

How the war has damaged Iran

Sri Lanka's model recovery threatened

What did Trump achieve in Beijing?

Democracy Asia

June 2026

Dire strait

From fuel shortages to farming crisis





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The Strait of Hormuz is blocked, and the world is watching oil prices. But across Asia, a quieter crisis is unfolding in the fields. From India's kharif farmers calculating fertiliser costs before sowing, to Sri Lanka's fragile recovery, to Thailand's rice paddies and the Philippines' double exposure — the Iran war's most lasting damage may not come from fuel shortages but from lack of nitrogen.

With a third of global seaborne fertiliser trade passing through one narrow, dangerous strait, Asia's food security now hangs on a chokepoint most people associate only with crude oil.

Iran

- 6 Life in limbo: Iran under a fragile ceasefire
- 9 Iran's blackout state

Pakistan and Afghanistan

- 12 Pakistan and Afghanistan navigate the Hormuz blockade

South Asia

- 15 India and neighbours weather the Hormuz blockade

Asia-wide

- 18 Dire straits: the farming crisis

Sri Lanka

- 22 Sri Lanka's recovery hit by Hormuz blockade



Japan

- 26 Is Japan aiming to be a regional power?

China-US

- 29 Trump, the nation builder



Business

- 33 The Xi-Trump talks: was anything achieved?
- 37 Bisinomics



Lifestyle

- 40 Can Asia hope to star at the football World Cup?



Bookshelf

- 44 Are we ready for another 'change of the World Order'?



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The war between the US, Israel and Iran may be in abeyance as the result of successive ceasefires but a state of uncertainty prevails in Iran where families scarcely dare attempt to repair their homes or rebuild their businesses, let alone their lives, while the threat of further attacks hangs over them. Our reporter speaks to ordinary people about their suffering and the devastation already caused to their country. In a second report, we tell how the country has been cut off from the rest of the world since the start of the year as a result of its government's action in blocking access to the internet. News channels tell people of the ongoing negotiations but most people have no access to family members living abroad. Who should they blame for this blackout, the United States or their own government?

“From Iran's shattered streets to Asia's emptying fuel tanks, this month reveals how one conflict is quietly reshaping lives, harvests and alliances across an entire continent—while the world asks whether the old global order is breaking apart for good.”

We look at the impact the blockade of the Strait of Hormuz is having on the rest of Asia – in shortages of fuel for transportation and cooking and for the shipping of fertilisers from the Gulf at just the time that many farmers need them to guarantee their crops. A case in point is India where the kharif planting season is nigh. Just as serious is the impact on smaller economies which are dependent on urea and other imported fertilisers which are both scarce and expensive when available. Beyond the fuel crisis, the fertiliser crisis raises the spectre of food shortages unless the Hormuz blockade is brought to an early end.

We take a look at the rearming of Japan, a nation bound by a pacifist constitution since the end of World War Two which is now spending more on its armed forces and exporting defence equipment to allies, moves that are unsettling China, the region's dominant power. We report on the May talks between presidents Xi Jinping and Donald Trump asking: Was anything achieved? And take a look at how the US president is perceived by the Chinese people. Has he given his adversary nation a greater sense of well-being through his aggressive tariff policy and by the uncertainty of the

outcome of his actions in the Middle East?

Bisnomics also looks at how the Iran war has unsettled many countries' economies, and possibly given a boost to oil and gas producers elsewhere.

We take a look at Asian prospects in the football

World Cup, whose final rounds begin this month in the USA, Canada and Mexico. Bookshelf reviews a book by Rana Dasgupta that considers the possibility that the end of globalism may give rise to a completely different world order, something to reflect on as we ponder a world that seems to be in a high state of disorder.

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Nicholas Nugent

Iran-US

Leaders of the US and Iran met for talks in the Pakistani capital Islamabad in mid April, and have subsequently been exchanging messages on potential deals. The blockade of Iranian ports by the US, and of the Strait of Hormuz by Iran, remain, though some vessels are reported to have got through. The ceasefire between Iran, the US and Israel remains in place despite further threats from President Trump to resume the bombing of Iran.

US-China

President Trump visited Beijing in mid May for talks with President Xi Jinping. It remains unclear whether any significant progress was made on the key issues – trade and Taiwan – or the extent to which the two leaders discussed the ongoing conflicts in the Middle East.

Iran

The Iranian Nobel Peace Prize laureate Narges Mohammadi, 54, was released from prison on bail after she lost consciousness and was transferred to hospital for treatment. After ten days she was moved to her home for further treatment. Mohammadi has been imprisoned on and off since 2016, currently under a 44-year sentence. She was awarded the Nobel Peace Prize in 2023.

India

In elections in five states, the Bharatiya Janata Party (BJP), which rules nationally, took control of the eastern state of West Bengal for the first time and strengthened its position in nearby Assam. It fared less well in southern India, with the Congress Party taking control of Kerala from the Communist Party of India (Marxist), while a former film star replaced DMK leader M.K. Stalin as chief minister in neighbouring Tamil Nadu.

China

A military court passed ‘suspended’ death sentences, effectively amounting to life imprisonment, on former defence ministers Wei Fenghe, 72, and Li Shangfu, 68. Both were convicted of accepting bribes as part of an anti-corruption drive introduced by President Xi Jinping when he took office in 2012. Wei and Li are the most senior generals to have been convicted.

Thailand

Former Prime Minister Thaksin Shinawatra, 76, was released after spending 8 months in prison for corruption. A previous 8-year sentence was earlier reduced to one year after the controversial political leader returned from 15 years of self-imposed exile abroad. He was greeted on his release by his daughter, Paetongtarn Shinawatra, who had also previously served as prime minister.

Myanmar

Former state counsellor and Nobel Peace laureate Aung San Suu Kyi, who will be 81 this month, was transferred from prison in the capital Naypyidaw to serve the remainder of her recently reduced sentence under house arrest. It has been reported she is in poor health. It was not clear whether she will serve her sentence at her family home in Yangon, or whether she would be allowed visitors. Aung San Suu Kyi’s sons, who live abroad, have been prevented from visiting her since the military coup in February 2021 which ousted her from power.

Sri Lanka

The Sri Lankan government launched an investigation after a cyberattack on the finance ministry succeeded in stealing US\$2.5m from an account being used to settle a bilateral debt with Australia.

Bangladesh

The authorities in Bangladesh have been carrying out a mass vaccination campaign after a major outbreak of measles killed at least 500 children. By mid-May the United Nations Children’s Fund (UNICEF) said more than 18 million children had been vaccinated in the country of around 170 million.



Fear and exhaustion hang over Tehran as ordinary Iranians struggle through economic collapse, repression and the lingering trauma of war. Photo: Reuters

Life in limbo: Iran under a fragile ceasefire

The bombings may have stopped, but life in Iran feels anything but normal. Weeks after a fragile ceasefire ended the 40-day war between Iran, the United States and Israel, the nation remains trapped in a state of fear, exhaustion and uncertainty, as Fariba Sahraei reports.

In Tehran, the atmosphere is tense and subdued. Repression has intensified, the economy is nearing collapse, unemployment is on the rise and deepening poverty is pushing ordinary people to the brink.

‘We are only trying to survive,’ says Armin, a Tehran resident whose name has been changed for security reasons. ‘We are living under a naval blockade. Goods can no longer enter Iran, and that alone has created enormous fear among people. We are terrified.’

Beneath the fragile ceasefire, life is overshadowed by anxiety, fear and uncertainty. ‘The country feels

suspended between war and collapse,’ says Armin. ‘People no longer talk about dreams or freedom. Everyone is focused on survival.’

The metro is now free yet stations remain unusually quiet. Despair is visible everywhere as food prices soar and fears of food shortages grow. ‘At every moment, we fear famine is coming,’ Armin says. ‘People buy and store whatever they can. The stress is destroying everyone.’ Prices rise almost daily, pushing large parts of the middle class toward poverty and leaving poorer families struggling to survive.

The US naval blockade of Iran has dealt a severe blow to the country’s already fragile economy. Surging inflation has deepened public anxiety, while essential imports have slowed dramatically, leading to shortages of medicine, baby formula and basic household goods. The effects are felt in nearly every household. Iran’s currency has plunged to a record low of 1,830,000 rials to the US dollar, affecting every aspect of daily life. Before the war started it was around 42,000 to the dollar. ‘A pack of eggs now costs almost five times more than before the war. Prices rise every day,’ says Sadra, another Tehran

resident whose name has been withheld for security reasons. 'Bread has become extremely expensive. So has petrol, oil, car parts, and rent.'

rials. Now it costs nearly 16,000,000, a more than five times price increase. We simply can't afford it anymore.'

businesses depended on the internet. Now they are ruined. We are facing extreme psychological stress, anxiety and hardship in every possible way.'



Despite free fares introduced during the crisis, Tehran's metro stations remain subdued as fear, uncertainty and economic hardship keep many residents indoors.

The economic consequences of the war, compounded by deep-rooted corruption, have been devastating. According to Iranian official statistics, the annual inflation rate has risen to more than 53 per cent, while food prices have reportedly risen by over 115 per cent. Several major industries, including steel, petrochemicals and car manufacturing, reportedly suspended operations during the war or cut production, triggering waves of layoffs across the country.

Alongside the economic collapse, repression has also intensified. By the end of May, Iranians had endured more than 90 days without access to the global internet, leaving a population of nearly 90 million people cut off from the outside world as authorities feared another wave of anti-government protests. 'Our voice has been cut off,' says Armin. 'Without the internet, we are living under enormous mental pressure. Many

Cities are dominated by surveillance, arrests and checkpoints. Security forces routinely stop people, searching mobile phones for VPNs and social media activity. 'None of us dares to go outside with our mobiles anymore,' Sadra says. 'They stop people in the streets and check everything. We delete apps. We hide everything.'

At night, Tehran takes on a different face. Security forces, Basij militia families and regime supporters gather in major squares waving flags and blasting songs and slogans in an apparent effort to intimidate opponents. Executions have intensified since the ceasefire. Rights groups and residents report a sharp rise in executions since the ceasefire, including prisoners accused of espionage or collaboration with the enemy. Almost every day, one or two political prisoners are executed on charges of espionage or 'collaboration with the enemy'.

For many anti-regime Iranians, the war shattered lingering

The healthcare system has been hit hard by the crisis. Medicine shortages and soaring prices are putting lives at risk across Iran. According to the country's pharmacists' association, the cost of some medications has reportedly risen by as much as 400 per cent, while pharmacies are struggling to supply critical drugs to patients. 'My mother suffers from severe heart disease, but her medication, Plavix, has almost disappeared from pharmacies,' says 'Saeed', a shopworker in Tehran. 'Earlier this year, a sheet of pills cost 3,000,000



Soaring inflation and shortages of basic goods are pushing millions of Iranians deeper into poverty.

hopes that external pressure might ultimately lead to regime change in Iran. Earlier this year, millions of protesters poured into the streets demanding freedom, only to face bullets by security forces, during which thousands were massacred in cold blood. Now, many believe the regime has emerged from the war more dangerous than before.

‘Donald Trump keeps talking about regime change,’ Sadra says bitterly. ‘Nothing has changed. The same people are still in power. The regime has become wilder now.’ Yet despite the regime being significantly weakened, many believe the Islamic Revolutionary Guard Corps (IRGC) is now relying on its last remaining card to stay in power: threatening to keep the Strait of Hormuz closed, thereby disrupting the global economy.

Both Tehran and Washington continue to claim victory even as peace talks remain deadlocked. Inside Iran, however, many people are gripped by growing hopelessness and fear. The psychological toll is becoming impossible to ignore. Mental health professionals report rising depression and suicide attempts.

‘It’s been 50 days without work, without internet, without normal life,’ Sadra says. ‘Everyone feels emotionally dead.’ Even ordinary conversations have become dangerous. ‘Every time we speak on the phone, we warn each other: ‘Don’t say this. Don’t mention



Medicine shortages and rising healthcare costs are leaving vulnerable patients across Iran at risk.
Photo: Reuters

that,’ he says. ‘We feel like hostages of a regime that has become more dangerous and unpredictable than ever.’ The trauma of the war remains vivid. Many feel trapped between US-Israeli bombs and the regime’s bullets.

‘What are we supposed to do?’ Sadra asks. ‘Go into the streets? We’ll be shot dead. All we want is a normal life. That’s all.’ Many Iranians feel stuck, unable to challenge the regime, fearful of another war, yet increasingly unable to endure the crushing conditions surrounding them. ‘When we hear thunder, we think the war has started again,’ Armin says. ‘We hoped this war might finally lead to freedom. But instead, everything has become worse.’

For now, the bombings have stopped, but for millions of people inside Iran, the fear has not disappeared. Donald Trump says the ceasefire with Iran is now on ‘life support’ and that the US naval blockade will continue. The question now is whether Iran’s economy can survive the pressure, or whether growing desperation and food shortages will trigger new waves of anti-regime protest.



A woman walks past a banner of Iran’s slain Supreme Leader at Tehran University. After US and Israeli strikes killed much of the country’s top leadership, Iran now faces deep economic crisis and growing uncertainty.

Fariba Sahraei is a UK-based journalist and filmmaker who has worked with the BBC, Channel 4 News and ABC News. She has previously reported from Iran and, through her extensive network, has interviewed residents in Tehran for this piece.



Iran's prolonged internet blackout has deepened isolation, fear and uncertainty as authorities attempt to contain unrest and control information.

Iran's blackout state

Iran has been under an internet blackout since the war began at the end of February. This follows an earlier 21-day blackout in January during the nationwide uprising against the Islamic Republic. Together, the two shutdowns mean Iranians have been cut off from the global internet for roughly 72 per cent of the year so far. As Nazenin Ansari reports, this suggests that the core conflict in Iran may not be between Tehran and foreign adversaries, but between the Islamic Republic and Iranian society itself.

The state's internet blackouts, mass repression, and militarisation of public life are widely seen as signs not of strength, but of a state struggling with legitimacy and governing through fear. The January uprising, dubbed the Sun and Lion Revolution, erupted in key business hubs and quickly spread across the country. In response, state militia and their proxies pursued unarmed protesters with military-grade weapons and snipers. They removed the wounded and the dead from the streets, homes and hospitals. Families had to pay large sums to

retrieve bodies; some still have not been able to locate their loved ones. This has been described by some observers as mass killing followed by an attempt to erase evidence of its scale.

Despite the blackout, a network of Iranian doctors and medical staff inside and outside the country produced one of the most detailed early casualty estimates. Led by Professor Amir Mobarez-Parasta, the team used information from hospitals and emergency centres in Iran, along with hospital data and statistical

modelling from comparable conflict zones.

According to their report, between 16,500 and 18,000 people had been killed by January 16, warning that the death toll could be far higher as many bodies and wounded protesters never reached hospitals or were removed before registration. Mobarez-Parasta suggested the possible death toll could be closer to 60,000. The researchers also estimated 200,000 to 360,000 wounded, many untreated or hiding at home for fear of arrest.

The scale of the reported killing has drawn comparisons to some of the darkest episodes of modern mass violence. Payam Akhavan, a former prosecutor at the International Criminal Tribunal, described the January crackdown as unprecedented even by the Islamic Republic's own bloodstained record. In Srebrenica, about 8,000 Bosnian Muslims were massacred in July 1995. By comparison, Akhavan argued, at least twice that number were killed in Iran in half the time.

He described it as a state assault on unarmed young people demanding a better future. He called the official death toll a 'gross underestimate', noting that authorities had first claimed 5,000 deaths before reducing the figure to 3,000. 'We may not know the exact number because of the internet blackout,' he said, 'but by any plausible estimate, this is the worst mass murder in the contemporary history of Iran.'

What made those days arresting was the scale of the violence and where the protests erupted: in areas once seen as regime strongholds. In Karaj's Mesbah district, west of Tehran, home to religious families, government



A poster in Tehran, featuring Mr Trump's face, suggests the failure of the President of the United States in the Strait of Hormuz

officials and figures tied to the theocracy's ideological apparatus. Similar scenes unfolded in an affluent Isfahan suburb near an IRGC base. Crowds gathered with startling speed, chanting: 'Long live the Shah.'

On the fortieth-day memorials for those killed, mourning turned into resistance. Families sang and danced, and students protested on campuses, chanting 'Death to the dictator', 'Woman, life, freedom', and 'This is the final battle—Pahlavi will return.' They burned the Islamic Republic's flag and raised Iran's pre-revolutionary Sun and Lion flag.

The regime's actions helped produce this open defiance. For decades, the Islamic Republic channelled national resources not into public welfare, civilian protection or economic renewal, but into militarisation and asymmetric warfare. Instead of building a prosperous country above ground, it invested heavily in military infrastructure below it. It also funded proxy forces across the Middle East and beyond. Amir Ali Hajizadeh, the commander of the IRGC Aerospace Force, who was killed in an Israeli airstrike in June 2025, once boasted that unveiling one underground missile city a week would take more than two years.

Since the US-Israeli strikes, not a day has passed without reports of arrests and executions. At the same time, members of Iraq's Popular Mobilisation Forces, Hezbollah, Turkish Shia contingents, and Afghan Fatemiyoun fighters have entered or been mobilised inside the country to shield the regime from the Iranian people.

The regime has also turned to staged mobilisation dressed up as national unity. Its 'Jan-Fada' or 'self-sacrifice' campaign was launched as proof of public readiness to confront the



Protesters gather during the Sun and Lion Revolution, a nationwide uprising that transformed public mourning and economic anger into one of the most direct challenges to the Islamic Republic in decades. Photo: Reuters



Iranian police guard a pro-government rally in Tehran as the Islamic Republic attempts to project control and unity amid deepening unrest, internet blackouts and growing public anger. Photo: Reuters

Republic's ideological core – enforcing Islamic values, anti-Western struggle and the destruction of Israel – or merely its institutional shell, so long as the security apparatus and ruling networks survive. Pragmatists believe the system can endure with a diluted ideology. But the apocalyptic camp appears dominant, seeing war as deterrence and betting that the United States and Europe lack the will to support regime change.

'American-Zionist enemy' and defend 'Islamic Iran'. State media claimed more than 30 million people had registered, but a website flaw reportedly exposed user IDs suggesting fewer than 4 million actual registrants.

hard-line base, but its staged gatherings trample the values that bind that base together. The war and its aftermath have exposed a fracture inside the ruling establishment over what must be preserved: the Islamic

The Islamic Republic appears increasingly unable to defend a coherent doctrine and may be weaker today than at any point in its recent history. Its blackouts, executions and displays of unity indicate fear of a society that, despite repression, continues to seek change. The blackout may hide resistance but has not ended it.

Pro-regime rallies and convoys are also being staged across Iran to project staying power. Tehran municipality alone has boasted of '120 large rallies, 400 local gatherings and 400 vehicular convoys'. Participants reportedly are paid for chanting in the streets. Citizens receive text messages advertising performances and free food. Unveiled or partially veiled women are shown singing praise for Basij, and drinking alcohol is celebrated onstage.



Pro-government supporters gather in Tehran as the Islamic Republic stages rallies to project strength and national unity amid widening unrest, internet blackouts and a deepening legitimacy crisis. Photo: VCG

This is the crux of the legitimacy crisis: the Islamic Republic now depends on its last loyal constituency, the religious

Nazenin Ansari is the managing editor of Kayhan London and Kayhan Life. She was a Special London Correspondent for Voice of America and a contributor to BBC World's Dateline London.



Gwadar Port has emerged as a strategic node in Pakistan's effort to reshape regional trade routes amid growing instability around the Strait of Hormuz. Photo: Xinhua

Pakistan and Afghanistan navigate the Hormuz blockade

The prolonged blockade through the Strait of Hormuz is raising costs and uncertainty across South and Central Asia. Few countries are as exposed as Pakistan and Afghanistan. Yet while the crisis threatens economic disruption, it has created an opportunity for Islamabad to reposition itself as an increasingly consequential diplomatic and logistical actor, as Iftikar Firdous reports.

Pakistan imports a large proportion of its crude oil from Gulf countries, making it highly exposed to disruptions in the Strait of Hormuz. Any sustained disruption in Hormuz inevitably translates into higher energy costs, renewed inflationary pressure and additional strain on already fragile foreign exchange reserves. Remittances from Pakistani workers in Gulf states, a key pillar of the economy, are also under pressure. Yet Islamabad appears determined to turn this vulnerability into strategic advantage.

Since late 2025, Pakistan has kept its border with Afghanistan

effectively closed, disrupting traditional transit trade routes that once defined regional commerce. The result has been a strategic reorientation by both countries toward alternative routes and new political alignments. In April Pakistan operationalised a new trade corridor linking newly developed Gwadar Port to land-locked Uzbekistan through Iran. The inaugural shipment, consisting of frozen meat destined for Tashkent, marked the reshaping of regional trade routes, a signal of Pakistan's attempt to redraw regional trade geography. Under the arrangement, goods originating from Pakistan move

through Gwadar, a central node of the China-Pakistan Economic Corridor (CPEC), transit Iranian territory, and continue onward into Central Asia.

Days later, Pakistan issued another policy move enabling westbound trade routes to bypass Afghanistan entirely, allowing Pakistan to connect more directly with West Asia and reduce Kabul's traditional transit relevance and the revenues associated with it. The significance of this shift is not merely economic. It reflects a deeper strategic conclusion in Islamabad that relations with the Afghan Taliban are unlikely to improve significantly. Border

skirmishes along Pakistan's northwestern and southwestern frontiers continue despite periodic diplomatic engagement, reinforcing the perception within Pakistani security circles that structural distrust now defines the relationship.

and geopolitical alignment increasingly determine strategic relevance. Pakistan's geographic position and its Chinese-backed infrastructure projects, places it in a potentially pivotal role as a gateway linking South Asia, Central Asia and the Middle East.

Gulf monarchies and Iran, while carefully maintaining what officials describe as a policy of maintaining ties with Western powers, Gulf states and Iran. The objective is clear: avoid becoming locked into any single geopolitical bloc while positioning Pakistan as a credible intermediary capable of facilitating dialogue during periods of regional crisis.



The Strait of Hormuz remains one of the world's most critical energy chokepoints, with disruptions threatening fuel supplies across South Asia.

This balancing act has contributed to a more visible diplomatic role of Pakistan's military leadership, particularly Field Marshal Asim Munir. His recent engagements and visibility in high-level regional discussions between Iran and the US have reinforced perceptions of Pakistan as an active stakeholder in crisis management rather than a peripheral observer reacting to external developments.

Afghanistan had tried to reduce its dependence on Pakistan by strengthening routes through Iran and Central Asia. Pakistan is now attempting to bypass Afghanistan altogether. The impact may not be immediate, but strategically it is substantial. Afghanistan risks gradual marginalisation within emerging regional trade networks if alternative corridors stabilise.

Alongside these logistical recalibrations, Pakistan has also elevated its diplomatic profile. Islamabad's leadership has increasingly highlighted open channels with Western powers,

At the same time, Pakistan's military establishment has maintained a harder line on Afghanistan. While Islamabad has sought to facilitate diplomatic space between Iran and the United States, it has shown little indication of easing pressure on Kabul over the Tehreek-e-Taliban

These new arrangements also reduce dependence on vulnerable maritime pathways through the Gulf. In effect, the Gulf crisis is accelerating competition over trade routes, where infrastructure, security



Pakistan (TTP). During the 275th Corps Commanders' Conference at General Headquarters in Rawalpindi on 5 May, the military leadership sharply criticised the Afghan Taliban, accusing them of providing safe havens to militant groups operating against Pakistan. 'The forum categorically rejected frivolous allegations of Pakistan targeting Afghan civilians and reaffirmed that Pakistan's defensive actions remain focused, precise, and directed solely against infiltrators, terrorist hideouts and support infrastructures,' the official statement said.

For Afghanistan, the Gulf crisis creates a different but equally serious challenge. As a landlocked state, Afghanistan does not depend directly on maritime trade routes, but its economy depends heavily on access to Pakistani ports such as Karachi. Most of Afghanistan's essential imports, including fuel and food, pass through Karachi port, making uninterrupted access critical. Disruptions in Gulf shipping lead



Pakistan is attempting to reposition itself as a regional logistics hub linking South Asia, Iran and Central Asia through new overland corridors. Photo: Al 24 News

to delays, higher transport costs and shortages of essential goods.

These pressures are particularly severe given Afghanistan's fragile economy. Rising fuel and food prices, reduced aid flows, and limited fiscal capacity leave the country highly exposed to external shocks. With few economic buffers and continued political isolation, uninterrupted transit access through Pakistan remains critical for Afghanistan's short-term resilience.

Against this backdrop, Pakistan's diplomatic manoeuvring acquires broader regional significance. By engaging multiple stakeholders simultaneously and presenting itself as both a corridor state and a potential diplomatic facilitator, Islamabad is attempting to leverage geography into geopolitical relevance. The strategy, however,

carries risks. Balancing relations between Gulf states, Iran, China, Western powers, and the Afghan Taliban requires constant calibration. Any perceived tilt could alienate critical partners or undermine Pakistan's carefully cultivated position as a mediator.

Still, the broader reality is becoming increasingly clear: crises in the Gulf are no longer geographically confined to the Middle East. Their consequences now ripple directly across South and Central Asia, reshaping trade routes, security calculations, and regional diplomacy.

For Pakistan and Afghanistan alike, the Gulf blockade scenario is more than an economic challenge. It is a direct test of how dependent regional economies remain on fragile global supply chains. For Pakistan in particular, it is also an opportunity to turn economic vulnerability into political influence at a moment when the regional order itself is being renegotiated.



Iranian Parliament Speaker Mohammad Bagher Ghalibaf meets Pakistan army chief Asim Munir in Tehran on 16 April 2026, amid Pakistan's growing diplomatic role during the Hormuz crisis. Photo: EPA

Iftikhar Firdous is a journalist and academic based in Pakistan. His PhD focuses on analysing militant discourses and terrorist ideologies.



Auto-rickshaw drivers wait in long queues to refill LPG at a petrol pump in Kolkata as fuel shortages and rising energy prices linked to the Hormuz blockade disrupt daily transport services across South Asia. Photo: IANS

India and neighbours weather the Hormuz blockade

South Asian countries have been badly affected by the virtual closure of the Strait of Hormuz. Kavita Chowdhury reports on how fuel shortages are affecting people in India, Bangladesh and the Himalayan region.

Auto-rickshaw driver Vishal Singh, while skilfully manoeuvring his three-wheeler through the congested lanes of Kolkata, informs his passengers of an imminent fare hike. ‘Two countries are fighting, and we are getting crushed,’ he says, referring to the war between Iran and the United States. The spike in compressed natural gas (CNG) prices has hit him hard, leaving him with shrinking daily earnings after fuel and rental costs. After spending most of his income on fuel and vehicle rent, very little is left to take home.

For many in South Asia, what was once distant geopolitics is now shaping everyday life. The ongoing war in West Asia has begun to directly affect the daily lives of ordinary people, not only in India but across its immediate neighbourhood. The language of global conflict, once confined to television debates, has now entered everyday conversations in markets, buses and homes.

India depends heavily on imported energy. Nearly half its oil supply and a significant portion of its gas imports comes from the Gulf, making it

especially vulnerable to disruptions. Any restriction in tanker movement or increase in freight and insurance costs is quickly reflected in domestic fuel prices.

What has affected Indian households most is the disruption in the supply of cooking gas cylinders. Most Indian households rely on LPG for cooking, much of which is sourced from the Gulf. India is one of the world’s largest importers of LPG, making it particularly exposed to global supply shocks. The initial phase of

the crisis saw long queues outside LPG distribution centres, panic buying and hoarding. In several cities, consumers reported delays in receiving refills, while smaller distributors struggled to meet demand. In response, the government prioritised household supply over commercial consumption, attempting to stabilise availability.

While domestic consumers continue to receive subsidised cylinders, the burden has shifted elsewhere. Commercial users – restaurants, food vendors and small businesses – have been forced to absorb the full impact of rising prices. The burden has been felt most sharply by small businesses. Take, for instance, a Kolkata biryani outlet. Its owner, Mohd Ahteram, admits that the cost of commercial LPG cylinders has become prohibitively expensive. ‘Commercial LPG is too expensive now,’ he says, adding that he has switched to coal to keep his business running. Unlike larger restaurants, small establishments cannot easily pass on higher costs to customers. ‘If we raise prices, customers will stop coming,’ he explains.

Restaurants and small eateries across India have reduced menus, cutting fuel-intensive dishes, while others have shifted to alternative cooking methods such as tandoor ovens. Some have also reduced portion sizes or limited operating hours to manage costs. Even popular food delivery platforms are promoting ‘low-fuel’ or ready-to-eat options as cooking patterns change.

Rising fuel costs have had a cascading effect across the economy. Transport fares have increased, pushing up the cost of goods and essential commodities such as vegetables, milk and groceries. Wholesale traders report



Consumers queue outside an LPG distribution centre in India as supply disruptions and panic buying expose the region’s dependence on Gulf energy imports. Photo: Times of India

that higher freight charges have directly fed into retail prices. For households already grappling with inflation, this has significantly increased the cost of living.

The government response has been shaped by both economic and political considerations. Following the conclusion of state elections, the government announced austerity measures aimed at reducing fuel consumption. Citizens were urged to rely more on public

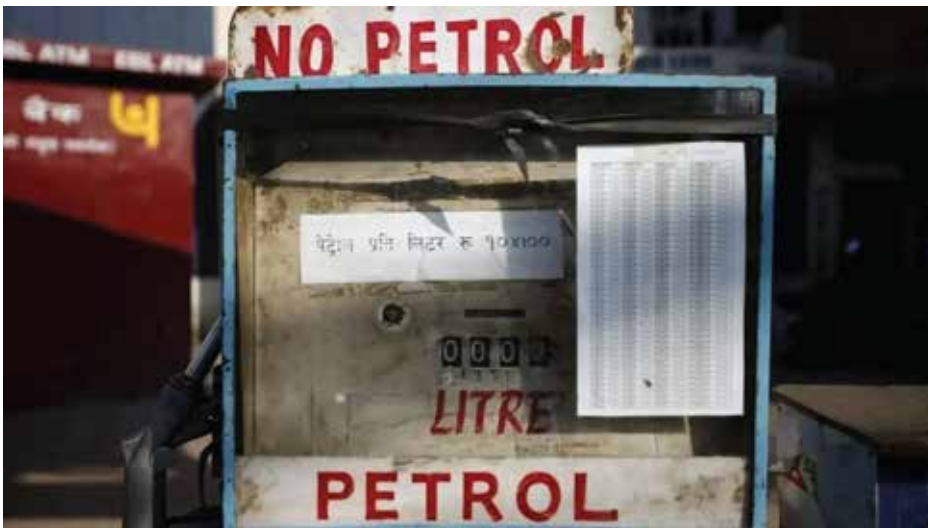
transport, adopt remote working where possible and cut down on non-essential consumption. There were also appeals to reduce discretionary spending and conserve energy at the household level. Efforts to curb non-essential imports and conserve foreign exchange reserves highlight the scale of the challenge.

For ordinary citizens the crisis is about survival. Higher fuel costs have pushed up transport fares and the price of goods, creating a cascading effect across urban and rural economies. In several cities, there are reports of workers cutting back expenses or migrant workers returning to their home villages as living costs rise.

The ripple effects extend beyond India. In neighbouring Bangladesh, the crisis has had a similarly disruptive impact. Rising fuel prices have increased transport costs and affected daily life, particularly for small traders, street vendors and low-income households. In Dhaka, residents report fewer buses, shorter market hours and rising prices for basic goods. Public transport operators have reduced services as fuel costs rise, adding to commuter difficulties.



A restaurant in India temporarily switches to firewood for cooking after shortages and rising prices of cooking gas disrupted operations during the regional fuel crisis linked to the Hormuz blockade. Photo: Nirmal Harindran



Rising fuel prices in Nepal and Bhutan have increased transport costs and disrupted daily life across the Himalayan region. Photo: Reuters

Electricity shortages have added to the strain. The authorities have introduced rationing measures, including early closure of markets and restrictions on energy use. While such measures aim to manage limited supplies, they have also affected livelihoods and economic activity. Businesses that depend on evening trade have been particularly affected.

Nepal is heavily dependent on imported fuel, and rising prices have pushed up both transport and food costs. The government has introduced measures to reduce consumption, including shorter working weeks and reduced operating hours. While these steps help conserve fuel, they also slow economic activity. Construction and infrastructure projects have been affected by higher diesel costs. The impact is felt in everyday expenses. Higher transport costs have translated into increased prices for essential goods, placing additional strain on household budgets. The construction sector has also been affected, with rising diesel costs making projects more expensive and difficult to sustain. Small

businesses and daily wage workers have been among the most affected.

Bhutan, too, relies almost entirely on imported fuel, making it particularly vulnerable to external shocks. Fuel prices have risen sharply, prompting the government to introduce energy-saving measures and encourage citizens to reduce non-essential travel. Public messaging has focused on conservation and reducing dependence on imported energy.



Commuters and traders in Dhaka face transport disruptions and reduced market activity as Bangladesh imposes energy-saving measures during the regional fuel crisis. Photo: Mehedi Hasan

Across South Asia, the pattern is strikingly similar. A distant conflict has triggered a chain reaction through energy markets, affecting transport, food prices and livelihoods. The crisis has highlighted the fragility of existing systems. South Asian economies remain deeply tied to global supply chains, and disruptions in one part of the world can quickly have far-reaching consequences. For millions of people, this has meant higher costs, reduced incomes and increased uncertainty.

There have also been shifts in behaviour. Governments and citizens alike are placing greater emphasis on energy conservation, the use of public transport and more efficient consumption patterns. In some cases, the crisis has accelerated a gradual shift towards alternative energy sources and more sustainable practices.

Yet these adjustments are unlikely to offset the immediate impact. The economic and social effects of the crisis continue to unfold, with the most vulnerable populations bearing the brunt of the disruption. For them, the war is not a distant geopolitical event but a daily struggle to manage rising costs and shrinking resources. The war has brought distant geopolitics into everyday life, raising costs and exposing the region's dependence on fragile global energy routes. What began as a conflict thousands of kilometres away has become a defining economic challenge for millions, shaping how they travel, cook, work and live.

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A maritime crisis in the Gulf is evolving into a wider challenge for agriculture and food security across Asia. Image AI generated

Dire straits: the farming crisis

In eastern India, the effects of the Iran war are showing up not in fuel queues or port delays but in the calculations farmers make before sowing. The kharif season begins with the southwest monsoon, which advances across India during June. That is when demand rises for urea, India's most widely used nitrogen fertiliser. If supplies are tight at this time the consequences appear later in weaker harvests. Rahul Jaywant Bhise writes on how the blockade of the Strait of Hormuz is turning an energy shock into a fertiliser and food-security crisis across Asia.

The Strait of Hormuz is usually discussed as an energy chokepoint. In the week before the conflict began at the end of February, 38% of global seaborne crude-oil trade and 19% of LNG flowed through the Strait of Hormuz. The more consequential shock may be about chemicals, of which 13% of chemicals flowed

through the strait, rather than energy. Modern food systems depend not only on fuel, but on nitrogen.

The chemistry is simple. Nitrogen is one of the essential nutrients crops require, but plants cannot use most of the nitrogen in the air directly. Industrial agriculture solves

this through synthetic fertiliser. Ammonia is produced by combining nitrogen from the air with hydrogen, usually derived from natural gas, through the Haber-Bosch process. Urea, the world's most widely used nitrogen fertiliser, is then made from ammonia and carbon dioxide. These



Large-scale ammonia and urea plants in the Gulf convert natural gas into fertilisers that sustain agricultural production across Asia. Image AI generated

products are manufactured in fertiliser plants, many located close to gas supplies in the Gulf.

That is why Hormuz matters for food. The International Fertilizer Association says Iran, Qatar, Saudi Arabia, the UAE and Bahrain accounted in 2024 for 23% of global ammonia trade, 34% of urea trade and 18% of ammoniated phosphate trade. The wider Middle East supplied close to 30% of global exports of major fertilisers. UNCTAD estimates that around one-third of global seaborne fertiliser trade passed through Hormuz in 2024; of that traffic, 67% was urea.

The disruption is already visible. UNCTAD, the UN trade body, says daily ship transits through Hormuz fell by 97% in early March, from an average of 141 vessels a day in February to single digits. AXSMarine and the WTO's Strait of Hormuz Trade Tracker reported in May that fertiliser-related cargoes were

down 87% compared with pre-conflict levels. Costs have risen sharply as well. War-risk insurance on a \$100m vessel, normally around \$250,000 a voyage, could rise to \$500,000 or even \$1m.

Fertiliser markets have responded quickly. CRU Group, quoted by the *Washington Post*, estimated that 30% of global urea supply had been 'wiped out' by the disruption, with spot urea prices up 40% since February. CF Industries reported urea prices up 17% year on year and ammonia prices up 25%.

Svein Tore Holsether, chief executive of Yara International, has warned that the disruption risks creating a 'global auction' for food and fertiliser in which wealthier countries outbid poorer ones. He told the BBC that around 500,000 tonnes of nitrogen fertiliser were not being produced because of the crisis. The result, he said, could be up to 10 billion meals a week that 'will not be produced' because of the lack of fertilisers.

Farmers cannot respond to fertiliser shocks as traders



Indian farmers prepare rice fields during the kharif sowing season, when timely access to nitrogen fertiliser becomes critical for crop yields. Photo: Gowtham AGM/Unsplash

respond to oil shocks. Fertiliser decisions are made at sowing time. If fertiliser is unavailable or too expensive, farmers reduce or delay application. Nitrogen is especially important for cereals such as rice and wheat. Lower application weakens yields and tightens food supply months later.

Higher fertiliser prices risk feeding directly into food inflation at a time when household purchasing power is already fragile.

Sri Lanka's exposure is equally acute. UNCTAD lists it among economies highly dependent on fertilisers imported by sea from

simultaneously. Bangladesh faces similar pressures as fertiliser prices and shipping costs rise across the region.

The politics of fertiliser are sharpening too. China has curbed fertiliser exports since March, according to *Reuters*, including nitrogen-potassium blends and some phosphate varieties. *Bloomberg* has also reported tighter Chinese export controls. David Malpass, a former World Bank president, told the BBC that China should stop 'hoarding food and fertiliser', saying it had the world's largest stockpiles. Beijing says domestic food security must come first.



Consumers shop in rice markets across South and Southeast Asia as rising fertiliser and transport costs threaten to push food prices higher. Photo: The Daily Star

India illustrates the pressure clearly. It is one of the world's largest fertiliser consumers and imports a substantial share of its urea requirements. The timing is awkward: kharif sowing begins with the monsoon which is precisely when farmers need nitrogen for rice, pulses and cotton. Any disruption in fertiliser availability during June and July affects agricultural output months later. Higher fertiliser prices also increase pressure on India's subsidy system, forcing the state either to absorb rising costs or pass them on to farmers.

Pakistan faces a similar vulnerability, but with weaker fiscal buffers. The country remains heavily dependent on imported fuel and fertilisers while continuing to struggle with debt pressures and inflation.

the Persian Gulf: 36% of its seaborne fertiliser imports originated there in 2024. The country is still recovering from the economic collapse of 2022, and rising fuel and fertiliser costs threaten both agricultural production and the fragile stability restored under IMF-backed reforms.

South East Asia shows how quickly the shock can spread through food markets. Thailand, one of the world's largest rice exporters, is also highly exposed. Thai farmers are already delaying planting or reducing acreage as fuel and fertiliser costs rise. The Philippines faces double vulnerability as both a fertiliser importer and a major rice importer, exposing consumers to higher farming costs and rising food prices

Plastics matter too, though less than fertiliser. The Gulf is a major source of petrochemicals used in packaging, irrigation equipment, storage and food distribution systems.

Disruptions to plastics reinforce the same point: modern food systems depend on energy and chemical supply chains, not just farms.

There are few quick substitutes. Pipelines can reroute some oil and gas flows around Hormuz, but not the full scale of seaborne trade. Fertiliser plants take years to build and require gas, infrastructure and capital. Organic manures and biofertilisers help, but cannot quickly replace synthetic nitrogen at the scale needed to sustain current yields.

The distinction between food shortages and famine still matters. A Hormuz blockade does not automatically produce famine. But prolonged disruption does raise the risk of food insecurity by increasing fertiliser costs, lowering yields



Commercial shipping traffic through the Strait of Hormuz has fallen sharply since the conflict escalated, disrupting global energy and fertiliser supply chains. Image AI generated

and straining public finances. Recent reporting on Yara's warning said the combined fallout could push tens of millions more people into acute hunger if disruptions persist.

For now, the effects remain partly hidden. Fields are still being planted and markets continue to function. But the early signals are clear: ships are not moving, freight and insurance costs have surged, urea and ammonia prices have risen, China is restricting exports and Asian farmers are cutting back. Much of the nitrogen sustaining modern agriculture still passes through one narrow, dangerous strait.

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Motorists wait in long queues at a fuel station in Colombo as fears over supply disruptions linked to the Strait of Hormuz crisis revive memories of Sri Lanka's 2022 economic collapse. Photo: Reuters

Sri Lanka's recovery hit by Hormuz blockade

Sri Lanka finds itself once again listening anxiously to developments unfolding thousands of kilometres away in the Middle East. The Iran conflict, and wider instability involving Israel, the United States and the Gulf region, has cast a long economic shadow over the island, as Eranga Pereira reports from Colombo.

Fuel prices have risen, inflationary pressures are returning and familiar public anxieties surrounding shortages and economic insecurity have resurfaced. The unease feels deeply familiar. Four years ago, the country experienced one of the most severe economic collapses in its independent history. The crisis of 2022 was not merely a financial breakdown; it evolved into a profound crisis of governance

and democratic legitimacy. Fuel queues became symbols of institutional failure; power cuts disrupted daily life, inflation destabilised households. Public frustration ultimately erupted into the '*aragalaya*' or 'people's struggle' movement against the government, which led to a fundamental reshaping of Sri Lanka's political landscape and public expectations of governance.

It is this recent memory that makes the current Middle East conflict so politically significant for Sri Lanka. The island's vulnerability to Gulf instability is neither temporary nor accidental. Sri Lanka remains heavily dependent on imported fuel and maritime trade routes connected to the Middle East. Remittances from an estimated one million Sri Lankan migrant workers in Gulf countries are a major source of foreign

exchange. Geopolitical instability in West Asia quickly translates into domestic economic pressure.

The Central Bank of Sri Lanka has warned that the 'US-Israel-Iran war and geopolitical tensions have created a larger uncertainty, with impacts on global trade and supply chain disruptions'. Though expressed in the restrained language of economic policy, the implications are far-reaching. For smaller and economically vulnerable states such as Sri Lanka, global conflicts increasingly shape domestic political and economic stability in direct and immediate ways.

According to Central Bank data released in April, Sri Lanka's fuel import expenditure rose by 74.7% year-on-year, reaching US\$630 million in March alone due to escalating global oil prices linked to the conflict. Headline inflation increased from 2.2 percent in March to 5.4 per cent in April with higher domestic energy prices identified as a key contributing factor. During the same period, the Sri Lankan rupee depreciated by nearly 3% against the US dollar.

These figures might appear to be routine indicators of economic volatility. In Sri Lanka, however, they carry emotional and political weight. Economic instability is no longer perceived by citizens as an abstract macroeconomic issue. The events of 2022 transformed economics into lived experience. Rising fuel prices evoke memories of queues stretching for kilometres, uncertainty over basic necessities and a public distrustful of state institutions.

Yet Sri Lanka in May 2026 is also markedly different from that of 2022. The election in 2024 of President Anura Kumara Dissanayake and the National People's Power government



Protesters gather at Colombo's Galle Face Green during the 2022 'Aragalaya' movement, when economic collapse and fuel shortages triggered nationwide unrest. Photo: AntanO/CC BY-SA 4.0

brought public hope of cleaner governance, greater accountability and a more socially responsive state. For many Sri Lankans, particularly younger generations shaped by the protest movement, the new government represented more than electoral transition. It showed the possibility of institutional renewal after years of economic mismanagement and eroding public trust.

The Iran conflict has now become one of the first major external tests confronting that promise. Unlike during the paralysis and confusion that characterized the height of the economic collapse, the state's

response has appeared more coordinated and proactive. When panic buying emerged in March, President Dissanayake moved quickly to reassure Parliament that the country possessed diesel stocks for 33 days and petrol stocks for 27 days. To prevent a recurrence of 2022-style shortages, the authorities introduced tighter controls to discourage hoarding.

The government introduced temporary energy conservation measures such as a four-day working week within parts of the public sector to reduce fuel consumption. Emergency fuel procurement arrangements were accelerated, while economic



Sri Lankan migrant workers abroad, whose labour and remittances play a vital role in supporting households and strengthening the country's economy amid external shocks. File Photo

management mechanisms developed after 2022 were reactivated in anticipation of prolonged global volatility.

support, maintaining balanced international relationships has become integral to economic recovery itself.

Bank Governor Dr Nandalal Weerasinghe warned that approximately 45 per cent of Sri Lanka's remittance inflows originate from Gulf economies, making prolonged instability in the region a direct threat to the country's stability.



Rising fuel and commodity prices reflect renewed inflationary pressure on households as global energy volatility feeds into Sri Lanka's fragile recovery.

The country's recovery from its own economic crisis remains incomplete despite measurable progress. Sri Lanka recorded approximately 5% economic growth in 2025 under IMF-supported reforms, while official reserves strengthened to nearly US\$7 billion by early 2026. Worker remittances reached US\$815 million in March, a 17.5 per cent increase compared to the previous year, while tourism earnings continued to recover steadily.

President Dissanayake declared: 'We must also structure our economy to withstand this external shock and we possess both the capability and the confidence to do so'. The significance of this statement lies not merely in its economic implications, but in its political tone. In post-crisis Sri Lanka, governance is judged not only by outcomes, but by preparedness, communication and institutional coherence.

Beneath these signs of stabilization lies an undeniable fragility. Sri Lanka's trade deficit widened to US\$2.3 billion during the first quarter of 2026 according to Central Bank figures, driven largely by rising import costs associated with global energy volatility. Central

These developments suggest that Sri Lanka is no longer experiencing the institutional freefall of 2022. Inflation has moderated relative to crisis-era levels, state institutions are functioning with greater coordination and economic management has become comparatively disciplined. And

Sri Lanka's diplomatic positioning has similarly reflected strategic caution. Official statements issued through the Ministry of Foreign Affairs called for the 'immediate de-escalation' of tensions in the Middle East while reaffirming Sri Lanka's neutral stance regarding the conflict. Such neutrality reflects both diplomatic tradition and economic necessity. At a time when Sri Lanka remains dependent on Gulf labour markets, debt restructuring processes and external financial



President Anura Kumara Disanayake in Colombo, as his government navigates renewed economic pressures linked to global instability. Photo: Wikimedia Commons/CC BY-SA 4.0



Container vessels and oil tankers at Colombo Port highlight Sri Lanka's dependence on global maritime trade routes vulnerable to Middle East instability.

yet, this year's events serve as a reminder of how narrow the margin for stability remains.

Sri Lanka's experience demonstrates that democratic resilience is inseparable from economic resilience. Public trust in institutions cannot be sustained

in conditions of prolonged insecurity and hardship. Democracy is tested not only through elections and constitutional procedures, but through the state's ability to manage crises transparently, responsibly and without transferring the full burden onto

ordinary citizens. The Iran conflict may be geographically distant from Sri Lanka, but its consequences have become intimately domestic, shaping inflation, public sentiment, energy security and perceptions of governance itself.

Four years ago, external shocks exposed the fragility of the Sri Lankan state. In 2026, the country appears more institutionally alert, economically cautious and politically conscious of the consequences of instability. Whether that transformation proves durable, however, remains uncertain. Sri Lanka's challenge now is not merely to recover from the crisis, but to demonstrate that democratic governance itself can evolve beyond the failures that produced the crisis in the first place.

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Japanese forces launch an anti-ship missile during Balikatan 2026 in northern Luzon, signalling Tokyo's most assertive military posture beyond its borders since the Second World War. Photo: Japan MoD

Is Japan aiming to be a regional power?

Japan was not at the table when Donald Trump and Xi Jinping agreed to a 'constructive relationship of strategic stability' in Beijing. It did not need to be. At the time of the Beijing talks its navy was engaged in a seven-country naval exercise off the Philippines, writes Howard Zhang.

On the morning of 6 May, on a strip of sand dunes on the north-western coast of the Philippines island of Luzon, a Japanese launcher vehicle fired two Type 88 surface-to-ship missiles into the South China Sea. The target, a decommissioned Philippine Navy corvette, was 75 kilometres offshore. It sank within six minutes. It was the first time Japan had fired an offensive missile from foreign soil since 1945.

The story was noted by defence correspondents and promptly

buried. It was swallowed by the Iran conflict and the diplomatic pageantry of a Trump-Xi summit, where the two leaders agreed to pursue what is framed as 'a constructive relationship of strategic stability'. Xi pushed Trump on Taiwan. Japan was not mentioned.

That absence is striking. The world's two superpowers convened to negotiate the architecture of Asia, and the country, sitting astride its most critical waterways – the narrow straits through which China must

pass to reach the open Pacific – did not feature on the agenda. Japan, for its part, is not waiting on the outcome.

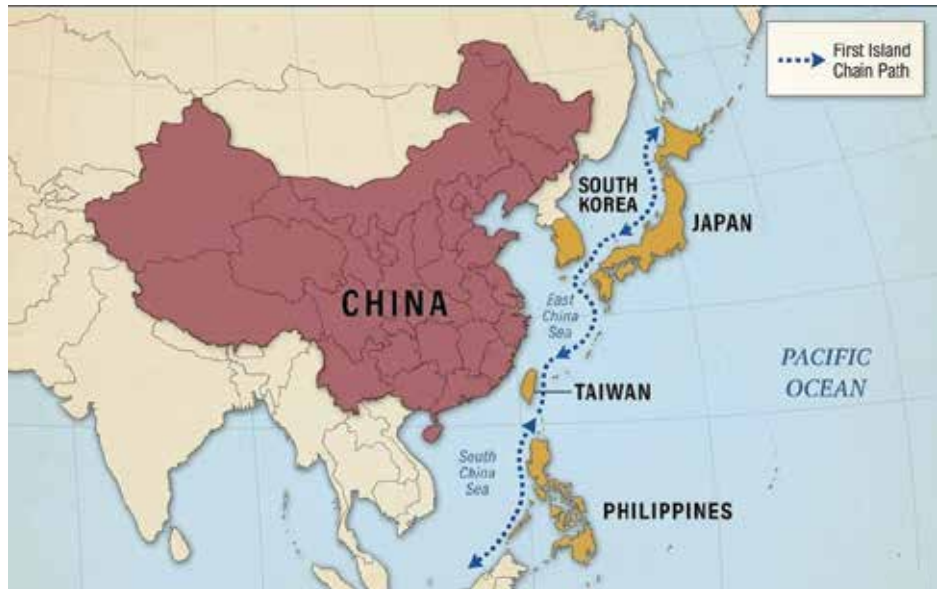
The shot that sank more than a corvette

Exercise Balikatan 2026 brought together nearly 17,000 personnel from the Philippines, the United States, Japan, Australia, Canada, France and New Zealand. Japan participated not as an observer, as in previous years, but as a full combat contributor, deploying around 1,400 troops alongside warships, aircraft and missile

systems. A Reciprocal Access Agreement between Japan and the Philippines, quietly ratified in September 2025, made the deployment legally possible.

The choice of launch site was deliberate. Ilocos Norte sits 400 kilometres south of Taiwan, facing the Luzon Strait, one of the few deep-water corridors through which Chinese warships moving from the South China Sea can access the wider Pacific. The scenario being rehearsed – layered coastal defence against hostile naval forces – maps precisely onto the contingency that planners in Tokyo and Washington have spent years wargaming.

China's Foreign Ministry condemned the exercise as Tokyo's first overseas offensive missile launch in eight decades, a characterisation that was accurate, though incomplete. The operational significance runs deeper: the Type 88 fired at Balikatan is already being phased out in favour of the upgraded Type 12, which combines GPS-assisted guidance with a range approaching 1,000 kilometres and is now being deployed across the south-western islands near Okinawa. The transition signals



The first island chain stretches from Japan through Taiwan to the Philippines, forming the narrow maritime corridor China must cross to access the Pacific.

not a one-off demonstration but a sustained change in posture.

What does all this mean?

The Chinese navy cannot move freely into the Pacific. They must pass through chokepoints running from southern Japan through the Ryukyu Islands, past Taiwan and through the Philippines – the first island chain. Japan sits across its northern section, impossible to outflank or bypass. That geographic fact gives Tokyo a form of leverage no American carrier group fully replicates: unlike US forces, which can in

theory be kept at a safe distance, Japan is already there.

China's long-term naval strategy has assumed that American power can be displaced progressively westward. A militarily capable Japan, permanently embedded in the critical geography, disrupts that calculus permanently. Japan is not attempting to match China hull for hull. Tokyo's investment logic is different: make the narrow seas China must cross as dangerous as possible to transit.

The Type 12 missile lets Japan threaten hostile vessels far beyond the coastline. Combined with American ground-launched Tomahawks, also fired during Balikatan 2026, missile coverage of the Miyako and Luzon Straits is becoming overlapping and mutually reinforcing. Japan's submarine fleet, autonomous drones and seabed surveillance networks add another layer of uncertainty: even a smaller force creates serious problems for a larger navy transiting confined waters on a deadline. The lesson from Ukraine – that the side which sees first can matter as much as the side with the larger force – has been absorbed in Tokyo as thoroughly as anywhere.



Japan is investing heavily in submarines, long-range missiles and maritime surveillance to make the western Pacific's narrow seas harder for Chinese naval forces to cross. Photo: Japan Maritime Self Defence Force

Rewriting the post-war script

For most of the post-war period, Japanese power was constrained from within. Article 9 of the 1947 constitution, which renounces war as a sovereign right and forbids the maintenance of 'land, sea and air forces'. Successive governments preserved the letter of the text by reinterpreting its meaning – first to permit a Self-Defence Force, then collective self-defence in limited circumstances, and most recently the acquisition of offensive 'counter-strike' weapons. The

sustained military build-up by any Japanese government since the war. The five-year plan funds the Type 12 upgrade, hypersonic research, an expanded submarine fleet, satellite reconnaissance and the stockpiles of long-range munitions that a sustained Pacific contingency would require.

Tokyo's rhetoric has shifted too. Sanae Takaichi, who became prime minister in October 2025, told the Diet that a Chinese military move against Taiwan could constitute a

the export of lethal military equipment – warplanes, warships, missiles, drones – to partner nations, ending a post-war arms sales restriction. The Philippines is the most immediate beneficiary, already receiving TC-90 maritime patrol aircraft and potentially retired Japanese destroyers.

What is forming is a networked maritime defence architecture along the first island chain: Japanese missiles and submarines, American forward-deployed strike systems, Philippine basing arrangements, Australian defence co-operation and growing participation from allied countries. No collective security treaty has been signed, but the practical architecture of one is taking shape through hardware compatibility, shared intelligence and exercises like Balikatan.

Japan's transformation is structural: it does not require Washington's permission, does not depend on the détente holding, and will not pause while the great powers negotiate their relationship or work out what a 'constructive relationship of strategic stability' actually means.

The indicator worth watching is whether Japan's Type 12 missiles appear in the Philippines on a permanent basis and whether Manila agrees to that in writing. If they do, the first island chain will have become something qualitatively new – and no formula for strategic stability will change the geography that follows.



Prime Minister Sanae Takaichi has pushed Japan further away from its post-war military restraint, linking Taiwan's security directly to Japan's survival interests. Photo: Cabinet Secretariat/CC BY 4.0

prohibition still constrains overseas deployment, doctrine and procurement, but each loosening has required political capital previous prime ministers were reluctant to spend. That reluctance has now gone.

The hardware reflects a budget shift that would have been unthinkable a decade ago. Tokyo is on course to double defence spending to around 2 per cent of GDP by 2027 – the largest

'survival-threatening situation' for Japan – the legal threshold that permits the Self-Defence Forces to exercise collective self-defence alongside an ally. No previous prime minister had said so in plain terms. Beijing called the remarks 'provocative' and responded angrily; Takaichi declined to retract them.

The alliance that nobody signed

In April, Tokyo's cabinet approved

Howard Zhang, who was formerly head of the BBC Chinese Service and is a trustee of UK-China Transparency, writes on East Asian security.



Image AI generated

Trump, the nation builder

President Trump's state visit to China in May attracted enormous attention across the country. Social media buzzed with commentary, speculation and mockery in equal measure. Lijia Zhang writes that beneath the jokes lies something more serious: Donald Trump has become a symbol of how profoundly Chinese perceptions of the United States have changed.

At first, Trump was seen less as a politician than as a reality television character who had somehow wandered into the White House. Chinese netizens mocked his hair, marvelled at his rhetorical excesses and, for a time, even admired his supposed business success. Over the years, however, amusement has faded and hostility has grown.

This shift reflects not only changing Chinese perceptions of America, but also a deeper transformation in how China sees itself and its place in the world. Most revealing was the nickname Chinese netizens gave Trump: '*Chuan Jianguo*' (川建国), which roughly translates as 'Trump the nation builder'.

Jianguo is an immensely popular Chinese name, borne by nearly a million people. The joke was that Trump was actually helping to make China stronger. By launching trade wars and trying to cut China off from advanced technologies, he unintentionally accelerated Beijing's push for technological self-reliance and fuelled nationalist sentiment.

More importantly, many Chinese believe his erratic behaviour and foreign policy blunders weakened the United States and gave China greater diplomatic room to manoeuvre.

When Donald Trump first entered office in 2017, his victory was greeted with relief in China. Unlike Hillary Clinton, who was more vocal on human rights issues, Trump appeared transactional rather than ideological. After decades of hearing American politicians lecture China on rights issues, some Chinese felt Trump might actually be easier to deal with. I remember being surprised to hear positive comments about him from ordinary Chinese people. Some admired his bluntness and unpredictability. Others simply enjoyed the spectacle.

Trump's 2017 state visit to Beijing now feels like a moment from another era. China welcomed him with extraordinary pomp: military honours, a lavish banquet in the Forbidden City and carefully choreographed displays of respect. At the time, Beijing still approached Washington with a mixture of caution and admiration.

Yet even during that visit, subtle shifts were already visible. Trump openly praised the Chinese leader Xi Jinping while simultaneously embracing 'America First' nationalism and increasingly confrontational rhetoric on trade. What followed was not engagement but escalating rivalry.

As Trump launched tariffs, sanctions and attacks on Chinese companies, Chinese attitudes hardened. The campaign against Huawei in particular struck a nerve, widely seen as an attempt



Chinese social media users helped popularise the nickname “*Chuan Jianguo*” — reflecting the belief that Donald Trump's policies unintentionally strengthened China. Photo: Freepik

to suppress China's technological rise. Trump was transformed in the Chinese imagination from entertainer into adversary.

Ironically, however, Trump may have strengthened the very country he sought to contain. During the Mao era, China had pursued self-reliance out of ideological necessity. Under Trump, technological



US President Donald Trump and Chinese President Xi Jinping during a high-profile meeting in Beijing — a relationship that evolved from cautious engagement into open strategic rivalry.

self-reliance returned as a strategic imperative. Beijing doubled down on domestic innovation, semiconductors and supply-chain resilience.

The transformation was psychological as much as economic.

I belong to a generation that grew up when America possessed an almost mythical aura. In the China of my youth, the United States symbolised modernity, prosperity and freedom. I fantasised about seeing the country with my own eyes, perhaps even living there one day. Even its Chinese name, Meiguo—literally 'beautiful country'—carried a certain romance. Like many Chinese of my generation, I learned English partly out of fascination with the West.

Today, that aura has faded dramatically. Many Chinese no longer look at the United States with awe, but with the cooler gaze reserved for an equal, a rival or even a wounded giant.

Trump did not create this shift alone, of course. China's own rise played the decisive role. Yet

Trump accelerated the process by exposing American divisions and volatility to the world. The world's most powerful nation no longer appeared calm, rational and invincible. Instead, it looked polarised, fragmented and increasingly uncertain of itself.

ago. Chinese officials no longer present the country as a cautious developing nation seeking acceptance into a Western-led order. Instead, China increasingly behaves like a power that believes history is moving in its favour.

strategic calculation, but also a growing belief within China that the balance of power is shifting. Today, although few in China actively desire conflict, there is a stronger sense that China can endure pressure and that America itself appears weakened by internal division.



Restrictions on companies like Huawei intensified China's push for technological self-reliance and domestic innovation. Photo: DIGITIMES

Chinese state propaganda has also helped shape this changing perception. Social media is frequently flooded with disturbing images of homelessness, drug abuse, gun violence and political chaos in the United States. These clips are often presented as evidence of a civilisation in decline.

For decades, many Chinese viewed America with a mixture of admiration and inferiority. That emotional imbalance has largely disappeared. Younger Chinese are now more likely to see the United States simply as another great power: formidable, certainly, but flawed, divided and no longer beyond comparison.

This psychological shift is now shaping China's negotiations with the United States. Beijing today speaks with noticeably greater confidence than it did a decade

ago. That confidence was especially visible during Trump's May visit, when Xi Jinping warned that mishandling the Taiwan issue could lead to conflict. Such language reflects not only

A famous Chinese idiom helps explain this evolving mood: 黔驴技穷 (*qian lü ji qiong*) – 'the donkey from Guizhou has exhausted all its tricks'. The story tells of a tiger initially terrified by a donkey it has never seen before. The donkey brays loudly and kicks. But once the tiger realises the donkey has only a few tricks, its fear disappears. When the donkey has exhausted its limited 'skills', the tiger pounces and kills it.

So the idiom 黔驴技穷 refers to someone who appears formidable at first but turns out to have very little substance: one might think of Donald Trump. One day after launching 'Project Freedom', he abandoned it. Why? He had run out of tricks – or, as he might prefer to put it, cards.



Beijing's skyline stands as a marker of China's expanding economic confidence amid shifting global power perceptions. Photo: Morio/CC BY-SA 4.0



Everyday life on the streets of New York City, a city often used to represent both the strengths and social complexities of the United States. Photo: Andy C/CC BY-SA 3.0

Many Chinese invoke this idiom when discussing American attempts to contain China. Tariffs, sanctions and technological restrictions once seemed overwhelming. But after years of confrontation, many now feel the United States has revealed the limits of its power. The fear has diminished.

This may be Trump's greatest unintended legacy in China. He altered not only how Chinese people saw America, but how China saw itself. What began as mockery of an unconventional American president evolved into a broader reassessment of global power, national identity and the meaning of American power itself.

For many Chinese today, the tiger no longer trembles before the donkey from Guizhou.

Lijia Zhang wrote a memoir *Socialism is Great* based on the decade she spent working in a Chinese missile factory. Her novel *Lotus* explores the life of a Chinese sex worker.



US President Donald Trump and Chinese President Xi Jinping meet amid growing tensions over trade, technology and Taiwan.

The Xi-Trump talks: was anything achieved?

The talks between presidents Xi Jinping and Donald Trump were important and timely though the mood music was subdued. Expectations were low and were, if anything, underachieved with little more than a few gestures of commercial goodwill. Former British minister for Business, Skills and Innovation Vince Cable reports.

The detailed negotiations centred on trade and were, in many respects, a continuation of negotiations during the first Trump administration which were inconclusive: in effect a ‘no-score draw’.

But in the intervening years the underlying imbalances have become worse. They can be summarised in the cliché that ‘China saves too much and the USA saves too little’. The external manifestation of this macro-economic phenomenon is the large trade and current account surpluses of China and

the deficits of the USA. Trump is obsessed by the bilateral deficits with China, but chronic imbalances are a problem for the world.

Neither country appears able or willing to tackle the underlying imbalances. Instead, the USA has pursued a decoupling strategy under both the Biden and Trump administrations, mainly through selective use of export controls – which may have aggravated the trade imbalance, while the Chinese have also sought greater ‘self-reliance’.

Trump has returned to his original obsession about the bilateral trade deficit by imposing high tariffs on Chinese exports. But this stalled when the Chinese government retaliated in the form of export restrictions on supplies of ‘critical minerals’ such as the ‘rare earth’ elements which play a key role in advanced manufacturing. Trump backed down, earning him the title of TACO (Trump Always Chickens Out). The unwillingness of the US Supreme Court to legalise the tariffs has rendered the issue moot in any event.

Since Trump has had his fingers burnt once in a trade confrontation with China, he does not want to risk another. But the Chinese wanted a stable relationship with the USA and saw that it was not in their interest to humiliate Trump by sending him away empty-handed. So there were a few concessions – for China to buy more Boeing jets and US animal feed – providing Trump with some good, politically useful pictures and tweets – but they are disarmingly vague.

Trump had another big ask. He wanted some help in extricating himself from the disastrous war with Iran which has failed to achieve any of its several goals and is now feeding through into higher petrol, diesel and fertiliser prices in the USA. The Chinese are not only the biggest consumer of Iran's sanctioned oil exports; they are also allegedly supporting the Iranian war effort by passing satellite images of American military assets. It is uncertain as to whether China can influence Iran's current leadership; nor why they would want to. China is paying an economic cost for the closure of the Gulf of Hormuz but it suits China to have the USA distracted in the Middle East and fast losing



Trade tensions between Washington and Beijing continue to reshape global supply chains and advanced manufacturing sectors. Image AI generated

friends and credibility. In the event, no firm undertakings appear to have been given.

It seems odd that Trump has somehow become the 'demandeur' in the bilateral relationship. China's economy is suffering seriously from the collapse in the property market, while the government lacks the fiscal space to inject necessary domestic demand. Growth depends precariously on exports and the willingness of the rest of the world to absorb them. By contrast, the USA is enjoying the momentum of an AI-led boom

defying all predictions of doom and gloom. Trump's personal metric of economic success, stock market valuation, is stratospheric.

Yet China's standing internationally is greatly strengthened relative to the USA. This is in part a recognition of China's long-term economic advance and its growing leadership role in technology, especially in sectors like renewable technology whose importance has been underlined by the dangers of dependence on oil and gas. But the key change is the perception that China is the 'adult in the room': stable and reliable. Countries that are on the receiving end of trade mercantilism and unsympathetic treatment of debt are under no illusions that China is a Mr Nice Guy. But predictability trumps chaos. To use President Trump's favourite metaphor, Xi is playing a weaker hand of cards better.

The meeting certainly did not result in a 'grand bargain' and barely produced a 'small bargain'. But there are two other face-to-face meetings later this year and these may achieve Chinese objectives of a loosening of the controls which limit Chinese access to those few parts of the advanced AI ecosystem



The Persian Gulf near Hormuz Island, where regional conflict increasingly intersects with global trade security. Photo: Ninara/CC BY-SA 2.0



China's growing influence in AI, renewable energy and advanced manufacturing is reshaping global economic power balances. Photo: Xinhua

in which it is not already self-sufficient or ahead. There may be a loosening of restrictions on Chinese investment in the USA.

The surprise of the summit was that Xi placed so much emphasis on Taiwan, warning that failure to stabilise the issue (and in China's favour) will result in deepening conflict with the USA. The Chinese are in no position to invade Taiwan through frontal assault but can undermine Taiwan's defence through 'grey zone' warfare techniques and, possibly, some

form of blockade. They almost certainly calculate that time is on their side with the possibility that internal politics in Taiwan may shift towards accommodation with the mainland. The immediate objective is to head off demands for Taiwanese independence and to weaken US military support. Trump's subsequent comments suggest that he was persuaded by Xi to make clear that the US does not support Taiwanese *de jure* independence, as opposed to the current *de facto* independence.



Taiwan remains the most dangerous flashpoint in the increasingly competitive US-China relationship.

What we may now see is a power struggle in Washington. On one hand, there are the security 'hawks', like Rubio, who see no prospect of major deals with China and worry that a weakening of the position on Taiwan opens the way to a weakening of American influence in the Asia-Pacific. On the other, those around Trump are more concerned with economic issues and trade and the possibilities for good deals (including politically advantageous deals). For them, Taiwan is just a nuisance to be bargained for, like Greenland or Ukraine. The Chinese will play the latter group against the former.

The personalities and political agendas of Trump and Xi are so different that it is difficult to see tangible progress on the big, complex and difficult issues which lurk in the background. There is a dangerous escalation in nuclear weapons and there are no 'guard-rails' of the kind which prevented accidental nuclear conflict between NATO and the Soviet Union. Competition in Artificial General Intelligence, and more generally in AI, involves some very risky activity but there is no agreement on regulatory cooperation. The Taiwan issue potentially poisons any attempt to build bridges to tackle these issues.

So, we had some warm words and media-friendly gestures but little of real substance. The most important bilateral relationship in the world remains highly competitive at best and seriously hostile at worst.

Sir Vince Cable led the British Liberal Democrat party and served in government as Secretary of State for Business, Skills and Innovation, 2010-2015. His latest book is *Eclipsing the West: China, India and the Forging of a New World*.

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The Strait of Hormuz stands at the centre of a widening economic ripple effect, as energy disruptions reshape trade, industry and growth prospects across Asia. Photo: Reuters

Bisinomics

India

Narendra Modi has advised Indians not to travel abroad for holidays and weddings. He also asked people to work from home and use public transport.

India is the world's third-largest importer of oil. It faces a ballooning economic challenge because of the sharp increase in energy prices and an uncomfortably low level of reserves caused by reduced supplies from the Persian Gulf following the virtual closure of the Strait of Hormuz.

'We must curb our use of petrol and diesel,' Modi said in a speech. 'In cities with metro lines, we should use the metro wherever possible... We must also place a strong emphasis on saving foreign exchange.' As Indians braced themselves for a further escalation

in energy prices, Modi's critics mocked him for not practising what he was preaching by taking off on a five-nation overseas trip. They said hands-on economic management was the national priority.

The Financial Times reported that India 'imported \$174 billion of oil and gas last year, with two-thirds of natural gas and half of crude oil imports [coming] from the Gulf'. India has returned to sourcing oil from Russia – after



Commuters crowd public transport in India as rising fuel costs and supply disruptions intensify pressure on households and businesses. Photo: EPA

obsequiously obeying orders from United States President Donald Trump not to, before Mr Trump partially waived sanctions in March. The Indian cabinet, meanwhile, approved expanded gas production from coal on an urgent basis. Shortage of cooking gas has disrupted homes and debilitated hotel and restaurant businesses.

The *FT* reported that 'higher import prices have hurt the Indian currency and knocked investor confidence'. It added that 'the rupee has been among Asia's worst-performing currencies since hostilities began in the Gulf... Economists are concerned over the war's impact on India's balance of payments, already under pressure from foreign investors selling Indian stocks at the fastest pace on record... As the Gulf crisis drags on, economists are revising down their estimates for growth in India.'

Kazakhstan

In contrast, Kazakhstan has since the start of the Iran war experienced an appreciation in its currency, the tenge. Oil-rich, the country has benefitted from the steep upward revision in crude prices, leading to the strengthening of the currency.



Rising global crude prices have strengthened Kazakhstan's energy sector, even as the country faces domestic electricity challenges. Photo: Kazakhstan government website

This trend is likely to continue until international trade in oil stabilises. The oil sector accounts for over 40% of the Kazakh government's revenues.

Kazakhstan, though, is dependent on electricity from Russia. It aims to exit from dependence on Russian imports by 2027, the *Times of Central Asia* reported, following a restatement of the goal by the country's deputy energy minister, Sungat Yessimkhanov.

It is likely to fulfil that objective only if homes remain heated and industry avoids shortages during peak demand. Kazakhstan has had a power deficit because of years of underinvestment, rising demand, ageing thermal plants and uneven regional output, according to the same newspaper.

Uzbekistan

Another Central Asian state, Uzbekistan, posted healthy activity in its car industry, selling 121,601 vehicles between January and April of this year, as per figures released by UzAvtosanoat and reported by *UZ Daily*.

UzAuto Motors, the largest automaker in Uzbekistan, maintained its dominant position, selling 58,168 vehicles. The company manufactures a wide range of models under various brands, including American General Motors' Chevrolet. Chinese brands and Kia of South Korea are also noticeable in the Uzbekistan market.

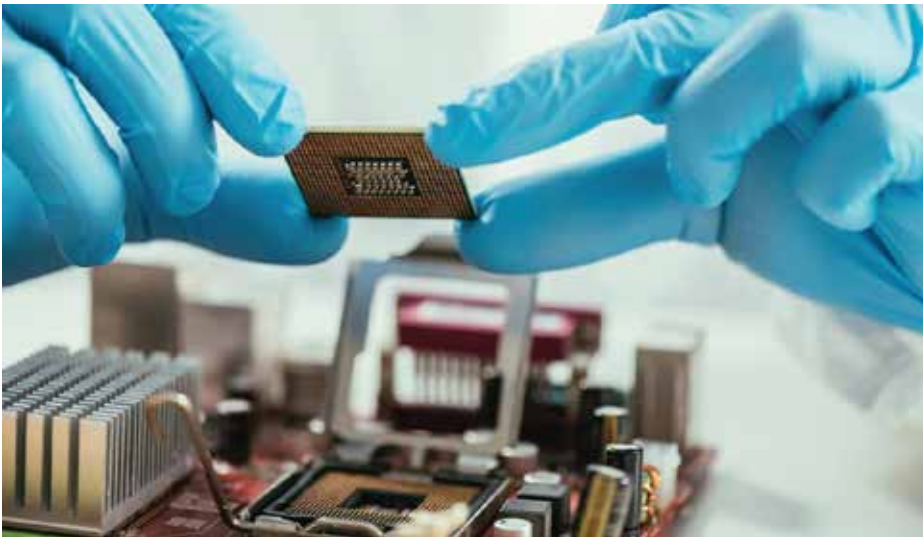


Indonesia is exploring expanded nuclear energy cooperation as Asian governments search for long-term energy security solutions. Photo: SouthEast Asian Gallery

Indonesia

The energy crunch has affected oil-producing Indonesia because its demand outpaces its crude output, so it is planning to expand its nuclear power capacity. Significantly, director-general Alexey Likhachev of Russia's state nuclear energy corporation Rosatom was in Jakarta to meet the Indonesian president, Prabowo Subianto, to discuss bilateral cooperation.

Bernama reported Likhachev as saying Rosatom was ready to offer Indonesia 'a comprehensive approach to developing its national nuclear programme, including both large-scale nuclear power projects and small modular reactors and floating power units'.



From aviation to semiconductor manufacturing, major Asian corporations are facing mounting uncertainty from supply chain and energy disruptions.

Malaysia

In neighbouring Malaysia, economic growth for the first quarter of the 2026 financial year was 5.4%, exceeding the prediction of 5.3%. The number had moderated from the 6.3% enlargement in the previous quarter.

The Star quoted the chief statistician of Bank Negara Malaysia, Datuk Seri Mohd Uzir Mahidin, as saying 'Malaysia's economy continued to expand in the first quarter of 2026, reflecting the underlying resilience and stable growth conditions amid a challenging global environment.'

The country continued to record a surplus in its current account balance for the same period amounting to RM15.2 billion, equivalent to 3% of gross domestic product (GDP). This was significantly higher than RM2.7 billion in Q4 of 2025. Mahidin said this was attributed to, as *The Star* put it, 'sustained external demand for Malaysia's exports alongside

improving services sector performance.'

Singapore

In the Chandler Good Government Index, Singapore retained its top position for a fourth consecutive year. The seven pillars of evaluation are: leadership and foresight, robust laws and policies, strong institutions, financial stewardship, attractive marketplace, global influence and reputation and helping people rise. Singapore was ranked first in all categories except robust laws and policies and global influence and reputation.

However, as *Singapore Business* spelled out, Singapore Airlines (SIA) suffered a 57% year-on-year slump in net profit to \$1.18 billion in the financial year ending 31 March last, because of its shareholding in loss-making Air India.

SIA suspended services to Dubai and Jeddah in February as a result

of the war in the Gulf and deferred the introduction of flights to Riyadh until September 2026. The suspension of flights to Dubai has been extended to 2 August.

South Korea

Samsung, South Korea's giant electronics firm, faced a general strike from 21 May. The strike threatened losses running into the tens of trillions of won, not to mention semiconductor production chaos and supply chain instability, *Business Korea* reported. After the failure of labour-management negotiations, Koo Yun-cheol, deputy prime minister and minister of economy and finance, wrote on X: 'We will continue supporting resolution through principled negotiations under any circumstances.'

Japan

A group of lawmakers in Japan's ruling Liberal Democratic Party submitted a proposal to Prime Minister Sanae Takaichi to review the country's Companies Act, which would require shareholders to own at least 30,000 shares in an enterprise to call extraordinary meetings or enter items on the agenda. At present, a 10,000 shareholding is sufficient for the purpose.

The Japan Times wrote the change 'would bring the Japanese market more in line with standards in other countries, where it is normally more difficult for shareholders to directly participate in governance'. It is expected this will 'make Japan into a leading financial centre'.



Iran players held children's backpacks before a World Cup warm-up against Nigeria, in tribute to schoolgirls killed in a bombing during the conflict. Photo: Riza Ozel/AP Photo

Can Asia hope to star at the football World Cup?

With World Cup football finals taking place in June and July in Canada, the United States and Mexico we asked football writer John Duerden what the chances are for the Asian teams taking part.

Asia has an unprecedented nine representatives at the 2026 World Cup but that is not the only aspect of this summer's tournament that is different. For the first time, there is a team from the continent openly talking of lifting the trophy in the final that will take place in New Jersey on 19 July; there are dozens of players playing in Europe's top leagues and, most unusual of all, there is a nation sending a team to play in a country with which it is at war.

No sooner had the United States started bombing Iran on 28 February than speculation began

as to whether Team Melli, one of Asia's strongest, would participate. With President Trump questioning the safety of the visiting athletes, who are due to play two games in Los Angeles – home to a large Iranian community – it looked as if they would not take part.

The speculation has subsided and it now seems the world is likely to see a team representing a nation that is being attacked by the hosts playing in front of Californian crowds full of supporters, mostly from families that fled the 1979 Islamic

Revolution and are hostile to the Iranian regime. Many players are also believed to have little sympathy for the government. Sardar Azmoun, a star striker, was cut from March's warm-up games for speaking out. His team-mates sang the anthem with varying levels of enthusiasm while each holding a child's backpack in tribute to the schoolgirls killed by a bombing earlier in the war. It is a narrative set to dominate the tournament until Iran are eliminated and head home.

When that will be is hard to say. Those March games, a 2-1 defeat

against Nigeria and a 5-0 win over Costa Rica, marked the only football played by the team in recent months. The domestic league has been suspended because of the conflict. The one positive thing is that the group looks wide open. This World Cup has been expanded to 48 from 32 in the past, divided into 12 groups of four with 32 progressing to the next stage. In this new format, finishing third may be enough to progress to the next stage and progressing from a group containing New Zealand, Belgium and Egypt is within Iran's capabilities.

A first ever appearance in the knockout rounds, in its seventh attempt, would be a huge deal for football fans back home. Or maybe not. The regime has long been suspicious of the sport's power. When qualification was secured for the 1998 World Cup with a win in Australia, the team were told to delay their return home until the party had died down. The authorities in Tehran will be wary of giving the population reason to take to the streets whether in celebration or protest.



Japan celebrate qualification for the 2026 World Cup, with rising hopes that the Samurai Blue can challenge football's global elite on the biggest stage. Photo: Reuters

Iran, ranked 21 in the world by FIFA, is however not Asia's biggest hope. That is Japan. The Samurai Blue have appeared at every World Cup since 1998 but never progressed past the Round of 16. Their ambitions have grown. 'I don't think it's an easy task to win the World Cup but I'm confident that we can win no matter who we face,' head coach Hajime Moriyasu said in March. The Samurai Blue are increasingly seen as dark horses.

A come-from-behind 3-2 win against Brazil in October and a 1-0 victory over England at Wembley made headlines around the world.

The problem is that the goalscorer from the latter game, the team's biggest star Kaoru Mitoma, picked up a hamstring injury while in English Premier League action for Brighton & Hove Albion in May and is going to miss the tournament, as is AS Monaco attacker Takumi Minamino. Captain and Liverpool midfielder Wataru Endo is battling to return to fitness for the opening game against the Netherlands as is Dutch-based defender Takehiro Tomiyasu. Even with Japan's strength in depth, the possible absence of four major stars means that a surprise win is unlikely though the minimum target set of playing in the quarter-final is still possible.

Only two Asian nations have made the last eight before. North Korea did so in 1966, after famously defeating Italy. South Korea did the same in 2002 on their way to the semi-final on home soil. Few expect that to



Despite global stars like Son Heung-min, South Korea face growing pressure to match past World Cup achievements. Photo: Reuters

ASIAN TEAMS IN FIFA WORLD CUP 1938-2022

FIFA WORLD CUP WITHOUT ASIAN TEAMS

1930  Uruguay

1934  Italy

1950  Brazil

1958  Sweden

1962  Chile

1974  West Germany



ASIAN HIGHLIGHTS DURING FIFA WORLD CUP

1938   East Indies now Indonesia 0-6 vs Hungary

1966   North Korea QF 3-5 vs Portugal

1994   Saudi Arabia 2nd Rnd 1-3 vs Sweden

2002   South Korea Semi-Final Lost 0-1 vs Germany

2002   Japan 2nd Rnd Lost 0-1 vs Turkey


2010   South Korea 2nd Rnd 1-2 vs Uruguay

2010   Japan 2nd Rnd Lost 3-5 vs Paraguay

2018   Japan 2nd Rnd 2-3 vs Belgium

2022   Australia 2nd Rnd 1-2 vs Argentina

2022   Japan 2nd Rnd 1-3 vs Croatia

2022   South Korea 2nd Rnd 1-4 vs Brazil

happen in the country's 11th successive appearance, a streak bettered only by Brazil, Argentina, Germany and Spain. This is despite famous stars such as Son Heung-min, who recently left the English Premier League after ten years in the English Premier League to play in the United States and Lee Kang-in of Paris Saint-Germain and Bayern Munich's Kim Min-jae. That old rival Japan has become clearly superior in recent years has just added to the general air of gloom on the peninsula. It didn't help that a few days after losing 5-0 to Brazil in Seoul in October, Japan beat the South Americans and then in March, as the Samurai Blue became the first Asian team

to beat England, Korea lost 4-0 to the Ivory Coast.

Australia reached the last 16 last time and the Socceroos, without stars, but with spirit and mental fortitude, are in an open group with the United States, Paraguay and Turkey. Then there is debutant Uzbekistan, the first representative from Central Asia. After years of missing out at the last minute and gaining a reputation as the continent's serial underachievers, the White Wolves are flying the flag for their region, overlooked on and off the football pitch.

The rest of Asia's hopefuls are from the Middle East: Saudi

Arabia, Iraq, Qatar and Jordan. That quartet has few names familiar to fans outside the region but there is an advantage. The hot and humid conditions may be a problem for some European teams but those in the Arab world should be able to handle it just fine. It should be a bonus too for Koreans and Japanese who have brutal summers.

Whether this will be a tough summer for Asian teams remains to be seen. There has been a lot of controversy around this particular World Cup in terms of politics, immigration rhetoric, security and also prices but there are nine chances for the tournament to be well-remembered in Asia.

John Duerden has covered Asian sports for over 25 years for *The Guardian*, *BBC*, *World Soccer*, *Associated Press* and has published several books on the subject. This piece was arranged in association with *World Soccer Magazine*.

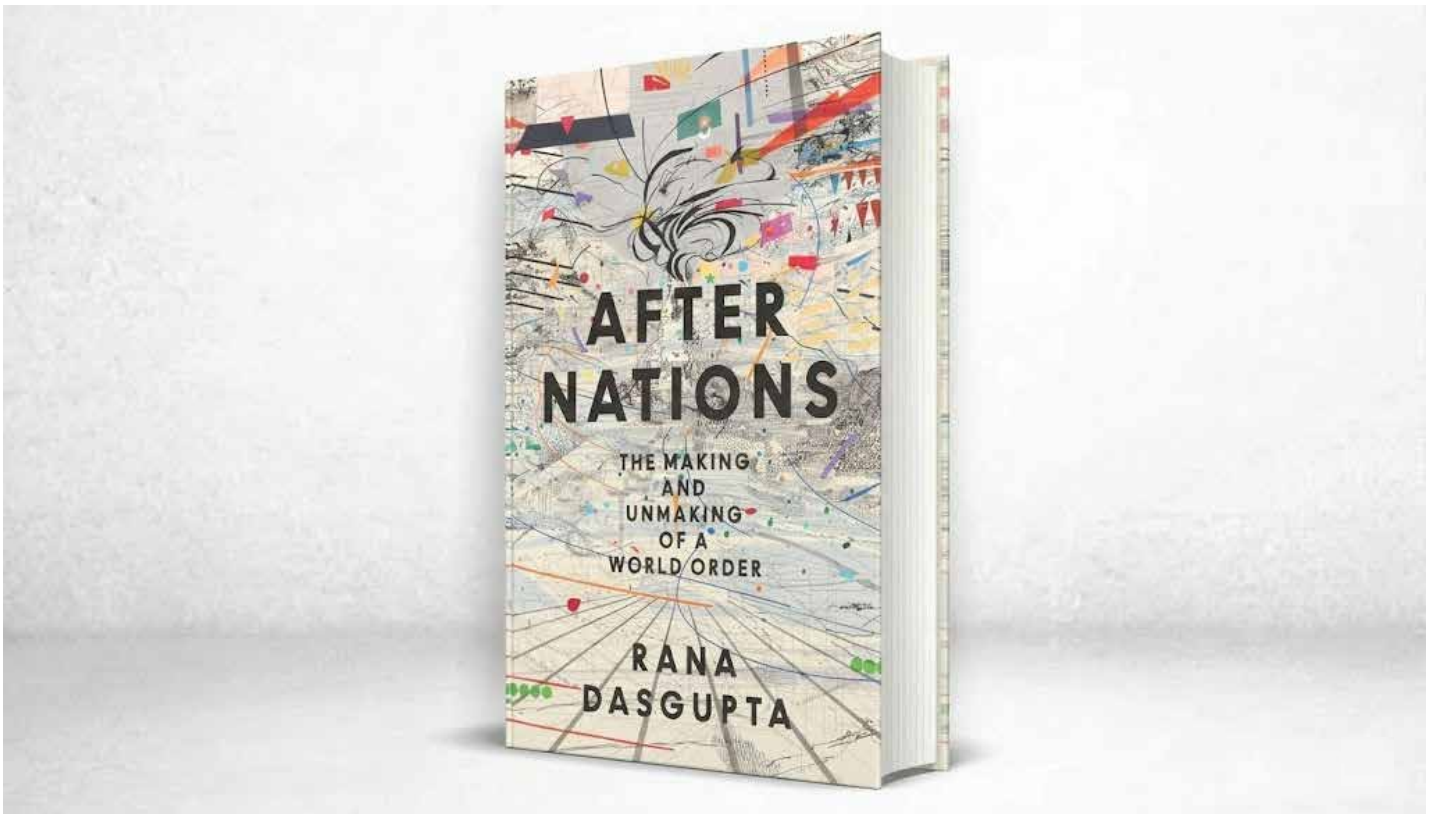


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Rana Dasgupta's *After Nations* explores the rise, crisis and possible transformation of the nation state in an era of fragmentation, corporate power and shifting global empires.

Are we ready for another 'change of the World Order'?

After Nations: The Making and Unmaking of a World Order by Rana Dasgupta, published by William Collins, is reviewed here by William Crawley.

We live in an age in which we think in terms of 'the nation state' – but what comes next? As globalisation seems to be coming to an end there is no shortage of books written within the same global framework. Rana Dasgupta's *After Nations: The Making and Unmaking of a World Order* will rank as one of the most authoritative and entertaining.

Rana Dasgupta takes as his central theme the history of the nation state. He describes how it came into existence, why it appears to be weakening, and what might be done to sustain it from the wreckage. It is a far cry from 'the end of history' described by Francis Fukuyama in the 1990s when it seemed that a predominantly neo-liberal world order was unchallengeable.

That vision seems even more remote now than when it was first

put forward and Dasgupta gives it short shrift. His own four-part framework also requires some suspension of disbelief. He takes France as the epitome of an era in which political order was sanctified by God; Britain as the prime actor representing the supremacy of money and by extension the sanctity, even 'dictatorship', of property; America of Law; and China of Agriculture.

Dasgupta modestly says that his book contains no new

information. He re-interprets the work of a multitude of historians and specialists on economic, ecological and social revolutions, and other major changes. As a novelist himself, he insists that writing history is another kind of storytelling, much like a novel. The categories he uses are less strictly historical than recurring patterns. Theology may be sparsely used in today's intellectual world, yet Dasgupta uses the term 'theological' to explain the idea of the state as a

‘mortal god’ as opposed to the transcendent ‘immortal god’ of much religious belief. Dasgupta himself prefers the term ‘cosmological’ but he sees the concepts as essentially similar. The 19th century French writer Charles Maurras – not a name much cited today in orthodox international relations theory – is identified as a prime source of 21st century right wing conceptions of the state.

Asia looms large in the rise of Money because the Chinese empire had needed nothing from Europe and her luxury products could only be bought with silver bullion. When that was in short supply, British merchants, primarily the East India Company, created and sustained a growing addiction to opium, and in spite of an imperial ban forcibly used it as a substitute currency of exchange.

Moreover, the empires that preceded the nations of today are re-appearing in a new form. The prime example is China where the concept of tiangxia or ‘everything under heaven’ was taken to

describe the extent of Chinese imperial sovereignty. But this sovereignty was not absolute. It could be exercised for hundreds of years by one dynasty but if, as with the Qin dynasty and its successors, the dynasty was unable to provide the protection and support that was expected, sovereignty and tiangxia would be presumed to have been forfeited and pass to a stronger successor.

Dasgupta’s analysis of China’s imperial legacy and its troubled and violent evolution as a nation state is particularly relevant to his argument. Foreign aggression and the so-called ‘unequal treaties’ sapped its strength and ultimately though by no means inevitably led to revolution. In the perception of the CCP their eventual victory validated the passing of ‘everything under heaven’ (with the exception of the Nationalist stronghold of Taiwan) to the People’s Republic. This owed much to the influence on Mao Tse Tung of the traditionalist, even conservative, reformer Kang Youwei (1858-1927), described by a contemporary as the ‘Martin

Luther of Confucianism’. This gives it, in Dasgupta’s reading, a unique status as a nation state with a difference. It also provides an example of how future nation states may evolve in the wake of fragmentation and in some cases collapse.



Reformer and philosopher Kang Youwei profoundly influenced modern Chinese political thought, blending Confucian tradition with visions of state reform that later shaped competing ideas of China’s future.

The post-1945 world system was largely shaped by the Bretton Woods conference. Its principal architects were the British economist John Maynard Keynes and the American Harry Dexter White. The system, dominated by America, established two major institutions the IMF and the World Bank which remain at its centre today. The latter (initially called the International Bank for Reconstruction and Development or IBRD) was to be headed permanently by an American citizen. The irony of these powerful institutions (though Dasgupta does not mention this) was that Dexter White has subsequently been shown to have been a long-standing Soviet agent. Dasgupta does, however, note that even before World War II America was finding that it needed the support of big American corporations to manage the



British merchants used opium as a tool of trade with Qing China, turning commercial imbalance into imperial domination and accelerating the collapse of the old order. Photo: Asia Pacific Curriculum



The post-1945 international system built at Bretton Woods institutionalised American-led global finance through the IMF and World Bank.

imperial system that it was inheriting. And he notes that democracy was significantly downgraded as a core priority in its management. American corporate power has subsequently been matched by Chinese corporate power within the same framework.

Dasgupta's concluding chapter addresses the issue implicitly posed by the book's title, —essentially, what comes next? Can we create systems for future generations beyond the nation state? He dismisses as 'absurd both in practice and theory' the idea that there can be a 'world

government' with similar trappings to the nation state. He derives from the practice of wealthy individuals moving offshore or on to a virtual network the idea (credited to Balaji Srinivasan) of a 'network state', a sort of glorified Facebook.

One of the book's central fascinations is how the millennia of world history can be accommodated in the very broad framework of Dasgupta's scholarship. The book ranges widely: readers encounter Donald Trump alongside Qin emperors to illustrate a characteristic of ancient Chinese history which has remained contemporary. His final message is one of 'hope, not despair.' The creative ability of humanity to invent new social systems for new eras has been demonstrated time and again and he is confident that it can happen again.

William Crawley holds a doctorate in Indian history. He previously managed BBC radio broadcasts to South Asia.



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