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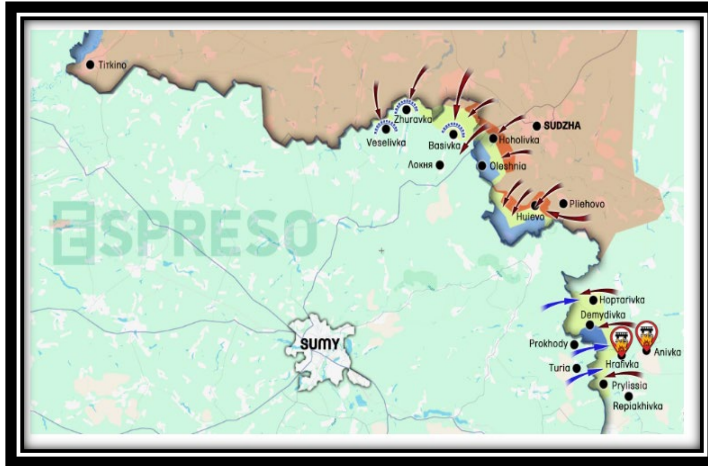
Ukraine War – Truce Still Too Far

Xi Jinping Visits Vietnam

Japan's Contentious Budget Politics

Ukraine War – Truce Still Too Far

On 13 April, Ukrainian border city of Sumy witnessed the deadliest missile strike killing 34 and injuring 117 persons. The city, in northeastern Ukraine, is both near the border and a hub of Ukrainian military activity, and lies under routes flown by exploding drones heading deeper into Ukraine. The Palm Sunday bombardment came more than two months after President Trump started cease-fire talks with a phone call to President Vladimir V. Putin of Russia. And in recent days it has become an argument in Ukraine and elsewhere that those talks are failing. The attack was also perceived as preparation for a possible new Russian



ground assault in the region which is situated a mere 25km from the Russian border.

President Trump said Russia's deadly missile attack on the Ukrainian city of Sumy was "a mistake," calling it a "horrible thing" even as members of his administration went further with condemnation that served as a rare critique of Moscow

while the White House is pushing for a cease-fire. While Russia attempted to deflect blame on Ukraine, The White House reiterated that the United States will not engage in economic agreements with Russia until Russia agrees to a ceasefire.

On 16 April, Ukraine and the United States signed a memorandum of understanding late on Thursday as a "step toward a joint economic partnership agreement," according to Ukraine's economy minister, bringing both sides closer to a minerals deal that has gone through multiple, contentious rounds of negotiations. The agreement does not provide much details. While it referred to the creation of a fund that would invest in reconstruction in Ukraine, it did not specify the source of such revenue. President Trump and President Volodymyr Zelensky of Ukraine had been scheduled to preside over a signing at an elaborate White House ceremony in February. But negotiations between the United States and Ukraine stalled after a blowup weeks ago in front of TV cameras between the leaders in the Oval Office.

President Trump had promised to end the war in Ukraine within a day. Whether a ceasefire could be secured within first 100 days of Trump presidency—ie, by the end of this month- seems doubtful. In March, Mr Trump briefly cut the weapons and intelligence to Ukraine. Keith Kellogg, an adviser, compared this to "hitting a mule with a two-by-four across the nose". It worked: within days, Ukraine agreed to the 30-day ceasefire. Russia has ignored America's call for an unconditional 30-day ceasefire, which Ukraine accepted on March 11th.

Notwithstanding, lack of Russian assurances about ceasefire, the US support to Ukraine is dwindling. The flow of weapons approved by Biden administration is

likely to run out in the coming months, and Mr Trump has not authorised any more. Another budget allocation to support Ukraine looks unlikely. America is withdrawing troops and equipment from Rzeszow, a vital hub in Poland for weapons being sent to Ukraine. Their duties will henceforth be carried out by European troops. America is also taking a different approach to the Ukraine Defence Contact Group, a gathering of 50-odd countries contributing military help that was created by his predecessor, Lloyd Austin. Mr Austin led the group in person, but on April 11th Mr Hegseth joined by video link.

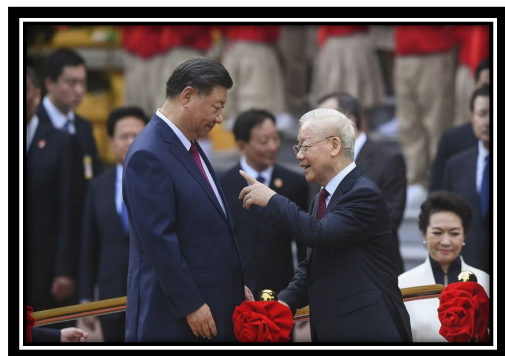
However, dwindling American support to Ukraine has spurred European countries to commit greater resources for Ukraine. In addition, Britain and France plan to create a European “reassurance force” to help Ukraine after a ceasefire. Russia objects to that deployment, even if America is offering no assurance that it will back the Europeans. The force would not seek to police the front lines between Russian and Ukrainian forces. Instead it would stay away from the front, probably in western Ukraine, where it would concentrate on training Ukrainian forces, and perhaps do joint air patrols.

Europeans hope to show Mr Trump that they are taking up the burden of European security, hoping to retain at least some kind of American commitment, to NATO if not to Ukraine. Under this emerging scheme, the future “deterrence” of Russia would come in three zones: reinforced Ukrainian troops holding the line against Russia in the east, European forces in the west and, at least for now, a lingering American presence in NATO countries. But the creation of such a force depends on an ever-elusive ceasefire.

As diplomats and European leaders thousands of miles away talk about a possible truce and how to safeguard it, Russia and Ukraine are engaged in bloody battles as intense as any of the war.

Xi Jinping Visits Vietnam

Chinese President Xi Jinping arrived at Hanoi’s on April 14, 2025, for a two-day state visit at the invitation of General Secretary To Lam and President Luong Cuong. In recent years, the two countries have maintained frequent high-level exchanges, that included President Xi’s visit in December 2023 and in August 2024, General Secretary To Lam, undertaking his first overseas trip to China after taking office. This would be President Xi’s first overseas visit in 2025 and his fourth official state visit to Vietnam. President Xi’s visit also took place less than a year after General Secretary To Lam’s state visit to China, which suggest Vietnam being a top strategic priority in Beijing’s foreign policy orientation. According to Vietnamese Deputy Prime Minister and Foreign Minister Bui



Thanh Son the visit would be critical towards advancing the friendly neighborly relationship, deepening the comprehensive strategic cooperative partnership, and building a Vietnam-China community with a shared future.

The visit coincided with the 75th anniversary of the Vietnam-China diplomatic relations (1950–2025). On this occasion both sides reaffirmed their enduring friendship, cooperation and strengthening their shared vision for a “Community with a Shared Future”. During President Xi’s visit to Hanoi on December 13, 2023, both sides announced the building of a China-Vietnam community with a shared future that carries strategic significance. This was aimed at further elevating the bilateral relations between the two parties and two countries.

In a meeting on April 14, 2025, President Xi and General Secretary To Lam emphasized deepening their shared vision for regional and global peace and stability. To Lam highlighted Vietnam’s relationship with China as a strategic priority. Both leaders agreed to enhance high-level exchanges and upgrade strategic dialogue among foreign, defense, and public security ministries. They also committed to resolving maritime disagreements and working towards a practical Code of Conduct in the South China Sea in line with international law and UNCLOS.

In the context of a complicated and unpredictable global environment characterized by uncertainties on account of President Trump’s wide-ranging tariffs, is fostering a deeper bilateral cooperation. During President Xi’s visit both sides signed dozens of cooperation agreements, including deals on enhancing supply chains, environmental protection and cooperation over railways. Over the decades, China has become Vietnam's largest trading partner, with total bilateral trade exceeding U.S. dollars 260 billion in 2024.

Cooperation in infrastructure connectivity has also seen significant progress, with Vietnam National Assembly in February 2025, approving a bill that allows the country to utilize Chinese loans for the construction of a new U.S. dollars 8.3 billion Lao Cai-Hanoi-Hai Phong Railway project. The new line would be a standard-gauge railway that will be connected to the standard-gauge railway from Kunming to Hekou on the China-Vietnam border. The line will carry passenger and cargo rail, with a top speed of 160 km/h and is expected to be completed by 2026.

On April 13, 2025, Vietnam’s budget airline Vietjet and Comac signed a memorandum of understanding in Hanoi, following the issue of the Vietnamese government Decree No. 89/2025, which recognized Chinese aviation regulator amongst others. This paves the way for the import and use of China-made Comac passenger jets along with aircraft manufactured in Brazil, Canada, Russia, and the United Kingdom.

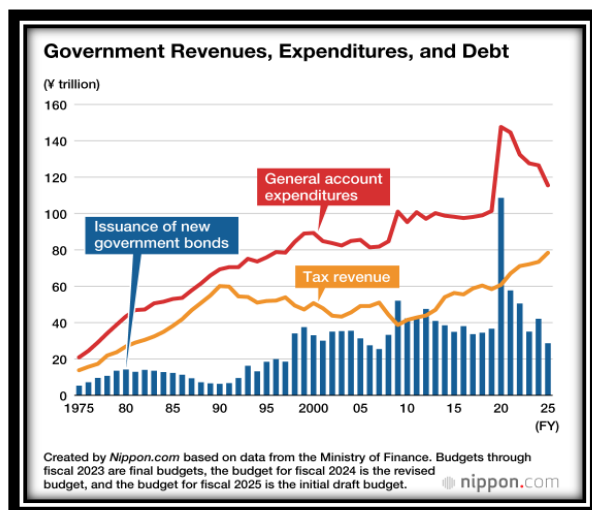
President Xi’s visit to consolidate stronger economic and trade ties with Vietnam has a heightened significance in the wake of Trump’s decision to issue a 90-day pause on tariff last week. The announcement of the new tariff rates on imports

for most of the U.S. trade partners to 10% for 90 days was to allow for trade negotiations. While Vietnam is negotiating a reduction of the 46% tariff imposed by the Trump administration, China continues to face a 145% of U.S. import tariff. China in turn has responded with a 125% import tariffs on American products.

President Xi urged Vietnam to resist “unilateral bullying” and emphasized on strengthening cooperation to maintain the stability of the global free trade system and industrial and supply chains. In the midst of its escalating trade wars with the U.S. the visit of President Xi to Vietnam and other export-dependent Southeast Asia countries that also faces tariffs is to position China as a reliable partner and a defender of multilateral trading regime.

As the world's markets and leaders try to absorb the impact of the market chaos unleashed by the Trump administration’s announcement, Chinese President Xi Jinping is turning on the charm in Southeast Asia. Vietnam visit was a first stop in Xi itinerary which includes Malaysia and Cambodia as other destination.

Japan’s Contentious Budget Politics



On 31 March 2025, with hours to go before the constitutionally-mandated deadline, both houses of the Japanese Diet passed the Budget for FY2025, giving Prime Minister Shigeru Ishiba’s government a significant victory amidst new crises engendered by revelations of potential graft from Ishiba’s own camp.

In Japan, budget politics traditionally follow the same pattern seen in other Westminster-based polities. The lower house, the House of Representatives, is presented the budget as a money bill by the government. Once approved by voice vote, the Bill proceeds to the upper house, the House of Councillors, who vote to approve or reject the bill. Should the bill be sent down to the House of Representatives with amendments, they can either accept these or present the bill in its original form once again, at which stage the House of Councillors must accept the budget in the form tabled. Akin to democratic systems such as India’s, this system places budgetary authority primarily with the lower house.

It was this principle that was tested in unprecedented ways by the FY2025 budget. Ishiba, who leads the Liberal Democratic Party (LDP), is currently at the head of a minority government in the Diet, after elections in October 2024 saw voters punishing him for the dragging effects of the massive slush funds scandal revealed earlier that year. As a result, the Prime Minister is more dependent than

his predecessors on cooperation from the Opposition Benches in order to get key legislation passed. The Budget became a casualty of this political exigency when the government initially proposed it in early March.

That Budget met serious opposition from key parties such as the Nippon Ishin no Kai (Japan Innovation Party) as well as the Democratic Party for the People (DPFP). Whereas the former demanded that an expanded subsidy scheme for making higher secondary education tuition free be added, the latter succeeded in getting the government to raise income tax brackets substantially. Both were long-standing policy planks for these parties. Defence expenditures also uncharacteristically came in for criticism in some quarters, though it went nowhere, given the clear challenges presented by Chinese and North Korean actions in the neighbourhood of Japan.

After these demands were met, the Budget was proposed and cleared by the Lower House, only for the largest opposition party, the Constitutional Democratic Party (CDP) led by former Prime Minister Yoshihiko Noda, to threaten to withdraw support in the Upper House should a controversial provision raising treatment costs paid for by patients under Japan's universal health insurance scheme be allowed to remain within the Budget. Initially resistant, Prime Minister Ishiba eventually appeared to buckle under pressure not only from the CDP but also patients' rights organisations and announced the decision to scrap the provision while it was under deliberation in the House of Councillors.

As a result, for the first time in postwar Japanese constitutional history, an amendment was hastily proposed in the Upper House and the Budget returned to the Lower House for reconsideration. It was this Budget that eventually passed on 31 March, granting some relief to Ishiba's administration. The present Budget devotes around a third of its expenditure to social security, including measures to curb population decline, boost counter-inflationary spending and increase consumption. It also includes a record-high JPY 8.7 trillion towards the defence budget, which is mainly devoted to equipment modernisation, base hardening and resilience and improving counter-strike capabilities in light of North Korea's ever-improving missile capabilities.

Troubles for the LDP under Ishiba have not ended, however. Revelations that the Prime Minister personally handed over gift vouchers to supporters within the party in March reignited calls for his resignation, while broader measures to curb inflation remain unsettled. Foreign exchange will play a big part here, as a 'rice emergency' partially caused by the explosive growth in inbound tourism (itself an outcome of the weak yen) needs to be tackled by the release of emergency stocks of rice, as does the rise of crude oil prices. US President Donald Trump's tariff threats are also a challenge Ishiba's minority government will need to carefully navigate. Looming over them all, of course, is the potential loss by the LDP of its slim majority in the Upper House elections scheduled in May. Meanwhile, the opposition will be lying in wait for an opportune time to strike down the LDP's fragile rule.