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Greetings Colleagues,

The Consortium is pleased to share its latest newsletter for the Indo-Pacific. Press the reply button for your feedback and comments.

Mark Carney Visits China, Pursuit of Stabilizing the Economy

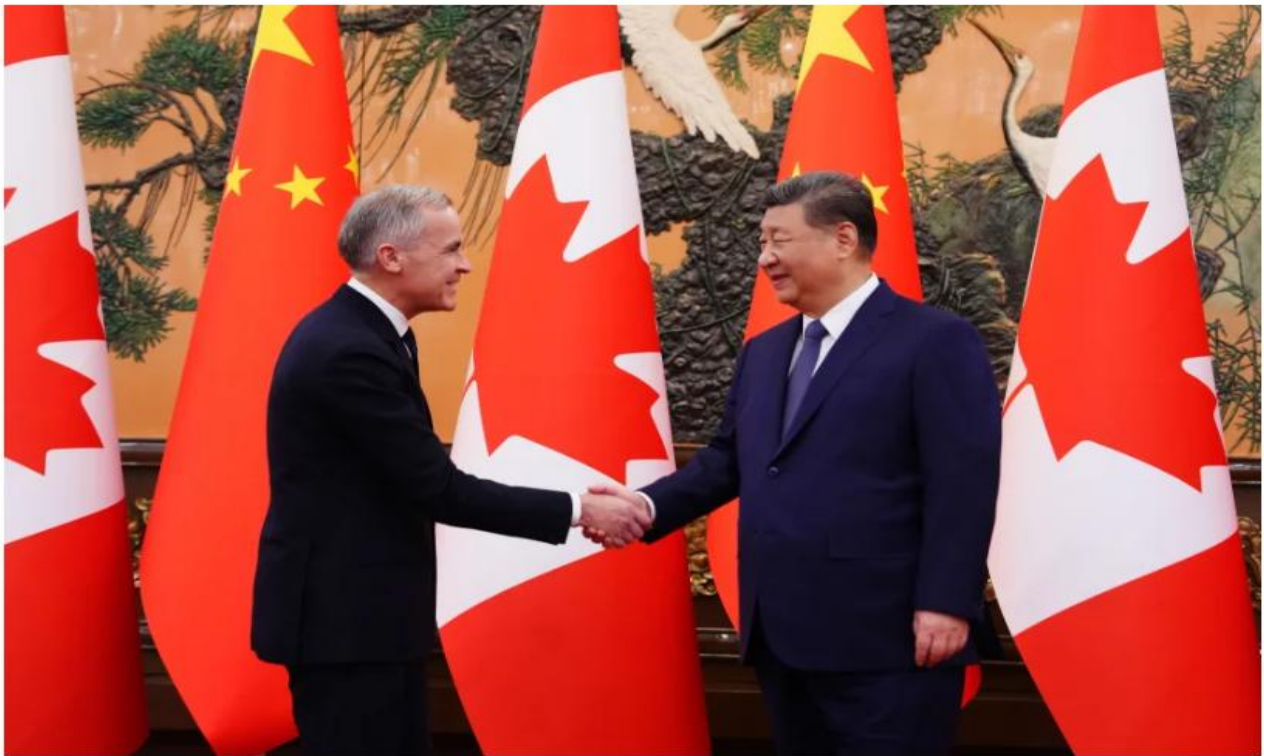


Figure 1 Canadian Prime Minister Mark Carney meets with and Chinese president Xi Jinping during the summit in Beijing

Canadian Prime Minister Mark Carney [visits China on a State visit](#) and meets People Republic China's (PRC) President Xi Jinping and other prominent leaders of Chinese Communist Party (CCP). Carney seek to forge a new Canada-China relationship amid strain ties with the US. This marked the first visit to China by a Canadian Prime Minister since 2017.

It is worth noting that a major downturn occurred between Canada and China in 2018, following Canada's arrest of Huawei CFO Meng Wanzhou at the US's request, which led to China's detention of Canadian diplomats. The event resulted in a broader diplomatic frostiness that lasted for eight years. Notably, Carney met with Xi on the sidelines of APEC summit in South Korea in late October 2025.

Prime Minister Carney and President Xi released a joint statement with domain of cooperation and to build a new strategic partnership. The two leaders agree to work on energy, clean technology, climate competitiveness, and energy cooperation, trade, finance, and people to people exchange. Additionally, two sides will enhance bilateral financial engagement with the Chinese Yuan/Canadian Dollar Bilateral Currency Swap Arrangement between the People's Bank of China and the Bank of Canada.

As per the joint statement, Canada and China reiterate their commitment to multilateralism and their intention to uphold the global system in accordance with United Nations principles, ensuring a smooth and stable global supply chain. Both nations express their support for the World Trade

Organization (WTO) and the UN 2030 Agenda for Sustainable Development. Canada acknowledges and endorses China's role as the host of the 2026 Asia-Pacific Economic Cooperation (APEC) meetings and looks forward to a fruitful APEC year. Additionally, Canada appreciates China's support for its proposal to host the APEC meetings in 2029. Both countries are also committed to exploring opportunities for collaboration within the G-20 and other multilateral forums. However, it may pose challenges for Canada to fully support China's Global Governance initiative, given China's significant involvement in these organizations and its tendency to leverage them for economic benefit.

Notably, last week, the [United States withdrew](#) from 66 “wasteful, ineffective, and harmful international organizations.” President Trump and his Cabinet highlighted the inefficiency and mismanagement of these organizations, stating that they promote agendas that are contrary to U.S. interests.

Given Canada and China's rocky relationship during 2018-2025, with differences over trade and national security, it's unclear and how Carney will move forward in a friendly relationship with China. As during the 2025 election debate, Carney described China as "the biggest security threat" to Canada. Furthermore, Canada released its first Indo-Pacific strategy in 2025, which states that "China is an increasingly disruptive global power" and that it has "interests and values that increasingly depart from ours." Here, the question

arises of Canada's role in the Indo-Pacific, and could reassociation with China risk Canadian security?

India and Germany Strengthen Relations

German Chancellor Friedrich Merz visited India and met Indian Prime Minister Narendra Modi to boost economic and security ties. Modi and Merz held talks in Gandhinagar, Gujarat where both leaders signed various agreements to enhance cooperation in the defense, technology, health and education. The two leaders signed [Joint Declaration of Intent](#) (JDI) on Telecommunications Cooperation to deepen bilateral cooperation in the fields of telecommunications and Information and Communication Technologies (ICTs).

In defense cooperation, India and Germany are close to finalizing a co-production deal for six submarines worth 8 billion USD to enhance the capability of the Indian Navy. The agreement is aimed at strengthening the Indian Navy's conventional submarine fleet as part of long-pending modernization plans. It is also aligned with India's broader push to enhance undersea warfare capabilities. Germany's ThyssenKrupp Marine Systems (TKMS) will be the partner in the project. The submarines are likely based on advanced German designs, featuring modern stealth and endurance capabilities.

While the US 50 percent tariff introduces uncertainty for India, the unpredictability of US-EU relations compels countries to assess the situation and prepare for any potential economic setbacks. India is also seeking trade deals with other European countries. In line with this, the India-EU summit is scheduled for next week. [Read More](#)

US Hosts APEC Alliance Regional Roundtable in Mexico

The United States hosted the APEC Alliance for Supply Chain Connectivity (A2C2) Regional Roundtable in Mexico City, Mexico. This initiative supports U.S. efforts to achieve more fair and balanced trade with our APEC partners.

The A2C2 Regional Roundtable builds upon initiatives discussed at the APEC 2025 Third Senior Officials Meeting (SOM3) in Incheon, Korea, where members emphasized the importance of sustained efforts to broaden participation and proposed innovative strategies for engaging the private sector.

The Regional Roundtable continues U.S. efforts to strengthen supply chain resilience in the Asia-Pacific through APEC and A2C2. By encouraging secure and diverse supply chains, U.S. businesses gain improved connectivity and faster recovery from disruptions. The event enabled APEC members to share best practices for supply chain digitalization and discuss practical implementation, benefiting consumers and businesses region-wide. [Read More](#)

India and Japan Held Strategic Dialogue

Japan's Foreign Minister Mr. Motegi Toshimitsu visits India and met his counterpart Minister of External Affairs of India Dr. Subrahmanyam Jaishankar at the 18th Japan-India Foreign Ministers' Strategic Dialogue. Both ministers reiterated to enhance bilateral relations on the guidelines of "Japan-India Joint Vision for the Next Decade" signed by the top leaders of two countries in August 2025. The two leaders look forward to strengthening cooperation in three key areas of security and defense, economy, investment and innovation, and people-to-people exchanges.

Japan's Motegi noted that this year marks the 10th anniversary since Japan proposed a "Free and Open Indo-Pacific" (FOIP). He stated that India is an important partner in realizing FOIP and that Japan attaches great importance on cooperation with India. [Read More](#)

Indo-Pacific Quiz

What percentage has Canada decreased the tariff on Chinese electric vehicles from the original 100%?

a. about 6

c. about 75

b. about 65

d. about 50

Which country's opposition leader have shared its Noble Peace Prize 2025 with US President Trump?

- a. Iraq
 - b. Venezuela
 - c. Iran
 - d. Syria
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Consortium Highlights

- ❖ Article: Air Insurgents: The U.S. 14th Air Force in China and Lessons for Irregular Air Warfare by Consortium member Grant T Willis, [Read here](#)
 - ❖ Article: Lawfare Is Not Enough: The U.S. Needs Legal Statecraft, co-authored by Consortium Mentor Prof. Simon Reich, [Read here](#)
 - ❖ Upcoming Webinar on US Sphere of Influence and Indo-Pacific
 - ❖ Upcoming webinar Election in Bangladesh and Geopolitics of South Asia
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Indo-Pacific Quiz Key

Here are the **Answers** for January 11 Newsletter Quiz

Q. How many international organizations will the US plan leave in rejection of the "globalist agenda"?

- d. 66

Q. In which country has the US military conducted "Operation Absolute Resolve"?

b. Venezuela

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