

# Strategic Digest

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## Australia and Indonesia Sign Treaty on Common Security

Australia and Indonesia have taken an essential step toward strengthening their strategic relationship by signing a new Treaty on Common Security on 12 November 2025 in Sydney during President Prabowo Subianto's first state visit to Australia. The agreement marks a significant milestone in their bilateral ties. It builds on earlier arrangements such as the 1995 Agreement on Maintaining Security, the 2006 Lombok Treaty, and the 2024 Defence Cooperation Agreement. Together, these initiatives form the basis of a modern security framework aimed at mutual trust, coordination, and regional stability in a changing Indo-Pacific environment. While the complete text has not yet been released, both governments have outlined its main points. The treaty commits Australia and Indonesia to regular consultations between leaders and ministers on matters affecting their shared security. This ensures that both sides maintain structured, high-level dialogue to assess common threats and opportunities.

A key clause requires the two countries to consult if either faces challenges to its security or shared interests and to consider appropriate individual or joint responses. Although it does not create a mutual defence obligation similar to the ANZUS Treaty between Australia and the United States, it provides a basis for coordinated responses to crises such as regional instability, terrorism, cyberattacks, or maritime piracy. The treaty also promotes cooperation in mutually beneficial areas identified by both sides. Its broad scope enables collaboration across joint military exercises, intelligence sharing, maritime awareness, disaster relief, and defence industry engagement. The treaty also respects each nation's sovereignty, consistent with Indonesia's "free and active" foreign policy. Overall, the treaty seeks to institutionalise trust, increase interoperability, and create mechanisms for consultation and joint action without imposing automatic military commitments.

This agreement represents both continuity and renewal in Australia–Indonesia defence relations. The first formal security accord, the 1995 Agreement on Maintaining Security, emerged in a post–Cold War environment marked by uncertain regional stability. That accord was cancelled in 1999, following Australia's participation in the UN peacekeeping mission in East Timor, which strained relations and highlighted the fragility of confidence. Ties gradually improved, especially after the 2002 Bali bombings, which led to strong counterterrorism cooperation and the signing of the 2006 Lombok Treaty. That treaty broadened collaboration to cover counterterrorism, intelligence, and defence training, while reaffirming respect for sovereignty and territorial integrity, both crucial to Indonesia. The 2024 Defence Cooperation Agreement deepened practical cooperation and laid the groundwork for this new treaty.

Viewed in this broader context, the Treaty on Common Security crowns three decades of rebuilding and institutionalising partnership. It reflects a mature and



resilient relationship capable of handling disagreements through dialogue and practical mechanisms. The treaty's relevance reaches beyond the bilateral level. The Indo-Pacific region faces intense strategic competition, driven by China's expanding influence, U.S.-China rivalry, and new partnerships such as AUKUS and the Quad. In this context, the Australia-Indonesia treaty serves as a stabilising factor, emphasising regional autonomy and cooperative security rather than bloc alignment.

For Australia, the treaty strengthens its regional network by complementing recent agreements such as the PukPuk Treaty with Papua New Guinea and partnerships with Nauru and Tuvalu. It shows that Australian security policy is rooted in engagement with its immediate neighbourhood, not limited to Anglosphere arrangements. Australian Prime Minister described this treaty as a "watershed moment" that "signals a new era in the Australia-Indonesia relationship." President Prabowo described it as a reflection of a "good neighbour policy," built on the idea that neighbours rely on each other in times of need.

Strategically, the treaty could help moderate tensions in sensitive areas such as the South China Sea. By establishing regular consultation, it offers both countries a way to coordinate policies, manage crises, and prevent miscommunication that could lead to instability. Beyond its practical provisions, the treaty carries symbolic value. Indonesia's decision to re-engage at this level after ending the 1995 accord signals increased confidence in bilateral stability. For Australia, it validates a long-term strategy of developing layered partnerships across the Indo-Pacific that combine deterrence with dialogue.

The Treaty on Common Security thus stands as both a product of experience and a roadmap for future cooperation. It institutionalises habits of consultation, respects national independence, and positions the two neighbours as stabilisers in an increasingly complex region. Seen in light of China's expanding role in Southeast Asia, Indonesia seeks to balance its economic ties with Beijing by deepening defence cooperation with Australia, preserving strategic flexibility and reinforcing its sovereignty within a balanced Indo-Pacific framework.

### **China's Third Aircraft Carrier 'Fujian' Commissioned**

The commissioning and flag-raising ceremony for China's third aircraft carrier, Fujian, was held at a naval port in Sanya, Hainan, on 5 November 2025. President Xi Jinping attended the ceremony and presented the Chinese Army flag to the Captain and Political Commissar of the Fujian ship. After the ceremony, Xi Jinping inspected the new carrier-based aircraft, such as the J-35, J-15T, and KJ-600 airborne early warning and control aircraft, parked on the deck. Xi also watched a demonstration of the carrier-based aircraft catapult launch process.

The Fujian aircraft carrier's main breakthrough lies in its adoption of an electromagnetic aircraft launch (EMALS) system, enabling catapult-launched aircraft and deceleration upon landing. This technology is similar to that used on the USS Ford, the first of the latest generation of US aircraft carriers. China's earlier two aircraft carriers, the Liaoning and Shandong, used relatively simple

takeoff and landing technologies, with ramps similar to ski jumps at the bow of the deck. The new system allows the Fujian to carry a larger payload and launch fighters faster, while reducing airframe wear and tear.

Compared with the traditional steam catapult, Fujian ship's EMALS has higher catapult efficiency, lower maintenance cost and stronger adaptability. Catapult take-off uses the deck catapult to accelerate the fighter jet from a standstill to hundreds of kilometres per hour in just a few seconds. The aircraft carrier is equipped with three electromagnetic catapults and an electromagnetic arresting device. It is capable of launching heavier and more complex carrier-based aircraft, such as the KJ-600 early warning aircraft, the J-35 stealth fighter, and even drones such as the GJ-11 'Sharp Sword'.

The new aircraft carrier 'Fujian' (Type 003) uses a conventionally powered system that incorporates an advanced integrated power system, also known as integrated full electric propulsion (IFEP). Key specifications of the warship include an estimated 80,000-tonne displacement, a length of over 315 meters, a width of over 75 meters, and a capacity of more than 50 fighter aircraft, making it China's largest aircraft carrier. The aircraft carrier is equipped with an extended, straight flight deck, four arresting cables, and three catapult launch positions. The electromagnetic catapult system enables the aircraft carrier to carry a variety of new carrier-based aircraft, including fixed-wing carrier-based drones, heavy carrier-based fighter jets, and fixed-wing carrier-based warning aircraft.



Construction of the Fujian aircraft carrier began at the Shanghai Jiangnan Shipyard in 2015. The warship was launched in June 2022, and was officially commissioned on 5 November. Since its launch, it has conducted several sea trials to test key components, including the propulsion, navigation, and electromagnetic catapult systems. For instance,

mooring trials were carried out in September 2022, and the first sea trial was conducted in May 2024. In September 2025, the Fujian ship passed through the Taiwan Strait and went to the South China Sea for training missions. During the training, several carrier-based fighter aircraft, including J-15T, J-35, and KJ-600, conducted their first catapult takeoff and landing training on the Fujian ship.

In May 2024, the Fujian ship completed its first sea trial, lasting 8 days, to test its power, electrical, and other systems. The Fujian aircraft carrier will likely be equipped with carrier-based aircraft, including J-35, J-17, J-5T, J-15D, as well as the KJ-600 carrier-based fixed-wing early warning aircraft, and the Z-20 series carrier-based helicopters. The Fujian ship will continue conducting trials and verifications to further test the platform system's stability. Furthermore, ship-aircraft integration and fleet system training will be conducted to test its combat capabilities.

The Fujian ship has the potential to integrate high-energy weapons in the future. The Fujian ship is larger than the Liaoning and Shandong aircraft carriers. As for their respective operational roles, analysts note that the Liaoning is useful for 'training and demonstration', the Shandong is for 'regional defence operations', while the Fujian can be considered as a 'core of long-range offence and defence and air superiority', demonstrating that the PLA Navy capability has enhanced from 'near-sea defence' to 'long-range defence'. With J-35s and KJ-600 early warning aircraft, the aircraft carrier can establish air superiority and reconnaissance against an adversary. The Fujian aircraft carrier, with its strike range covering the second island chain, will inevitably buttress China's strategic posture in the Western Pacific region.

However, China's aircraft carriers still lag behind the United States in both quantity and sophistication. China currently has three conventionally powered aircraft carriers, whereas the United States has 11 nuclear-powered aircraft carriers. Nonetheless, the Fujian ship is China's first aircraft carrier to meet US standards in terms of size and combat capability. Furthermore, it may take the Chinese Navy some time to master the technology of operating large aircraft carriers far from its homeland and rapidly deploying large numbers of aircraft from their decks. China is still far from becoming a mature aircraft carrier power. It still faces many challenges in terms of technology and personnel.

### **US Exempts Hungary from Sanctions for Imports of Russian Oil and Gas**

The Trump administration, in its latest attempts to restrict Russian crude oil exports, has imposed sanctions on Russia's two major oil companies, Rosneft and Lukoil. Reports suggest that these two Russian oil firms export 3.1 million barrels of oil per day. According to estimates, Rosneft alone accounts for nearly half of Russia's oil production, which makes up six per cent of global output. Western scholars argue that the primary reason for sanctioning these two firms is to limit Russia's crude exports to Asian and European markets. These exports have continued from Russian energy giants through various channels despite previous sanctions.

Hungary, for instance, despite being a NATO member state, has continued to import oil and gas from Russia. Reports from multiple sources suggest that Hungary, since the advent of the Ukraine-Russia war, has in fact increased its crude reliance on Russia from 61 per cent in 2021 to 86 per cent in 2024. Most of this Russian oil to Hungary flows via the Druzhba pipeline. Estimates suggest that Hungary imports about five million tons of crude oil from Russia annually through its state energy company, MOL.

Similarly, Hungary continues to receive significant volumes of natural gas from Russia, primarily through the TurkStream pipeline. In 2021, Hungary concluded a 15-year long-term contract with Russia's Gazprom to procure 4.5 billion cubic meters of gas annually until 2036. Despite the war in Ukraine, gas volumes from Russia have not only remained consistent but have also exceeded the annual agreed limits.

Despite pressure from Brussels and the US, Hungary has stated it will continue to buy Russian oil and gas to meet its energy security needs. Hungarian Prime Minister Viktor Orbán has argued that Russian energy imports are indispensable to the country's economy and that switching to fossil fuels sourced elsewhere would cause an economic collapse. Hungary's leaders have argued that, owing to the country's landlocked status, there are no alternative sources or infrastructure to bring oil and gas into Hungary.

Prime Minister Viktor Orbán in September 2025 argued that if Hungary cuts off Russian oil and natural gas, then "within a minute, Hungarian economic performance will drop by 4 per cent." Hungarian Foreign Minister Péter Szijjártó has noted that Hungary is still importing Russian oil, as the European Union rejected Budapest's request for help in increasing the capacity of natural gas pipelines in Southeast Europe. He has also charged that "Croatia increased the transit fee payable for transportation to five times the European benchmark."



When Ukraine attempted to stop the flow of Russian oil to Hungary by attacking the Druzhba pipeline, Hungarian Foreign Minister Szijjarto warned that Ukraine "must expect consequences" for such attempts. Hungary also retaliated by imposing a ban on Ukraine's drone force commander, Robert Brovdi (who is of Hungarian descent), from entering Hungary.

Hungarian positions on the purchase of Russian Oil and Gas, despite the latest round of sanctions on Russia's Rosneft and Lukoil, have remained unchanged. International Monetary Fund figures show that in 2024, Hungary bought 74 per cent of its gas and 86 per cent of its oil from Russia, a significant increase from previous imports.

It is noteworthy that soon after the announcement of sanctions on Rosneft and Lukoil, Prime Minister Orbán met President Donald Trump in the first week of November and claimed that he had obtained an indefinite waiver from U.S. sanctions for Hungary's purchase of Russian oil and gas via the Druzhba oil pipeline and the TurkStream gas pipeline. White House officials have, however, stated that the US has granted Hungary a "one-year exemption" from these sanctions to import oil and gas from Russia. Reports suggest that Trump's exceptions to Hungary have resulted from Hungary's commitment to buy U.S. liquefied natural gas in the future, with contracts valued at some \$600 million.

Hungary has managed to obtain exemptions from US sanctions despite being a NATO member state and Western insistence on cutting Russian Oil and gas supplies from the global market. In the midst of the Ukraine-Russia conflict, when Western states continue to target China and India for their purchase of Russian crude, a significant chunk of Russia's crude and gas continues to flow to European and like-minded Western allies.