



Consortium of Indo-Pacific

Researchers

Indo-Pacific Weekly Mail March 2-9, 2025

Greetings Colleagues,

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

China Announces Boost in Defense Budget



Figure 1: China's President Xi Jinping greets the delegates at the opening session of National People's Congress (NPC) on March 5, 2025. IMAGE/ The AP

At the annual National People's Congress session on March 5, Chinese Premier Li Qiang announced a [7.2 percent increase](#) in its defense spending for 2025. The increase will bring China's defense budget to USD 266 billion. The United States continues to be the highest spender on defense globally, proposing roughly USD 860 billion.

Beijing officials state that the budget figure matches last year's budget and is 'steady' and 'reasonable.' However, the hike in defense spending emphasizes China's aim for military advancement by 2035 and the geopolitical priorities in the Indo-Pacific.

Despite China's sluggish economic conditions that have persisted over the past three years, China's decision to increase defense spending. Underscore the escalating geopolitical tensions in the region, particularly about Taiwan, the Philippines, and India. China's claim that Taiwan is its breakaway province, along with its call for peaceful integration, has the potential to escalate tensions in the region. Additionally, China aims to counter American influence in its vicinity. As per [reports](#), During the parliament session, China's defense spokesperson, Sr. Co. Wu Qian stated, "The Chinese military faces tough challenges in safeguarding national sovereignty and territorial integrity."

The Trump administration's "America First" and the "Golden Age of America" policy focus on strengthening U.S. economy and preventing wealth drain through aid and trade deficit. Having said that, Trump has imposed tariffs on China since assuming office. Additionally, in Trump 2.0, the majority

of cabinet officials have a strong stance on China and firmly opposes any unilateral changes to the status quo from either side.

The enhancement of China's military capabilities reflects its strategic objectives and contributes to a more complex security environment as neighboring countries respond to these developments with their own defense initiatives and diplomatic maneuvers. Such dynamics further exacerbate the prevailing uncertainties in the Indo-Pacific region and highlight the intricate interplay between economic stability and national security in the rapidly changing regional security environment.

North Korea Unveils its First Nuclear-Powered Submarine

North Korea North Korea has released photos of the construction of its first nuclear-powered submarine, a major defense capability that can pose a security threat in the Korean Peninsula. As per the South Korean media news, the description of the weapon system termed a "strategic guided missile" means the naval vessel appears to be a 6,000-ton-class or 7,000-ton-class one that can carry about 10 missiles.

The question arises of how North Korea has gotten such advanced technology despite its impoverished conditions. The observers and analysts suspect that Kim Jong Un may have received technological assistance from Russia in lieu of its support to Russia through conventional weaponry and by

sending North Korean soldiers. Indeed, it indicates a security threat for South Korea and the broader Indo-Pacific region. [Read More](#)

Indo-Pacific Countries Kick Off Sea Dragon Exercise

U.S. with Australia, India, Japan, and the Republic of Korea commence the Sea Dragon 2025 exercise in Guam. It started in 2019 and is an annual, multilateral exercise that stresses anti-submarine warfare (ASW) prosecution.

The participating countries will coordinate to build plans and discuss tactics incorporating their respective capabilities and equipment for ASWLT Marshad Huq, officer-in-charge for the U.S. Navy (USN) said, “The continued growth and increasing complexity of this exercise affords an opportunity to practice ASW tactics, techniques, and procedures with allies and partners.”

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Canada and China Trade War Escalates

China announced retaliatory tariffs on Canadian products after Canada slapped import duties on Chinese-made electric vehicles and steel and aluminum products. China will impose a 100% tariff on Canadian rapeseed oil, oil cakes and peas, adding that a 25% levy would be placed on aquatic products and pork originating in Canada.

It is important to note that Ottawa imposed 100% import tariffs on Chinese-made EVs, from October last year amid concerns of unfair trade practices. Furthermore, the U.S. announced 'reciprocal trade tariffs' starting April 2, suggesting that tensions in the trade war are likely to escalate between the countries. [Read more](#)

Indo-Pacific Quiz

In which country is Cadena Air Base located?

- a. South Korea
- b. Malaysia
- c. Australia
- d. Japan

In which country is Mark Carney a candidate for Prime Minister?

- a. Netherland
 - b. Canada
 - c. Poland
 - d. Italy
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Consortium Highlights

- ❖ Join us to our Podcast on the **India - Japan cooperation and Security in the Indo-Pacific**, March 10th, 2025, 6:00 PM EST
- ❖ Webinar, **Rebuilding Gaza: A Path to Lasting Peace?** March 3rd, 2025, at 9:00 AM EST. [Watch Here](#)

❖ A Blog titled **Can India and China Engage Amid Global Trade Issues?**

[Read Here.](#)

Indo-Pacific Quiz Key

Here are the **Answers** for the March 2nd Newsletter Quiz

In which country Chao Phraya River flows?

b. Thailand

Which of the following country does not share a border with India?

d. Thailand

Contributions: Indu Saxena