue Account, and ₹ 112,1089.77 crores (about \$ 129.14 billion) for capital expenditure, amounting to a total spend of ₹ 50,65,345.04 crores (about \$ 583.5 billion), or about 14.19% of the GDP.

The allocation for the Ministry of Defence was a record ₹ 68,1210.27 crores (about \$ 78.5 billion)<sup>4</sup>. This compares with the spending of ₹ 62,1540.85 crores (\$74.88 billion) last year. It is the highest component of government expenditure after interest payments, which amount to ₹ 12,76,337.98 crores (about \$ 147 billion, 3.6% of the GDP). The MoD budget constitutes 1.9% of the GDP.

This does not, however present an accurate picture. Unlike for all other departments of the Government of India, where pensions are accounted for by the Ministry of Finance under Demand No. 41, pensions for military personnel are placed under the Ministry of Defence head (Demand No 22) even though they do not constitute military expenditure. The MoD allocation for pensions is ₹ 160,795 crores (about \$18.5 billion). Actual expenditure on defence is thus ₹ 52,0415.27 crores (about \$ 60 billion), or 1.46% of GDP.

The amount allocated to MoD can be divided under three heads, apart from Pensions. The allocation under Demand No. 19 {MoD (civil)} is ₹ 28,682.97 crores. Revenue allocation, or the expenditure on maintenance and operation of the Armed Forces under Demand No. 20 amounts to ₹ 31,1732.3 crores, or about 45.7% of the defence budget. Capital allocation under Demand No. 21 is

<sup>1</sup> Budget 2025-26, Speech of Nirmala Sitharaman, Minister of Finance, [https://www.indiabudget.gov.in/doc/Budget\\_Speech.pdf](https://www.indiabudget.gov.in/doc/Budget_Speech.pdf)

<sup>2</sup> At an exchange rate of \$ 1.00 = ₹ 83.00.

<sup>3</sup> At Rs 86.81 = USD 1.00. This rate is used for all conversions hereafter.

<sup>4</sup> A record of over Rs 6.81 lakh crore allocated in Union Budget 2025-26 for MoD, and increase of 9.53% from current Financial Year, February 01, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2098485>

₹ 180,000 crores, or about 26.4% of the defence budget. Pensions constitute 23.6% of the Defence Budget.

How do allocations by the Ministry of Finance compare with the demands of the Ministry of Defence? This is shown in Table 1 below. The MOD (Civil) head has been allotted the full amount demanded; it constitutes 4.2% of the MoD budget. Revenue allocations (essentially manpower and operating costs of the armed forces) are over Rs 7150 crores less than demanded, they constitute 45.77% of the MoD budget. Since cuts cannot be made to pay and allowances, the shortfall will inevitably impact on maintenance and training. It is the Army which faces the brunt of this shortfall, with allocation being ₹ 4672 crores less than demanded. The shortfall for the Navy is ₹870 crores, while that for the Air Force is ₹ 1292 crores.

Budget Head	RE 2024-25	BE 2025-26		Difference	% of BE
		Demand	Allocation		
MoD (Civil)	26,656.35	28682.97	28682.97	Nil	4.20
Revenue	305,024.51	318,884.68	311,732.30	(-) 7152.38	45.77
Capital	159,500.00	180,000.00	180,000.00	Nil	26.43
Pensions	157,681.00	168,795.00	160,795.00	(-) 8000.00	23.60

Table 1: Budget projections and allocations<sup>5</sup>. All figures in ₹ crore.

Capital allocations, at ₹ 180,000 crores are ₹20,500 crores (approximately \$ 2.36 billion) more than the revised estimates for last year. Given that the Indian Armed Forces inventory consists of more than 45% of vintage equipment due for modernisation (as against the desired not more than 30%), and that there is a large shortfall in availability of funds for modernisation, this amount is not going to go a long way. Capital expenditure constitutes 26.4% of the Defence Budget, only slightly more than Pensions, which take up the remaining 23.6%. Finally, an allocation of ₹ 8000 crores less than the amount demanded for pensions is inexplicable.

Major items of capital expenditure are aircraft and aero engines (₹ 48614.06 crores, about \$ 5.6 billion); other equipment (₹ 63099.03 crores, about \$ 7.27 billion) and the naval fleet (₹ 24390.95 crores, about \$ 2.81 billion).

<sup>5</sup> Compiled from Demand for Grants of Central Government, 2025-26 <https://www.indiabudget.gov.in/doc/eb/alldg.pdf> and Expenditure Budget 2025-26, <https://www.indiabudget.gov.in/doc/eb/allsbe.pdf>



The Coast Guard receives a budget of ₹ 9676.7 crores (about \$ 1.11 billion). Public Sector Undertakings have received an investment of over ₹4064 crores, including ₹ 720 crores for the four public sector shipyards.

The budget for the Ministry of External Affairs is ₹ 20516.61 crores (about \$ 2.36 billion). This includes aid to Bhutan amounting to ₹ 2150 crores, Afghanistan (₹100 crores), Bangladesh (₹120 crores), Nepal (₹700 crores), Sri Lanka (₹300 crores), Maldives (₹600 crores), Myanmar (₹350 crores), African countries (₹225 crores), Chabahar port (₹100 crores), Mauritius (₹500 crores) and the Seychelles (₹19 crores).

Keeping in mind the ongoing regional and global churn, President Trump's exhortations to NATO allies to spend 5% of their GDP on defence, and the fact that India faces a multi-front threat from both land borders as well as on the maritime front, this allocation does appear somewhat insufficient.

## The Modi Visit to France

Prime Minister Narendra Modi was in France from February 10-12, to chair the AI Action Summit with President Macron on February 11 and for a bilateral meeting the next day to review progress on the 2047 Horizon Roadmap for the India-France Strategic Partnership and to inaugurate the Indian consulate at Marseille<sup>6</sup>.

The Prime Minister was received at Paris airport by the French Minister for Armed Forces Sébastien Lecornu. His first engagement was the dinner hosted by President Macron for visiting Heads of State and Government and others attending the AI Summit. On February 11, he and President Macron chaired the plenary session of the AI Summit. This was the third such summit, following the 2023 edition hosted by UK and the 2024 edition hosted by South Korea. Its emphasis was on innovation-driven AI, as opposed to the earlier emphasis on safety and security<sup>7</sup>. India joined 57 other countries, the EU and the African Union Commission in endorsing the leaders' statement on inclusive and

<sup>6</sup> Prime Minister's Departure Statement Ahead of his Visit to France and USA, February 10, 2025, [https://www.mea.gov.in/press-releases.htm?dtl/39019/Prime\\_Ministers\\_Departure\\_statement\\_ahead\\_of\\_his\\_visit\\_to\\_France\\_and\\_USA](https://www.mea.gov.in/press-releases.htm?dtl/39019/Prime_Ministers_Departure_statement_ahead_of_his_visit_to_France_and_USA)

<sup>7</sup> Transcript of Special Briefing by MEA on Prime Minister's Visit to France, February 11, 2025, [https://www.mea.gov.in/media-briefings.htm?dtl/39026/Transcript\\_of\\_Special\\_briefing\\_by\\_MEA\\_on\\_Prime\\_Ministers\\_visit\\_to\\_France\\_February\\_11\\_2025](https://www.mea.gov.in/media-briefings.htm?dtl/39026/Transcript_of_Special_briefing_by_MEA_on_Prime_Ministers_visit_to_France_February_11_2025)



sustainable AI<sup>8</sup>, gave a commitment to AI for public interest, and offered to host the next AI summit later this year. The offer was accepted. The summit affirmed the following main priorities:

- Promoting AI Accessibility to reduce digital divides.
- Ensuring AI is open, inclusive, transparent, ethical, safe, secure and trustworthy, taking into account international frameworks for all.
- Making innovation in AI thrive by enabling conditions for its development and avoiding market concentration driving industrial recovery and development
- Encouraging AI deployment that positively shapes the future of work and labour markets and delivers opportunity for sustainable growth
- Making AI sustainable for people and the planet
- Reinforcing international cooperation to promote coordination in international governance.

A joint statement was released on the bilateral portion of the visit<sup>9</sup>. The two leaders reaffirmed their shared vision for bilateral cooperation and international partnership as outlined in the Joint Statement following President Macron's State Visit to India in January 2024<sup>10</sup> and in the Horizon 2047 Roadmap published during the visit of Prime Minister Modi to France in July 2023<sup>11</sup>. Commending the progress achieved in their bilateral cooperation, they committed to accelerating it further across the three pillars of Horizon 2047: Partnership for Security and Sovereignty, Partnership for the Planet, and Partnership for the People. Acknowledging the paramount importance of advancing scientific knowledge, research and innovation, the two leaders announced the grand inauguration of the India-France Year of Innovation in New Delhi in March 2026 by launching its Logo.

<sup>8</sup> Statement on Inclusive and Sustainable Artificial Intelligence for People and the Planet, February 11, 2025, <https://www.elysee.fr/en/emmanuel-macron/2025/02/11/statement-on-inclusive-and-sustainable-artificial-intelligence-for-people-and-the-planet>

<sup>9</sup> India-France Joint Statement on the Visit of Shri Narendra Modi, Hon'ble Prime Minister of India to France (10-12 February 2025), February 12, 2025, [https://www.mea.gov.in/Speeches-Statements.htm?dtl/39033/India\\_France\\_Joint\\_Statement\\_on\\_the\\_visit\\_of\\_Shri\\_Narendra\\_Modi\\_Honble\\_Prime\\_Minister\\_of\\_India\\_to\\_France\\_1012\\_February\\_2025](https://www.mea.gov.in/Speeches-Statements.htm?dtl/39033/India_France_Joint_Statement_on_the_visit_of_Shri_Narendra_Modi_Honble_Prime_Minister_of_India_to_France_1012_February_2025)

<sup>10</sup> India-France Joint Statement on the State Visit of H.E. Mr. Emmanuel Macron, President of French Republic, to India (25-26 January 2024), January 26, 2024, [https://www.mea.gov.in/bilateral-documents.htm?dtl/37534/India\\_France\\_Joint\\_Statement\\_on\\_the\\_State\\_Visit\\_of\\_HE\\_Mr\\_Emmanuel\\_Macron\\_President\\_of\\_French\\_Republic\\_to\\_India\\_25\\_26\\_January\\_2024](https://www.mea.gov.in/bilateral-documents.htm?dtl/37534/India_France_Joint_Statement_on_the_State_Visit_of_HE_Mr_Emmanuel_Macron_President_of_French_Republic_to_India_25_26_January_2024)

<sup>11</sup> Horizon 2047: 25<sup>th</sup> Anniversary of the India France Strategic Partnership, Towards a Century of India – France Relations, July 14, 2023, [https://www.mea.gov.in/bilateral-documents.htm?dtl/36806/Horizon\\_2047\\_25th\\_Anniversary\\_of\\_the\\_IndiaFrance\\_Strategic\\_Partnership\\_Towards\\_A\\_Century\\_of\\_IndiaFrance\\_Relations](https://www.mea.gov.in/bilateral-documents.htm?dtl/36806/Horizon_2047_25th_Anniversary_of_the_IndiaFrance_Strategic_Partnership_Towards_A_Century_of_IndiaFrance_Relations)

The leaders commended progress in collaboration in construction of Scorpene submarines in India including indigenisation, and in particular the work carried out towards integration of DRDO developed Air Independent Propulsion (AIP) and the analyses conducted regarding possible integration of the Integrated Combat System (ICS) into future submarines. They welcomed ongoing discussions in missiles, helicopter engines and jet engines. PM Modi invited the French Army to take a closer look at the Pinaka MBRL. President Macron welcomed the decision to include India as an observer to the Eurodrone MALE programme managed by OCCAR. The leaders appreciated the regular conduct of military exercises, including during the visit of the French Charles de Gaulle Carrier Strike Group to India followed by the Indian Navy's participation in Exercise La Perouse, and the future conduct of Exercise Varuna in March 2025. They welcomed the launch of FRIND-X (France-India Defence Startup-Excellence) in Paris in December 2024 and stressed on the early launch of an R&D framework through a technical arrangement for cooperation in defence technologies between DGA and DRDO.

The leaders had extensive discussions on the Middle East and the war in Ukraine and agreed to pursue their efforts to coordinate and remain closely engaged on a regular basis. Stressing the importance of IMEC to foster connectivity, sustainable growth trajectories and access to clean energy, they agreed to work closely together on implementing the initiative. They underlined the key importance of strengthening EU-India relations, in view of the upcoming India-EU summit in New Delhi. They appreciated the growing cooperation in trilateral format with Australia and UAE. They underlined their common commitment to a free, open, inclusive, secure and peaceful Indo-Pacific region. Reiterating their desire to continue deepening bilateral cooperation in the space sector, they took note of the substantial contribution of the first two sessions of the India-France Strategic Space dialogue to furthering this objective and agreed to hold its third session in 2025. Condemning terrorism in all its forms and manifestations, they commended the cooperation between the NSG of India and GIGN of France for agency-level cooperation in counter-terrorism. They launched an India-France Roadmap on Artificial Intelligence<sup>12</sup> and welcomed expanded possibilities for using India's United Payments Interface (UPI) in France.

The leaders stressed that nuclear energy is an essential part of the energy mix for strengthening energy security and transitioning towards a low-carbon

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<sup>12</sup> India-France Declaration on Artificial Intelligence, February 12, 2025, [https://www.mea.gov.in/bilateral-documents.htm?dtl/39034/IndiaFrance\\_Declaration\\_on\\_Artificial\\_Intelligence\\_February\\_12\\_2025](https://www.mea.gov.in/bilateral-documents.htm?dtl/39034/IndiaFrance_Declaration_on_Artificial_Intelligence_February_12_2025)

economy. They welcomed the signing of a letter of intent on Small Modular Reactors (SMR) and Advance Modular Reactors (AMR) and the implementing arrangement between Indian and French agencies for cooperation in training and education of nuclear professionals. They reaffirmed their commitment to jointly address environmental crises and challenges including climate change and promoting sustainable lifestyles. They lauded the launching of the India-France Indo-Pacific Triangular Development Cooperation, aiming to support climate and SDG focused projects from third countries in the Indo-Pacific. Noting the record level of bilateral trade in 2024 (India-France trade amounted to \$ 15.1 billion in 2023-24, as compared to \$ 13.8 billion the previous year)<sup>13</sup>, they acknowledged the vast untapped potential for trade and investment between the two countries and highlighted the need to maintain strong confidence for companies investing in France and India.

Both sides agreed to undertake multiple cultural exchanges and programs in the context of the Year of Innovation 2026. Prime Minister Modi thanked President Macron for his willingness to share France's experience and expertise regarding the organisation and security of major international sporting events in the context of India's bid to host the Olympics and Paralympics Games in 2036. Both leaders welcomed the launch of a regional edition of the Raisina Dialogue focusing on Mediterranean issues in Marseille in 2025.

France was the first country with which India entered into a strategic partnership, in 1999. Bilateral cooperation since then has gone from strength to strength. This Modi visit to France has witnessed all-round progress in the three pillars of the Horizon 2047 roadmap, covering areas such as defence and security, space, civil nuclear cooperation, economic cooperation, critical and emerging technologies, renewable energy, environment, health, education and culture. As such, it has played a major role in further strengthening the already strong bonds between the two countries.

## Prime Minister Narendra Modi Meets President Donald Trump

Prime Minister Narendra Modi made a productive visit to Washington DC on February 13, 2025, to meet President Trump and develop an agenda to further elevate and deepen the India-US Comprehensive Global Strategic Partnership<sup>14</sup>. He was the fourth foreign leader to meet Trump in his second

<sup>13</sup> Department of Commerce, Export Import Data Bank, France, <https://tradestat.commerce.gov.in/eidb/iecmt.asp>

<sup>14</sup> Prime Minister's Departure Statement Ahead of his Visit to France and USA, February 10, 2025, [https://www.mea.gov.in/press-releases.htm?dtl/39019/Prime\\_Ministers\\_Departure\\_statement\\_ahead\\_of\\_his\\_visit\\_to\\_France\\_and\\_USA](https://www.mea.gov.in/press-releases.htm?dtl/39019/Prime_Ministers_Departure_statement_ahead_of_his_visit_to_France_and_USA)

presidency. That the visit took place within a month of Trump's inauguration is a sign of the priority both countries attach to the relationship. A "rich and substantive statement", which "lays down the blueprint for the near and medium term future of the India-US relationship"<sup>15</sup>, was released on the occasion.

The two leaders launched the "US-India COMPACT (Catalysing Opportunities for Military Partnership, Accelerated Commerce and Technology) for the 21<sup>st</sup> century, to drive transformative change across key pillars of cooperation. Under this initiative, they committed to a results-driven agenda with initial outcomes this year itself to demonstrate the level of trust for a mutually beneficial partnership<sup>16</sup>.

The leaders reaffirmed their unwavering commitment to a dynamic defence partnership spanning multiple domains and announced plans to sign this year a new ten-year Framework for the US-India Major Defense Partnership. They welcomed the integration of multiple US-origin defence platforms into India's inventory, including the C-130J Super Hercules, C-19 Globemaster III, P-8I Poseidon Maritime Patrol Aircraft (MPA); CH-47 Chinook, MH-60R Seahawk and AH-64E Apache helicopters; Harpoon anti-ship missiles, M-777 howitzers and MQ-9B Sea Guardian and Sky Guardian drones. They determined that the US would expand defence sales and co-production with India to strengthen interoperability and defence industrial cooperation. They announced plans to pursue this year procurement and co-production arrangements for Javelin Anti-Tank Guided Missiles and Stryker Infantry Combat Vehicles in India. They also expected completion of procurement for six additional P-8I MPA to enhance India's maritime surveillance in the Indian Ocean Region.

There was, however, no mention of the F-404-IN20 (for Tejas Mk 1A) or the F414-GE-INS6 (for Tejas Mk2) aircraft engines in the joint statement. A media report subsequently indicated that the first F-404-IN20 engine is currently undergoing ground tests and is expected to be delivered to HAL by March 2025<sup>17</sup>. India had ordered 99 of these engines in 2021 and the report indicates

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<sup>15</sup> Transcript of Special Briefing by MEA on Prime Minister's Visit to USA, February 13, 2025, [https://www.mea.gov.in/media-briefings.htm?dtl/39068/Transcript\\_of\\_Special\\_briefing\\_by\\_MEA\\_on\\_Prime\\_Ministers\\_visit\\_to\\_USA\\_February\\_13\\_2025](https://www.mea.gov.in/media-briefings.htm?dtl/39068/Transcript_of_Special_briefing_by_MEA_on_Prime_Ministers_visit_to_USA_February_13_2025)

<sup>16</sup> India-US Joint Statement During the Visit of Prime Minister of India to US, February 14, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2103037>

<sup>17</sup> HAL Confirms First F404-IN20 Engine for Tejas Mk 1A Fully Assembled Ready to Ship to India, February 15, 2025, <https://idrw.org/hal-confirms-first-f404-in20-engine-for-tejas-mk1a-fully-assembled-ready-to-ship-to-india/>



that the IAF and HAL have decided to order another 120 engines in the second batch.

Recognising that India is a Major Defence Partner with Strategic Trade Authorisation-1 (STA-1) authorisation and a key Quad partner, the two leaders announced that the US and India will review their respective arms transfer regulations, including International Traffic in Arms Regulations (ITAR) to streamline defence trade, technology exchange and maintenance, spares supplies and in-country repair and overhaul of US-provided defence systems. They called for opening negotiations this year for a Reciprocal Defence Procurement (RDP) agreement to better align their procurement systems and enable the reciprocal supply of defence goods and services. They pledged to accelerate defence technology cooperation across space, air defence, missile, maritime and undersea technologies, with the US announcing a review of its policy on releasing fifth generation fighters and undersea systems to India. Such a review creates potential for sale by the US of F-35 fighters and advanced undersea equipment to India.

The leaders announced a new initiative – the Autonomous Systems Industry Alliance (ASIA) – to scale industry partnerships and production in the Indo-Pacific. They welcomed a new partnership between Anduril Industries and the Mahindra Group on advanced autonomous technologies to co-develop and co-produce state of the art maritime systems and advanced AI-enabled counter Unmanned Aerial Systems, and between L3 Harris and BEL for co-development of active towed array sonar systems. They pledged to elevate military cooperation across all domains – air, land, sea, space and cyberspace – and welcomed the forthcoming ‘Tiger Triumph’ tri-service exercise with larger scale and complexity to be hosted in India. They also committed to break new ground to support and sustain the overseas deployment of the US and Indian militaries in the Indo-Pacific, including enhanced logistics and intelligence sharing, as well as arrangements to improve force mobility for joint HADR operations along with other exchanges and security cooperation engagements.

It is in trade and investment that the two leaders made the most far-reaching announcements. Resolving to deepen the bilateral trade relationship to promote growth that ensures fairness, national security and job creation, they announced “Mission 500” – the ambitious goal of more than doubling total bilateral trade to \$ 500 billion by 2030 (bilateral trade in 2023-24 was \$ 119.7 billion<sup>18</sup>). Towards this end, they announced plans to negotiate the first tranche

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<sup>18</sup> Department of Commerce Data Bank, USA,  
<https://tradestat.commerce.gov.in/eidb/iecmt.asp>



of a mutually beneficial, multi-sector Bilateral Trade Agreement (BTA) by the fall of 2025. The leaders also committed to drive opportunities for US and Indian companies to make greenfield investments in high-value industries in each other's countries. They welcomed ongoing investments by Indian companies worth about \$ 7.35 billion in the US, including in the manufacture of finished aluminium goods, steel manufacturing operations, critical battery materials and injectables.

Underscoring the importance of India-US collaboration to ensure energy affordability, reliability, availability and stable energy markets, the leaders re-committed to the US-India Energy Security Partnership, including in oil, gas and civil nuclear energy. Reaffirming their commitment to increase energy trade and to establish the US as a leading supplier of crude oil, petroleum products and liquified natural gas to India, they underscored the tremendous scope and opportunity to increase trade in the hydrocarbon sector as part of their effort to ensure supply diversification and energy security. They committed to enhancing investments, particularly in oil and gas infrastructure, and facilitating greater cooperation between their energy companies. They further announced plans to work together to build US-designed nuclear reactors in India through large scale localisation and possible technology transfer.

They announced the US-India TRUST (Transforming the Relationship Utilising Strategic Technology) initiative (a rebranded iCET), which will catalyse government-to-government, academia and private sector collaboration to promote application of critical and emerging technologies in areas like defence, artificial intelligence, semiconductors, quantum, biotechnology, energy and space, while encouraging the use of verified technology vendors and ensuring sensitive technologies are protected. As a central pillar of the TRUST initiative, they committed to work with US and Indian private industry to put forward a US-India Roadmap on Accelerating AI Infrastructure in India with milestones and future actions by the end of this year. They announced the launch of INDUS Innovation, a new innovation bridge modelled after the successful INDUS-X platform, to advance US-India industry and academic partnerships and foster investments in space, energy and other emerging technologies to maintain US and India leadership in innovation and to meet the needs of the 21<sup>st</sup> century. They also reinforced their commitment to the INDUS-X initiative.

Hailing 2025 as a pioneering year for US-India civil space cooperation, they welcomed plans for a NASA-ISRO effort through AXIOM to bring the first Indian astronaut to the International Space Station, and early launch of the joint



NISAR mission, the first of its kind to systematically map changes to the Earth's surface using dual radars. They called for more collaboration in space exploration, including on long duration human spaceflight missions, spaceflight safety and sharing of expertise in emerging areas, including planetary protection.

Reaffirming that a close partnership between the US and India is central to a free, open, peaceful and prosperous Indo-Pacific, they reiterated that this partnership is underpinned by the recognition of ASEAN centrality; adherence to international law and good governance; support for safety and freedom of navigation, overflight and other lawful uses of the seas; unimpeded lawful commerce; and advocacy for peaceful resolution of maritime disputes in accordance with international law. Prime Minister Modi looked forward to hosting President Trump in New Delhi for the Quad leaders' Summit, ahead of which the leaders would activate new Quad initiatives in shared airlift capacity to promote civilian response to natural disasters and maritime patrols to improve interoperability. The leaders resolved to increase cooperation with partners in the Middle East. They plan to convene partners from the India-Middle East-Europe Corridor and the I2U2 Group within the next six months to announce new initiatives in 2025. The leaders recognised the need to build new plurilateral anchor partnerships in the Western Indian Ocean, Middle East and the Indo-Pacific to grow relationships, commerce and cooperation across defence, technology, energy and critical minerals. They expected to announce new partnership initiatives across these sub-regions by the fall of 2025.

The two big takeaways from the visit were in defence cooperation and trade. In the former, the agreement to review sale of advanced equipment, including F-35 aircraft and undersea technology to India has far-reaching implications. In the latter, the ambitious Mission 500 – lifting bilateral trade to \$ 500 billion by 2030, and the decision to conclude the first phase of a bilateral trade agreement could be momentous for India's prosperity.

In his press briefing, the Foreign Secretary described the mood in the room and the overall environment of the (Modi-Trump) meeting as having lent great confidence to both sides that the relationship is on a solid footing and there is much to achieve in the coming months and years<sup>19</sup>. The outcomes of the visit effectively indicate that India achieved all that could be expected. To this end at least, the visit could be described as highly successful.

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<sup>19</sup> Transcript of Special Briefing by MEA on Prime Minister's Visit to USA, February 13, 2025, [https://www.mea.gov.in/media-briefings.htm?dtl/39068/Transcript\\_of\\_Special\\_briefing\\_by\\_MEA\\_on\\_Prime\\_Ministers\\_visit\\_to\\_USA\\_February\\_13\\_2025](https://www.mea.gov.in/media-briefings.htm?dtl/39068/Transcript_of_Special_briefing_by_MEA_on_Prime_Ministers_visit_to_USA_February_13_2025)





## The Trump Ishiba Summit

Among the foremost priorities of any Japanese Prime Minister on assuming office or on change of US leadership is a visit to the US, to pledge allegiance to the US-Japan alliance and obtain a similar pledge from the US President. Prime Minister Shigeru Ishiba was no exception. On February 07, weeks after the inauguration of President Donald Trump, he became just the second foreign leader to meet newly inaugurated President in Washington DC.

There were several areas of concern before the visit. Among them were Ishiba's position as the head of a minority party leading the government, its economic relationship with China (Japan is China's largest trading partner), the block by the previous US administration on Nippon Steel's acquisition of US Steel, the costs to be paid for US personnel stationed in Japan, and Trump's approach to the North Korean leader Kim Jong-un. These concerns, however, do not seem to have impacted the visit.

The joint statement issued on conclusion of the visit comprised three verticals: US-Japan cooperation for peace; US Japan cooperation for growth and prosperity; and US-Japan coordination in the Indo-Pacific.

Cooperation for Peace. The two leaders emphasized that US-Japan alliance remains the cornerstone of peace, security and prosperity in the Indo-Pacific. Japan reiterated its commitment to fundamentally reinforcing its own defence capabilities, while the US underscored its commitment to the defence of Japan, and that Article V of the US-Japan Treaty of Mutual Cooperation and Security applies to the Senkaku Islands. Japan reaffirmed its role in maintaining peace and security in the Indo-Pacific by seamlessly responding to any situation from peacetime to contingencies. The two leaders confirmed that they intend to further strengthen US-Japan deterrence and response capabilities by enhancing defence and security cooperation. The US welcomed Japan's commitment to building capabilities by FY 2027 to consolidate its primary responsibility for defending Japan, and to fundamentally reinforcing its defence capabilities beyond 2027. The two leaders instructed their foreign and defence ministers to convene a Security Consultative Committee (2+2 ministerial) at an early date to implement the above cooperation expeditiously.

Cooperation for Growth and Prosperity. The two leaders reaffirmed that bilateral economic cooperation, including on economic security, forms an indispensable part of alliance cooperation. They resolved to promote business opportunities and significantly increase bilateral investment and employment; strengthen their industrial bases and collaborate to lead the world in developing

critical technologies; enhance efforts to counter and build resilience against economic coercion; and jointly promote growth in the Indo-Pacific underpinned by a free and fair economic order. Ishiba offered to lift Japan's investment in the US over \$ 1 trillion, supporting Trump's 'Make in America' agenda. They also resolved to continue discussions on aligning policies to further promote and protect critical and sensitive technologies, including through export controls, and to enhance supply chain resilience. They announced their intention to strengthen energy security by unleashing the US' affordable and reliable energy and natural resources, and by increasing exports of US LNG to Japan in a mutually beneficial manner.

Coordination in the Indo-Pacific. The leaders announced their intention to advance cooperation among like-minded countries, including the Japan-Australia-India-US Quad and the Japan-US-ROK, Japan-US-Australia and Japan-US-Philippines trilaterals. They reiterated their strong opposition to any attempts by China to change the status quo by force or coercion in the East China Sea. They also reaffirmed their strong opposition to China's unlawful maritime claims, militarisation of reclaimed features and threatening and provocative activities in the South China Sea. They emphasised the importance of maintaining peace and stability across the Taiwan Strait as an indispensable element of security and prosperity for the international community. They expressed their serious concerns over and the need to address North Korea's nuclear and missile programmes, and reaffirmed their resolute commitment to the complete denuclearisation of North Korea.

Notable in the joint statement was the complete absence of Russia, Ukraine, Europe or today's challenges transcending geography<sup>20</sup>. The assiduously fostered link between Euro-Atlantic and Indo-Pacific security, conspicuous during the summit between former Prime Minister Fumio Kishida and former President Joseph Biden was sidelined. That the US would prioritise Indo-Pacific security and expected Europe to do much more to secure itself (and Ukraine) became clear in Defense Secretary Pete Hegseth's opening remarks to the Ukraine Defense Contact Group a few days later<sup>21</sup>.

Notable also was the US obtaining a commitment from Japan to building capabilities by 2027 to consolidate its primary responsibility for defending itself. The alliance has meant that Japan has long outsourced primary

<sup>20</sup> Joint Statement of the United States and Japan, January 13, 2023, [https://japan.kantei.go.jp/101\\_kishida/documents/2023/\\_00001.html](https://japan.kantei.go.jp/101_kishida/documents/2023/_00001.html)

<sup>21</sup> Opening Remarks by Secretary of Defense Pete Hegseth at Ukraine Defense Contact Group (As Delivered), February 12, 2025, <https://www.defense.gov/News/Speeches/Speech/Article/4064113/opening-remarks-by-secretary-of-defense-pete-hegseth-at-ukraine-defense-contact/>

responsibility for its own defence to the US. The change will dictate further growth in Japan's defence spending over the coming years.

Ishiba's ability to deliver the commitments he has made in the joint statement, however, particularly budgetary ones, rest upon his ability to rally the opposition behind him. As the head of a minority government, his survival beyond the budget session of the Diet is questionable. Expectations from him, given his weak political standing, were not high. He has performed beyond expectations in dealing with President Donald Trump. Whether this translates into special treatment for Japan in the coming months will have to be seen.

## AUKUS Advances as Trump Administration Signals Support

by Divya Rai

In a recent development highlighting the ongoing AUKUS trilateral security pact, U.S. Secretary of Defense Pete Hegseth and Australian Deputy Prime Minister and Minister for Defence Richard Marles met at the Pentagon, where Hegseth confirmed Australia's initial US \$500 million payment to the US for strengthening the submarine industrial base. The payment is part of a series of instalments toward a US \$3 billion promised investment<sup>22</sup>. The US side looked forward to delivering the first Virginia-class submarine to Australia on time.

Hegseth's meeting with Marles marked his first official engagement with a foreign defence counterpart since his confirmation on January 25, 2025. Discussions at the meeting were centred on the strategic environment in the Indo-Pacific, U.S. force posture priorities with Australia, AUKUS, and defence industrial collaboration, including the Guided Weapons and Explosive Ordnance (GWEO) enterprise.

The AUKUS agreement, established in 2021, is designed to counter China's growing influence in the Indo-Pacific region by fostering technology sharing and enhancing defence capabilities among Australia, the United Kingdom, and the United States. Under the AUKUS submarine program, the U.S. will supply three Virginia-class nuclear-powered submarines to Australia in the early 2030s. The procurement of Virginia-class submarines is intended to bridge Australia's submarine capability gap by providing it nuclear propelled submarines following the decommissioning of its Collins-class conventional submarines. The agreement also loosens restrictions on sharing defence technology. According to media reports, the project is expected to cost Australia up to A\$368 billion (US\$230 billion) over the coming decades.

In the enthusiasm for AUKUS, Australia has significantly increased its investment in defence infrastructure, specifically targeting upgrades to support US military operations. In the 2024-25 fiscal year, the budget for the Royal Australian Navy (RAN) submarine acquisition and infrastructure/support multiplied by nearly six times, reaching AU\$1.49 billion and AU\$245.4 million,

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<sup>22</sup> U.S. Department of Defense. "Shared Challenges, AUKUS Partnership Top Topics as U.S., Australian De." February 7, 2025. <https://www.defense.gov/News/News-Stories/Article/Article/4060571/shared-challenges-aukus-partnership-top-topics-as-us-australian-defense-leaders/>.

respectively, compared to the previous year's AU\$316.8 million<sup>23</sup>. This increase is largely attributed to the ramped-up efforts to induct a fleet of nuclear-powered submarines (SSN). The Albanese Labor Government in January 2025 announced an additional investment of \$262 million to support local defence industry uplift and develop Australia's AUKUS nuclear-powered submarine supply chain. Additionally, Australia completed its first local maintenance on the U.S. Navy nuclear-powered attack submarine USS Hawaii (SSN 776) in mid-September 2024, with Australian and U.S. engineers collaborating<sup>24</sup>.

While some view Australia's commitment to strengthening its security alliance with the U.S. as unrealistic and potentially detracting from its strategic decision-making, the endorsement of the AUKUS nuclear submarine agreement by the Trump administration has provided reassurance to Canberra. Although President Trump has not publicly addressed AUKUS, during the meeting Pete Hegseth confirmed that Trump is "very aware", supportive of AUKUS, and recognises the importance of the defence industrial base<sup>25</sup>.

Despite the positive momentum, challenges remain, particularly regarding the timely delivery of the submarines. While Hegseth expressed optimism, the actual delivery timeline remains uncertain. Moreover, with the upcoming Australian federal election, the Labor Party's stance on AUKUS is expected to face scrutiny, especially given potential reliance on parties like the Greens, who oppose the pact. Should Labor secure only a minority government, it might need to rely on support from Greens, which will create a potential challenge for maintaining the pact's current trajectory.

So far, the Asian countries, except China, have received a more positive first month of Donald Trump's presidency than European and North American countries. Trump's support for Australia's acquisition of nuclear submarines under the AUKUS pact has provided Canberra with some respite amidst ongoing concerns regarding the delivery schedule, as well as Washington's commitment to the agreement.

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<sup>23</sup> Cmde Lalit Kapur (Retd.). "Indo-Pacific Monitor Vol. V Issue 5", June 1, 2024", <https://www.delhipolicygroup.org/publication/indo-pacific-monitor/indo-pacific-monitor-5140.html>.

<sup>24</sup> Australian Government-Defence. "Supporting Australian Industry to Join AUKUS Submarine Supply Chains", January 22, 2025. <https://www.minister.defence.gov.au/media-releases/2025-01-21/supporting-australian-industry-join-aukus-submarine-supply-chains>.

<sup>25</sup> Australian Government-Defence. "Opening Remarks, Meeting with US Secretary of Defense, Washington DC", February 8, 2025. <https://www.minister.defence.gov.au/transcripts/2025-02-08/opening-remarks-meeting-us-secretary-defense-washington-dc>.

## Other Developments Impacting the Indo-Pacific

State Visit of Amir of Qatar. The Amir of Qatar, Sheikh Tamim bin Hamad Al-Thani and a high level delegation from the country visited India on February 17-18. The Amir was accorded a ceremonial welcome at the Rashtrapati Bhavan. The bilateral relationship was elevated to a strategic partnership<sup>26</sup>. The two sides noted that trade and commerce had been a strong pillar of bilateral economic cooperation between the two countries and emphasised the potential for further growth and diversification of bilateral trade. India welcomed the decision of the Qatar Investment Authority to open an office in India. Both sides welcomed the operationalisation of India UPI in QNB's Points of Sales in Qatar and looked forward to implement nationwide acceptance of UPI in Qatar. The two leaders unequivocally condemned terrorism in all its forms and manifestations including cross-border terrorism and agreed to cooperate to combat this menace through bilateral and multilateral mechanisms.

Australia Launches Roadmap for Economic Engagement with India. Prime Minister Anthony Albanese launched the Roadmap for Australia's Economic Engagement with India on February 26<sup>27</sup>. The roadmap provides detailed directions for the greater realisation of the potential of the India-Australia relationship. It identifies clean energy, education and skills, agribusiness and tourism as key sectors of significant potential. Also launched was a new Australia-India Trade and Investment Accelerator Fund, to create a better enabling environment for Australian firms to seize new commercial opportunities.

SecDef Pete Hegseth on Europe. Remarks by US Secretary of Defense Pete Hegseth spelt out the priorities of the Trump administration with revealing clarity. Speaking at the Ukraine Defense Contact Group in Europe, Secretary Hegseth conveyed a clear message: "The bloodshed must stop. And this war must end"<sup>28</sup>. He went on to add "we must start be recognising that returning to Ukraine's pre-2014 borders is an unrealistic objective" and "the United States does not believe that NATO membership for Ukraine is a realistic outcome of a negotiated settlement". He specified that any security guarantee for Ukraine must be backed by European and non-European troops deployed as part of a

<sup>26</sup> India – Qatar Joint Statement, February 18, 2025,  
<https://pib.gov.in/PressReleasePage.aspx?PRID=2104490>

<sup>27</sup> Launch of the Roadmap for Australia's Economic Engagement with India

<sup>28</sup> Opening Remarks by Secretary of Defense Pete Hegseth at Ukraine Defense Contact Group (As Delivered), February 12, 2025,  
<https://www.defense.gov/News/Speeches/Speech/Article/4064113/opening-remarks-by-secretary-of-defense-pete-hegseth-at-ukraine-defense-contact/>

non-NATO mission and not covered under Article 5. He also made it clear that there would no US troops deployed to Ukraine, and “safeguarding European security must be an imperative for European members of NATO”. Finally, he stated that stark strategic realities prevented the US from being primarily focused on the security of Europe. The US faced a peer competitor in Communist China with the capability and intent to threaten the US homeland and core national interests in the Indo-Pacific. The US was thus prioritising deterring war with China in the Pacific, recognising the reality of scarcity, and making the necessary trade-off’s to ensure deterrence does not fail.

US SecDef’s Call with Filipino Counterpart. US Secretary of Defense Pete Hegseth spoke to his Filipino counterpart on February 5, to discuss defence cooperation in the US-Philippines Alliance<sup>29</sup>. The leaders discussed the importance of reestablishing deterrence in the South China Sea, as well as enhancing the capability and capacity of the Philippines’ Armed Forces.

Philippines New Zealand Status of visiting Forces Agreement. The Philippines and New Zealand concluded negotiations for a Status of Visiting Forces Agreement (SOVFA) on February 18. Both parties expressed optimism about signing the SOVFA in the second quarter of 2025. This agreement aims to enhance defence and military cooperation between the two nations, allowing their armed forces to conduct joint exercises on each other's territories. The SOVFA will strengthen military ties and is expected to reinforce the 2017 Memorandum of Arrangement concerning defence cooperation between the Philippines and New Zealand. It follows similar arrangements that the Philippines has with other countries, including the United States and Australia<sup>30</sup>.

Japan-Philippines Defence Equipment and Technology Cooperation. Japan and Philippines agreed on February 24 to establish a new high-level framework to help expand defence equipment and technology cooperation<sup>31</sup>.

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<sup>29</sup> Readout of Secretary of Defense Pete Hegseth’s call with Philippines Secretary of National Defence Gilberto Teodoro, Jr, February 5, 2025, <https://www.defense.gov/News/Releases/Release/Article/4055553/readout-of-secretary-of-defense-pete-hegseths-call-with-philippines-secretary-o/>

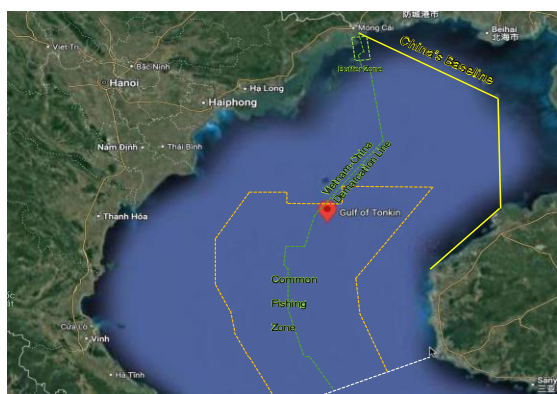
<sup>30</sup> Department of National Defense—Philippines. “Philippines, New Zealand conclude negotiations for a Status of Visiting Forces Agreement”, February 20, 2025. <https://www.dnd.gov.ph/Release/2025-02-20/2324/Philippines,-New-Zealand-conclude-negotiations--for-a-Status-of-Visiting-Forces-Agreement/>

<sup>31</sup> Japan and Philippines to establish high-level defense gear framework, February 24, 2025, <https://www.japantimes.co.jp/news/2025/02/24/japan/politics/japan-philippine-defense-ministers/>

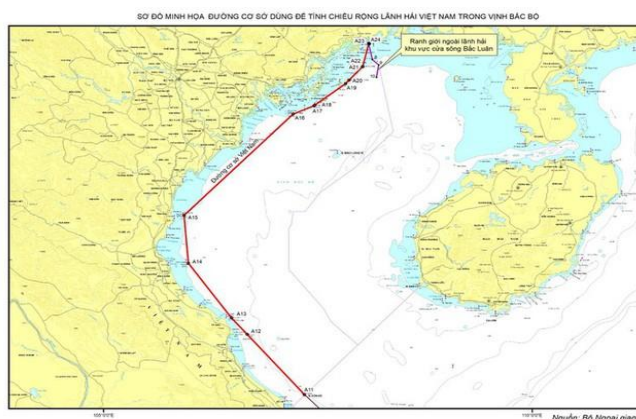


Australia PNG Defence Ministers' Meeting. The Defence Ministers of Australia and PNG met at Brisbane on February 20, 2025<sup>32</sup>. The ministers announced their commitment to negotiate a bilateral defence treaty, building on the Australia-PNG Bilateral Security Agreement of 2023. They also agreed that the PNG would host a component of Exercise Talisman Sabre in 2025.

Vietnam Baseline in Gulf of Tonkin. Vietnam's Ministry of Foreign Affairs issued a declaration on February 21 establishing a baseline to measure the breadth of Vietnam's territorial waters in the Gulf of Tonkin. This baseline is defined by 14 points on the chart, stretching from offshore Quang Ninh province to Quang Tri province. Vietnam's move follows China's announcement of its own baseline in the Gulf of Tonkin in March 2024. The baselines declared by both countries are shown on the maps below.



China's Baseline in Gulf of Tonkin<sup>33</sup>



Vietnam's Baseline in Gulf of Tonkin<sup>34</sup>

China Removes Buoy Near Senkaku Islands. China was reported to have removed a contentious buoy it had placed near the Japanese-controlled Senkaku Islands on February 11<sup>35</sup>. Removal of the buoy eliminates an irritant that could have worked against a possible summit meeting between the two countries later this year.

<sup>32</sup> Joint Statement: Australia – Papua New Guinea Defence Ministers' Meeting, February 20, 2025, <https://www.minister.defence.gov.au/statements/2025-02-20/joint-statement-australia-papua-new-guinea-defence-ministers-meeting>

<sup>33</sup> Ministry of Foreign Affairs- China. "Statement of the Government of the People's Republic of China on the Baselines of the Northern Territorial Sea of the Beibu Gulf", March 1, 2024. [https://www.mfa.gov.cn/web/ziliao\\_674904/1179\\_674909/202403/t20240301\\_11252543.shtml](https://www.mfa.gov.cn/web/ziliao_674904/1179_674909/202403/t20240301_11252543.shtml)

<sup>34</sup> Online Newspaper of Government of the Socialist Republic of Viet Nam. "Viet Nam Announces Baseline in Gulf of Tonkin", February 21, 2025. <https://en.baochinhphu.vn/viet-nam-announces-baseline-in-gulf-of-tonkin-111250221211429833.htm>

<sup>35</sup> China removes buoy in Japan's EEZ near Senkakus amid warming ties, February 12, 2025, <https://www.japantimes.co.jp/news/2025/02/12/japan/politics/china-removes-buoy-japan-senkaku/>

China's Unprofessional Provocation in the South China Sea. China continued its unprofessional provocation and confrontation in international air space over the South China Sea that it claims as its territorial waters. On February 11, a PLA-AF J-16 fighter aircraft dropped flares in close proximity of an Australian RAAF P-8A Poseidon conducting a routine maritime surveillance mission in the region<sup>36</sup>. The action posed a risk to the Australian aircraft and its personnel. Days later, on February 18, a PLA-Navy helicopter flew within three metres of a Philippine C-208 reconnaissance aircraft operating near the Scarborough Shoal. China claimed that it had thus expelled the Philippine aircraft from the region<sup>37</sup>. The US condemned the “unsafe and irresponsible actions” by the PLA Navy in interfering with a Philippine maritime air operation in the vicinity of the Scarborough Shoal<sup>38</sup>.

Türkiye Indonesia Agreement. Türkiye and Indonesia signed 13 joint agreements in various sectors, including trade, defense, and media, on February 12. Among them was an agreement for joint production of military drones, specifically the Bayraktar TB3 and Bayraktar AKINCI models. This collaboration involves Turkish defense firm Baykar and Indonesian company Republikorp. Both leaders reaffirmed their commitment to achieving a bilateral trade volume of \$10 billion. The two countries agreed to hold regular 2+2 meetings between their foreign and defense ministers to monitor the implementation of strategic defense cooperation. They also planned to convene the second High-Level Strategic Cooperation Council in Türkiye in 2027<sup>39</sup>.

China Conducts Live Firing Drills in Tasman Sea. A PLA (Navy) Task Group comprising the cruiser Zunyi, the frigate and Hengyang and the oiler Weishanhu conducted two live firing exercises in the Tasman Sea (between Australia and New Zealand) from February 21-23<sup>40</sup>. Notice of these exercises was received after commencement of the firing window, in contravention of normal international procedure. The location of the Task Group is not on the

<sup>36</sup> Statement on unsafe and unprofessional interaction with People's Liberation Army-Air Force, February 13, 2025, <https://www.defence.gov.au/news-events/releases/2025-02-13/statement-unsafe-and-unprofessional-interaction-peoples-liberation-army-air-force>

<sup>37</sup> China military denounces Philippine aircraft's illegal intrusion into airspace of Huangyan Dao, February 18, 2025, [http://eng.chinamil.com.cn/CHINA\\_209163/TopStories\\_209189/16370199.html](http://eng.chinamil.com.cn/CHINA_209163/TopStories_209189/16370199.html)

<sup>38</sup> US Support for the Philippines in the South China Sea, February 19, 2025, <https://www.state.gov/u-s-support-for-the-philippines-in-the-south-china-sea/>

<sup>39</sup> Republic of Türkiye Directorate of Communications. “Türkiye and Indonesia sign 13 agreements”, February 12, 2025. <https://www.iletisim.gov.tr/english/haberler/detay/turkiye-and-indonesia-sign-13-agreements>

<sup>40</sup> Chinese Navy Task Group Operating in Australia's EEZ; US, Japan Hold Ballistic Missile Exercise, February 25, 2025, <https://news.usni.org/2025/02/25/chinese-navy-task-group-operating-in-australias-eez-u-s-japan-hold-ballistic-missile-exercise>

way to any other destination, making it clear that this was a deliberate show of capability intended for Australia and New Zealand.

First Taiwan Strait Transit of New Trump Administration. USS Ralph Johnson and USNS Bowditch carried out the first Taiwan Strait transit of the current Trump administration from February 10-12<sup>41</sup>. China said “The US action sent the wrong signals and increased security risks”<sup>42</sup>.

HMCS Ottawa Transits Taiwan Strait. HMCS Ottawa transited the Taiwan Strait on February 16, becoming the first allied warship to do so during the Trump administration<sup>43</sup>. China’s spokesperson denounced the transit, describing it as an act that deliberately stirred up trouble and undermined peace and stability in the Taiwan Strait. China claimed to have effectively dealt with the Canadian ship<sup>44</sup>.

China Sends Additional Ships to Ream Naval Base. China was reported as sending two more ships to Ream Naval Base<sup>45</sup>. The report indicated China is likely to hand over the new facilities at the base together with pier and two warships to Cambodia. In return, the PLA (Navy) will get privileged access to new base.

Allied Exercise in Philippines EEZ. In a signal to China, the Armed Forces of Australia, Japan, the Philippines and the US conducted a multilateral maritime cooperation activity in the Philippines’ EEZ on February 5<sup>46</sup>. Naval and Air Force units from these countries operated together to enhance cooperation and interoperability.

Exercise Pacific Steller 2025. Aircraft carriers, ships and maritime patrol aircraft from France, the US and Japan participated in Exercise Pacific Steller 2025 in

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<sup>41</sup> US warship sails through Taiwan Strait for first time since Trump inauguration, February 12, 2025, <https://www.japantimes.co.jp/news/2025/02/12/asia-pacific/politics/us-taiwan-strait-trump-first-transit/>

<sup>42</sup> US vessels passage through Taiwan Strait increases security risks: PLA Spokesperson, February 12, 2025, <http://eng.chinamil.com.cn/VOICES/MilitaryServices/16369139.html>

<sup>43</sup> Canadian Frigate HMCS Ottawa Transits Taiwan Strait, February 17, 2025, <https://news.usni.org/2025/02/17/candian-frigate-hmcs-ottawa-transits-taiwan-strait>

<sup>44</sup> Chinese military effectively deals with Canadian warship’s transit through Taiwan Strait: spokesperson, February 17, 2025, [http://eng.chinamil.com.cn/CHINA\\_209163/TopStories\\_209189/16369958.html](http://eng.chinamil.com.cn/CHINA_209163/TopStories_209189/16369958.html)

<sup>45</sup> China sends 2 more ships to Cambodia’s Ream Naval Base, February 18, 2025, <https://www.rfa.org/english/cambodia/2025/02/18/china-navy-cambodia-ream-naval-base/>

<sup>46</sup> Australia, Japan, Philippines and United States Conduct Multilateral Maritime Cooperative Activity, February 5, 2025, <https://www.pacom.mil/Media/News/News-Article-View/Article/4054083/australia-japan-philippines-and-united-states-conduct-multilateral-maritime-coo/>

the Philippine Sea from February 8-18<sup>47</sup>. The exercise was hosted by the French Navy.

Exercise Dharma Guardian. An Indian contingent of 120 personnel departed for the East Fuji Manoeuvre Training Area of Japan to participate in Exercise Dharma Guardian on February 23. The exercise is scheduled from February 24 to March 09.

AMAN-2025. The multinational maritime exercise AMAN-2025, organised by the Pakistan Navy, concluded with an International Fleet Review (IFR) in the North Arabian Sea on February 11. 60 countries participated, including with ships from Bangladesh, China, Indonesia, Iran, Japan, Saudi Arabia, Malaysia, Oman, Sri Lanka, USA and the UAE. The exercise also included the AMAN Dialogue, addressing maritime security challenges. The theme was "Secure Seas, Prosperous Future"<sup>48</sup>.

USS Minnesota Visits HMAS Stirling. USS Minnesota (SSN-783) arrived at HMAS Stirling in Australia for a port visit on February 25<sup>49</sup>. This marks the first rotational deployment of a US SSN to Australia in 2025 and is in keeping with the US commitment under AUKUS to have regular such deployments.

DRDO Tests VSHORADS. DRDO successfully carried out three successive flight trials of the Very Short Range Air Defence System (VSHORADS) on February 01<sup>50</sup>. VSHORADS is the indigenously developed man-portable Air Defence System intended for use by all three services.

DRDO Successfully Flight Tests NSAM-SR. The DRDO successfully carried out the third flight test of the first-of-its-kind Naval Anti-Ship Missile (NASM-SR) from a Seaking Helicopter off the coast of Odisha on February 26. The NASM-SR, which is intended as a replacement for the Sea Eagle missile used by the IN<sup>51</sup>, flies at Mach 0.8 and has a range of 55 Km. It features unique man-in-loop

<sup>47</sup> France, Japan, US partners in Multi-Large Deck Event in Philippine Sea, February 6, 2025, <https://www.cpf.navy.mil/Newsroom/News/Article/4056329/france-japan-us-partner-in-multi-large-deck-event-in-philippine-sea/>

<sup>48</sup> Defence Turkey Magazine. "9th Multinational Maritime Exercise AMAN-2025 Kicks off at PN Dockyard in Karachi", February 21, 2025. <https://www.defenceturkey.com/en/content/9th-multinational-maritime-exercise-aman-2025-kicks-off-at-pn-dockyard-in-karachi-6194>.

<sup>49</sup> USS Minnesota (SSN-783) Advances AUKUS with Port Visit to HMAS Stirling, February 25, 2025, <https://www.navy.mil/Press-Office/News-Stories/Article/4077217/uss-minnesota-ssn-783-advances-aukus-with-port-visit-to-hmas-stirling/>

<sup>50</sup> DRDO successfully conducts successive flight-trials of Very Short-Range Air Defence System off the Odisha Coast, February 1, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2098784>

<sup>51</sup> DRDO and Indian Navy successful conduct flight-trials of first-of-its-kind Naval Anti-Ship Missile, February 26, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2106482>

system that allows re-targeting after launch, using imaging infra-red seeker to enable target re-selection. This trial was to prove man-in-loop feature.

INS Tushil Arrives at Home Port. INS Tushil, which was commissioned at Kaliningrad on December 18, 2024, arrived at her home port Karwar on February 14<sup>52</sup>. The ship visited London, Casablanca, Dakar, Lome, Lagos, Walvis Bay, Durban and Port Victoria on her way back to India. She will form part of India's Western Fleet.

### India's Maritime Interaction with Other Countries.

Dates	Participants	Event
29 Jan – 01 Feb	INS Tushil <sup>53</sup>	Port visit at Durban, South Africa
06-09 Feb	INS Sujata, INS Shardul and ICGS Veera <sup>54</sup>	Visit to Changi Naval Base, Singapore
07 – 08 Feb	INS Tushil <sup>55</sup>	Visit to Port Victoria, Seychelles for Operational Turnaround.
14-17 Feb	INS Sujata and ICGS Veera <sup>56</sup>	Visit to Sihanoukville, Cambodia
15-22 Feb	INS Shardul, P-8I <sup>57</sup>	Visit to Bali to participate in IFR and Exercise Komodo
20-23 Feb	INS Sujata, ICGS Veera <sup>58</sup>	Visit to Cam Ranh Bay, Vietnam

Navika Sagar Parikrama II. INSV Tarini entered Port Stanley, in the Falklands, on February 18, thus completing the third leg of her round the world voyage<sup>59</sup>. Having completed her voyage across the Eastern Indian Ocean and the Pacific, the vessel will now head across the Atlantic to Cape Town before returning to India.

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<sup>52</sup> INS Tushil returns home to Karwar after 12,500 mile passage from Russia, February 15, 2025, <https://www.heraldgoa.in/goa/goa/ins-tushil-returns-home-to-karwar-after-12500-mile-passage-from-russia/419465>

<sup>53</sup> INS Tushil visits South Africa, February 03, 2025, <https://www.defenceweb.co.za/featured/ins-tushil-visits-south-africa/>

<sup>54</sup> Indian Navy's First Training Squadron Arrives Changi Naval Base, Singapore, February 07, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2100709>

<sup>55</sup> INS Tushil at Port Victoria, Seychelles, February 09, 2025, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2101119>

<sup>56</sup> Indian Navy's First Training Squadron Departs Sihanoukville Port, Cambodia, February 09, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2104717>

<sup>57</sup> Indian Navy Platforms Arrive in Indonesia to Participate in International Fleet Review 25, and the Multilateral Naval Exercise Komodo, February 16, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2103820>

<sup>58</sup> First Training Squadron of Indian Navy Arrived at Cam Ranh Bay, Vietnam, February 21, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2105249>

<sup>59</sup> Navika Sagar Parikrama II INSV Tarini Reaches Port Stanley the third Port of Call, February 18, 2025, <https://pib.gov.in/PressReleasePage.aspx?PRID=2104466>



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