

THE WEEK IN REVIEW

December 2-15, 12(1&2), 2013

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CONTENTS

In This Issue	Page
I. COUNTRY REVIEWS	
A. East Asia	2-4
B. Central Asia & Russia	4-7
II. DEFENCE REVIEW	7-8

I. COUNTRY REVIEWS

A. East Asia

China

(December 2-15)

- **China set to continue reforms and economic growth; China upset over Shinzo Abe's statements on ADIZ; China hopes for stability in DPRK; China announces that it has full capability to monitor ADIZ; China expresses regret over the ROK expansion of their Air Defence Identification Zone; China promises to cooperate with Pakistan and Afghanistan; Egyptian Foreign Minister scheduled to visit China; China and France announce cooperation to jointly tap international nuclear markets; Li Keqiang meets with the Ukrainian President; Li Keqiang holds meeting with visiting US Vice-President Joe Biden; Chinese Foreign Ministry: China and the US are in contact with respect to the Chinese ADIZ**

According to reports, during a Conference the Chairman of the Chinese National Development and Reform Commission, Xu Shaoshi, said on December 15 that China will maintain its continuous and stable macroeconomic policies in the year 2014. The statement issued was that, "the core is to seek steady progress and promote reforms and innovations" in order to manage economic progress in the year 2014.¹

In another development, according to reports, Japanese Prime Minister Shinzo Abe on December 14 criticized the Chinese East China Sea Air Defense Identification Zone (ADIZ) during the summit between Japan and the Southeast Asian countries. Abe had said that China had undertaken a "unilateral action" in order to change the existing situation on the East China Sea. He also added that this was in violation of the freedom of aviation over the high seas.²

According to reports, while responding to the recent execution of Democratic People's Republic of Korea's Jang Song-Thaek, Chinese Foreign Ministry spokesman Hong Lei said that it was an internal matter of the country and he hoped that the country will remain stable. He further added that, "We hope to see national stability, economic development and people living in happiness in the DPRK".³

¹ "China sets sights on reform, stable economic growth" By Zheng Yangpeng, China Daily, December 15, 2013 at http://www.chinadaily.com.cn/china/2013-12/15/content_17175726.htm

² "China slams Abe's comments on ADIZ" China Daily, December 15, 2013 at http://www.chinadaily.com.cn/china/2013-12/15/content_17175043.htm

³ "China hopes DPRK remains stable: FM spokesman" China Daily, December 13, 2013 at http://www.chinadaily.com.cn/china/2013-12/13/content_17174025.htm

Reports noted that as a response to the Japanese and South Korean joint search and rescue exercise in the East China Sea, China announced that it is fully capable of monitoring the Chinese Air Defence Identification Zone (ADIZ). The Chinese Foreign Ministry Spokesperson Hong Lei said on December 12 that, "China is monitoring the ADIZ effectively right now".⁴ In addition to this China had also expressed regret over the expansion of the South Korean Air Defence Identification Zone.⁵

Reports noted that China, Pakistan and Afghanistan recently concluded a two – day third round of trilateral dialogue in Kabul on December 10. China promised to increase substantial trilateral cooperation. The three sides had in-depth exchange of views on the situation in Afghanistan and the region, agreeing to boost their joint work. The Chinese spokesperson Hong Lei said, "The trilateral dialogue is a helpful attempt at enhancing communication and coordination among the three countries in response to the rapid change of regional circumstances".⁶

Reports noted that the Chinese Foreign Ministry announced on December 11 that the Egyptian Foreign Minister Nabil Fahmy will be visiting China from December 14 to 16. He will be making the visit on the invitation of Chinese Foreign Minister Wang Yi.⁷

In other developments, according to reports, during the meeting between the Chinese Premier Li Keqiang and the French Prime Minister Jean-Marc Ayrault on December 6 the two sides agreed to jointly explore the international nuclear power market. Li Keqiang said that, "We agree to jointly exploit third-party nuclear energy markets. China hopes the two countries can find broader space in the markets".⁸

Reports noted that Chinese Premier Li Keqiang met the Ukrainian President Viktor Yanukovich on December 6. Premier Li said that China will be working with Ukraine to enhance their mutual political trust and cooperation and also work towards building strategic partnership.⁹

According to reports, the Chinese Premier Li Keqiang met with the United States Vice-President Joe Biden on December 5. Both sides discussed economic cooperation. In addition to this Li also

⁴ "China has 'full capacity' to monitor ADIZ: FM" China Daily, December 13, 2013 at http://www.chinadaily.com.cn/china/2013-12/13/content_17173912.htm

⁵ "ROK air zone expansion 'a regret', says China" China Daily, December 9, 2013 at http://www.chinadaily.com.cn/china/2013-12/09/content_17162780.htm

⁶ "China pledges co-op with Afghanistan, Pakistan" China Daily, December 11, 2013 at http://www.chinadaily.com.cn/china/2013-12/11/content_17168462.htm

⁷ "Egyptian foreign minister to visit China" China Daily, December 11, 2013 at http://www.chinadaily.com.cn/china/2013-12/11/content_17168206.htm

⁸ "Nations to jointly tap nuclear markets" By Zhao Yinan, China Daily, December 7, 2013 at http://www.chinadaily.com.cn/china/2013-12/07/content_17158758.htm

⁹ "Chinese premier meets Ukrainian president" China Daily, December 6, 2013 at http://www.chinadaily.com.cn/china/2013-12/06/content_17158658.htm

expressed his view stating that China hopes that the United States will be lifting export ban on high-tech products to China and also increase cooperation in clean energy and shale gas. Biden, who arrived in China on December 4 for a two-day visit, said the US is willing to expand cooperation with China in clean energy, natural gas and shale gas, and push forward with talks on a bilateral investment treaty.¹⁰

Reports noted that China has maintained communication with the United States over its newly established Air Defense Identification Zone (ADIZ), Foreign Ministry spokesman Hong Lei said on December 4. Hong made the remarks at a regular press briefing in response to a question on whether the air zone will be a main topic during US Vice President Joe Biden's visit.¹¹

B. Central Asia & Russia

Central Asia

(December 2-15)

- **China's State owned company to invest \$8 billion in Kazakhstan for coal production; Tajikistan Hydro Power Plant to get an investment of \$136 million from the Asian Development Bank; Kiev hosts the Council of Foreign Ministers of the OSCE meeting; Several bilateral agreements signed during the Turkmenistan President's visit to UAE**

According to reports, Shenhua, a Chinese company is planning to invest \$8 billion for coal production in the Karaganda region in Kazakhstan. According to reports, in the first year investments will amount to \$2 billion and will further reach \$8 billion.¹²

In another development, according to reports, the Vakhsh (also known as the Surkhob) River Hydro Power plant in Tajikistan is all set to get a boost of \$136 million from the Asian Development Bank to modernise its facilities. According to reports, the approved grant is the ADB's largest grant ever given to Tajikistan for a project to increase the supply of renewable electricity in the national and regional grid.¹³

President of Turkmenistan Gurbanguly Berdimuhammedov visited the United Arab Emirates (UAE) and has signed many agreements on bilateral co-operation during his two day official visit

¹⁰ "Broader economic prospects pursued" By Zhao Yinan and Li Xiaokun, China Daily, December 6, 2013 at http://www.chinadaily.com.cn/china/2013-12/06/content_17155355.htm

¹¹ "China, US in touch on ADIZ: FM spokesman" China Daily, December 4, 2013 at http://www.chinadaily.com.cn/china/2013-12/04/content_17152375.htm

¹² "Chinese company to invest \$8 billion in coal production in Kazakhstan", Times of Central Asia, December 3, 2013 at <http://www.timesca.com/index.php/m-news-by-category/business-and-market-news/12490-chinese-company-to-invest-8-billion-in-coal-production-in-kazakhstan>

¹³ "ADB approves grant of \$136 million on modernization of Tajik hydropower plant", Times of Central Asia, December 6, 2013 at <http://www.timesca.com/index.php/m-news-by-category/economy-finance-and-investment-news/12540-adb-approves-grant-of-136-million-on-modernization-of-tajik-hydropower-plant>

to the country. Meanwhile, President of the United Arab Emirates Sheikh Khalifa bin Zayed Al Nahyan expressed the hope that the visit will further strengthen relations between two countries and open wider horizons of cooperation in various fields. It would be worth noting that UAE is one of the major trade partners of Turkmenistan. According to official statistics, trade turnover between Ashgabat and Abu Dhabi totaled to \$1.4 billion in 2012. In the first nine months of 2013, the UAE took the sixth place in the foreign trade turnover of Turkmenistan.¹⁴

Russia

(December -9-15)

- **Russia's Permanent Representative to UN Vitaly Churkin:** Russia has said that the Syrian opposition used chemical weapons to provoke armed invasion; Russia to continue send relief to Syrian population; President Putin has called for the additional deployment of military formations in the Arctic; Russia may use its base in Tajikistan if security situation worsens post 2014 American withdrawal; Russian and Israeli foreign ministers have discussed Syria and Iran's nuclear program; Russia and Ukraine have worked out a roadmap for restoring full-fledged cooperation; Russia has warned US against interfering in Ukraine's affairs; Russia has urged US to take a responsible position on Iran; Russian and Iranian foreign ministers have discussed trade and economic co-operation; Russia has called for Iran's participation at Geneva 2 talks; EU is 'dragging its feet' on agreement to ease visa regime with Russia; American Prompt Global Strike System to have a destabilizing impact; Russia ground troops have received more than 250 modernized tanks in 2013; World Bank has reduced Russia's economic growth forecast to 1.3 per cent for 2013 and 2.2 per cent for 2014.

According to reports, Russia's Permanent Representative to the United Nations Vitaly Churkin has said that the Syrian opposition had used chemical weapons in order to provoke an armed invasion by Western countries.¹⁵

The Russian Foreign Ministry has said that Russia will continue to send relief aid to Syria. The statement was made in the backdrop of two Russian Emergencies Ministry planes having delivered 35 tonnes of relief aid to Latakia on December 11.¹⁶

President Vladimir Putin has stated that prospective military formations of the Russian Armed Forces should be formed in 2014 with an emphasis on their deployment in the 'Arctic direction'.¹⁷

¹⁴ "Package of agreements are signed during Turkmen President's visit to UAE", Times of Central Asia, December 10, 2013 at <http://www.timesca.com/index.php/m-news-by-category/politics-analyses-and-opinions/12588-package-of-agreements-are-signed-during-turkmen-presidents-visit-to-uae>

¹⁵ "Syrian opposition used chemical weapons to provoke armed invasion – Churkin", Itar-Tass, December 14, 2013, <http://en.itar-tass.com/world/711570>

¹⁶ "Russia continues sending relief aid to Syrian population, the Russian Foreign Ministry", Itar-Tass, December 11, 2013, <http://en.itar-tass.com/russia/711142>

¹⁷ "Putin calls to focus on deployment of military forces in Arctic direction", Itar-Tass, December 10, 2013, <http://en.itar-tass.com/russia/710949>

Russian Ambassador to Tajikistan Igor Lyakin-Frolov has said that Russia's 201st military base in Tajikistan can be used if the situation in the Central Asian region aggravates after the withdrawal of NATO forces from Afghanistan in 2014.¹⁸

According to reports, Russian and Israeli foreign ministers, during their meeting held in Moscow on December 9, have discussed Syria, Palestine, Iran's nuclear program as well as bilateral economic cooperation.¹⁹

Ukrainian Prime Minister Nikolai Azarov has said that Russia and Ukraine have prepared a roadmap for restoring full-fledged cooperation. This includes cooperation in industrial, nuclear, aviation, gas and trade sectors.²⁰

According to reports, Deputy Foreign Minister Sergei Ryabkov has said that Russia is opposed to any kind of US interference in Ukraine's domestic affairs which otherwise can have 'very serious consequences'.²¹

Deputy Director of Foreign Ministry's public relations Maria Zakharova has said that Russia has urged Washington to take a responsible position for the 'purpose of keeping up positive dynamics at the talks between Iran and the Sextet of negotiating countries.'²²

Russian Foreign Minister Sergey Lavrov and his Iranian counterpart Javad Zarif have held comprehensive talks in Tehran on December 11. Among the issues discussed included the need to intensify bilateral co-operation in trade, economic and humanitarian spheres and the two countries 'interaction in all regional issues.'²³

Foreign Minister Sergey Lavrov has said that Iran 'may positively influence the situation in Syria' and observed that Russia will like to see Iran as a participant in Geneva II talks.²⁴

In other developments, according to reports, Deputy Foreign Minister Alexei Meshkov has said

¹⁸ "Russia may use its base in Tajikistan if security situation worsens", Itar-Tass, December 10, 2013, <http://en.itar-tass.com/russia/710924>

¹⁹ "Russian, Israeli foreign ministers discuss Syria, Iran's nuclear program", Itar-Tass, December 9, 2013, <http://en.itar-tass.com/russia/710865>

²⁰ "Azarov: Russia and Ukraine work out roadmap for restoring full-fledged cooperation", Itar-Tass, December 9, 2013, <http://en.itar-tass.com/russia/710706>

²¹ "Moscow warns against Washington's interference into Ukraine's affairs", Itar-Tass, December 13, 2013, <http://en.itar-tass.com/world/711481>

²² "Moscow urging US to take responsible stance on Iran", Itar-Tass, December 13, 2013, <http://en.itar-tass.com/world/711479>

²³ "Russian, Iranian foreign ministers discuss trade, economic co-operation", Itar-Tass, December 11, 2013, <http://en.itar-tass.com/world/711098>

²⁴ "Russian FM would like to see Iran as participant at Geneva II talks", Itar-Tass, December 11, 2013, <http://en.itar-tass.com/world/711099>

that an agreement on easing the visa regime between Russia and the European Union is practically ready, but Brussels has been 'dragging its feet' on signing it.²⁵

Deputy Foreign Minister Sergei Ryabkov has said that the creation of a Prompt Global Strike System (PGS) by the US will have a highly dangerous and destabilizing security impact.²⁶

Russian Ground Troops have received more than 250 modernized T-72B3 tanks in 2013. The troops have also received more than 600 units of weapons and military hardware, including self-propelled howitzers Msta-SM, tactical missile systems Iskander, tactical air defence missile systems TOR-M2U, self-propelled anti-tank missile systems Khrizantema-SM and different communications vehicles.²⁷

Reports noted that the World Bank has reduced the last September's forecast of Russia's economic growth rate from 1.8 to 1.3 per cent in 2013. Several factors including less than expected growth of the domestic demand and slowdown of investment and consumption growth rate are responsible for this reduction. The World Bank has forecasted that Russia's economy will grow at the rate of 2.2 per cent in 2014 and 2.7 per cent in 2015.²⁸

II. DEFENCE REVIEW

National

(December 2-8)

- **Test demonstrates the total weapon system capability of LCA Tejas; Indian Air Force set to phase out Mig-21 FL**

Reports noted that Tejas, India's first indigenously designed and developed 4th generation plus Light Combat Aircraft (LCA) achieved a milestone on December 7 by launching an infrared seeking air to air missile that hit the target in a direct hit with precision and destroyed the target. The test demonstrating required parameters was conducted off the coast of Goa in Arabian Sea. The success in hitting the target with precision has taken the aircraft closer to its induction in the Indian Air

²⁵ "EU drags feet on agreement to ease visa regime with Russia", Itar-Tass, December 13, 2013, <http://en.itar-tass.com/russia/711402>

²⁶ "Russia says US Prompt Global Strike System to have destabilizing impact", Itar-Tass, December 12, 2013, <http://en.itar-tass.com/russia/711299>

²⁷ "Russia ground troops receive more than 250 modernized tanks in 2013", Itar-Tass, December 11, 2013, <http://en.itar-tass.com/russia/711065>

²⁸ "World Bank reduces Russian economic growth forecast in 2013", Itar-Tass, December 15, 2013, <http://en.itar-tass.com/economy/711590>

Force. Tejas has been developed by DRDO with Aeronautical Development Agency (ADA), Bengaluru, as the lead laboratory and HAL as the production partner.²⁹

In another development, according to reports, Mikoyan-Gurevich, Mig-21 FL will no longer fly after December 11, 2013, the day it is set to go out of services of the Indian Air Force. The aircraft played a decisive role in the 1971 war. The pin-point accurate attack on the Governor's House at Dhaka by the Mig-21s proved to be a turning point in the war. Mig-21 was also fielded in the Kargil war. The versatility of all the Mig-21 variants has immensely shaped the IAF operational philosophy for decades. Besides accomplishing major operational feats, the Mig-21 also ushered a revolutionary enhancement in the technological and manufacturing capabilities of our indigenous aerospace industry.³⁰

International

(December 2-8)

- **United States to sell weapons to Gulf Cooperation Council member states as a block; According to a survey, majority of the Israeli public supports Prime Minister Benjamin Netanyahu's strident opposition to a recent nuclear deal with Iran**

According to reports, US Defense Secretary Chuck Hagel has said that the United States will attempt to sell weapons to Gulf Cooperation Council members as a block as opposed to individually as has been the case in the past. With a view to take the defence cooperation between the GCC and the US to a higher plane, US has expressed its willingness to better integrate its missile defense systems with those of the GCC to enhance collective capabilities.³¹

In another development, according to reports, reports say that a clear majority of the Israeli public supports Israeli Prime Minister Benjamin Netanyahu's strident opposition to a recent nuclear deal with Iran. While a growing number of Israeli security experts are urging Netanyahu to cooperate with US and other world powers seeking a diplomatic solution to the Iranian nuclear threat, the public at large appears to support continued confrontation. This has been noted by Jerusalem-based Israel Democracy Institute (IDI) polls. Netanyahu has reiterated his rejection of the interim agreement concluded last month in Geneva with a view to end Iran's nuclear weapons program.³²

²⁹ "Tejas Light Combat Aircraft Fires Missile Killing the Target," PIB, December 7, 2013, at <http://pib.nic.in/newsite/erelease.aspx?relid=101100>

³⁰ "IAF's First Supersonic Jet to be Aviation Folklore," PIB, December 7, 2013, at <http://pib.nic.in/newsite/PrintRelease.aspx?relid=101098>

³¹ "Hagel: US to Sell Weapons to GCC States as a Block," Defence News, December 7, 2013, at <http://www.defensenews.com/article/20131207/DEFREG04/312070009/Hagel-US-Sell-Weapons-GCC-States-Block>

³² "Israelis Back Netanyahu's Belligerence on Iran," Defense News, December 3, 2013, at http://www.defensenews.com/article/20131203/DEFREG04/312030027/Israelis-Back-Netanyahu-s-Belligerence-Iran?odyssey=mod_sectionstories