



CUTS International *Global Affairs*

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NATO 2025: Spending Up, Unity and Aid Down in a Shifting World

The NATO Summit in The Hague on 24-25th June 2025 was a stark reflection of a world in flux, with Donald Trump's shadow looming large. The key takeaway? A bold commitment by members to ramp up defence spending to 5% of GDP by 2035, a win for Trump's push to make Europe shoulder more of its security burden, as well as overseas aid. This pledge aims to bolster NATO's capacity to deter Russian aggression, particularly as the Ukraine war rages on. Yet, the summit's brevity, encapsulated in a 427-word Hague Declaration spoke volumes about a fractured alliance dancing to Trump's neo-isolationist tune.

The lack of new action on Russia was deafening. With Ukraine enduring brutal Russian assaults, NATO sidestepped a unified strategy against Moscow, shelving a planned policy update and limiting Ukrainian President Volodymyr Zelenskyy to side events. Trump's reluctance to back new sanctions or security aid, despite acknowledging Ukraine's air defence needs, raises questions about America's commitment to transatlantic security. His focus on China and the Indo-Pacific, evident in the presence of non-NATO states like Australia and Japan, signals a pivot that could leave Europe vulnerable.

This summit wasn't a disaster, but it wasn't a triumph either. New NATO chief Mark Rutte deserves credit for keeping Trump onsite while securing the "ironclad" Article-5 commitment. But the absence of clarity on U.S. force posture in Europe and the lack of consensus on Ukraine expose NATO's fragility in a polarising world. As global power shifts, China's economic rise, BRICS overtaking the G7 in its world economy share, NATO must evolve beyond Trump's transactional lens. Europe needs to step up, not just in spending but in unity, to navigate this era of realism. Secondly, and alarmingly overseas aid is also coming down which will impact the poor in the world adversely. Given both these dilemmas, the alliance risks becoming a relic, out of tune with today's social and political discord.

Pradeep S. Mehta
Editor

P.S.: *The 2025 NATO summit in The Hague lays bare a world tilting towards pragmatism over principle. The Summit highlights NATO's struggle to counter not just Russia but a resurgent China.*

Message for our Readers

This is the eighty-ninth edition of the fortnightly news wrap from the Centre, which carries select published news or comments on a relevant issue. There are equally important issues which may have been missed out to keep the news wrap short and swiftly readable.

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Readers are encouraged to send their views and suggestions to: cutsglobal@cuts.org



China Confirms Breakthrough on Rare-Earth Exports to U.S.

China pledged to approve export applications for rare earths to the U.S., potentially easing a major irritant in the countries' trade negotiations and addressing a growing concern for American manufacturers.

In a written statement, carried by state media, China's Commerce Ministry, appeared to confirm details of a deal hinted at by President Trump hours earlier. China promised to "review and approve eligible export applications for controlled items in accordance with the law."



- [Asia-bound LPG freight rates rise on trade, Middle East tensions](#) | Nikkei Asia
- [Africa-China trade hits US\\$134bn in first 5 months of 2025](#) | The B&FT
- [Japan's factory output misses expectations as U.S. tariffs hit](#) | The Japan Times
- [Indo-US BTA: A strategic crossroad for the services sector of both economies](#) | Economic Times

Strategic Issues

Iran to Enrich Uranium for a Bomb within Months

Rafael Grossi, Head of the International Atomic Energy Agency (IAEA), stated that the U.S. strikes on three Iranian sites caused severe but "not total" damage, contradicting Donald Trump's claim that Iran's nuclear facilities were "totally obliterated".



- [Regime change won't stop Iran from pursuing nuclear ambitions](#) | Financial Times
- [After Op Sindoor: Don't do another Simla](#) | Times of India
- [India's unilateral halt to water treaty: 4 options Pakistan can take](#) | Nikkei Asia
- [North Korea to Send More Troops to Russia, South Korean Intelligence Says](#) | The Moscow Times
- [Japan, UK, Italy form Edgewing joint venture for next-gen fighter jet](#) | Breaking Defence

Energy and Climate

Qatar-Indonesia to Channel US\$4bn Fund into Renewable Energy

A pivotal agreement marked a new chapter in Indonesia-Qatar relations. Danantara, Indonesia's newly established sovereign wealth fund, and the Qatar Investment Authority (QIA), one of the most powerful state-owned investors in the Middle East, have created a joint investment fund worth US\$4bn with each party contributing US\$2bn.



- [Japan launches climate change monitoring satellite on mainstay H2A rocket's last flight](#) | Press Trust of India
- [EU Climate Push Comes Under Pressure with France Flagging Risks](#) | Financial Post
- [Brazil's green-energy industry is falling victim to its own success](#) | The Guam Post
- [Turkey tussles with Australia to host 2026 UN climate talks](#) | France 24



India Rejects SCO Statement, over pro-Pakistan Tilt

China's bid for enhanced regional leadership suffered a setback when India refused to sign a joint statement presented to members of the China-backed Shanghai Cooperation Organisation, arguing it was pro-Pakistan for omitting any mention of the April terror attack on Indian tourists.



- [Nuclear capabilities of Pakistan and Iran have brought India and Israel closer](#) | Economic Times
- [The end of the American century](#) | East Asia Forum
- [Is Thailand shooting itself in the foot with the Cambodia border closure?](#) | Thai PBS World
- [China is playing a twin-track game with India](#) | MSN



Taliban Terminates Major Oil Extraction Deal with Chinese Firm

The Taliban has cancelled a 25-year oil extraction deal with the Chinese firm Xinjiang Central Asia Petroleum and Gas Co. (CAPEIC), citing repeated violations of contract terms.

The US\$540mn agreement, signed in January 2023 between the Taliban authorities and the Chinese company, aimed to extract oil from the Amu Darya basin in northern Afghanistan.



- [Canada ditches tax on tech giants in bid to restart US trade talks](#) | The Guardian
- [Electronic Warfare Crashes Global Shipping's Navigation Systems](#) | Bloomberg
- [Zijin buys US\\$1.2bn Kazakhstan gold mine ahead of overseas unit's Hong Kong listing](#) | South China Morning Post
- [US tariff relief for UK carmakers and aerospace comes into force](#) | Morningstar



Astronauts from India, Poland and Hungary Launch Space Mission

The first astronauts in more than 40 years from India, Poland and Hungary have arrived at the International Space Station, transported by SpaceX on a private flight. The four-member crew will spend two weeks at the orbiting lab, conducting dozens of experiments. They launched from NASA's Kennedy Space Centre on January 25, 2025.



- [CUTS International celebrates 40 years globally and 25 years in Zambia](#) | APN News
- [Air India crash: Black boxes recovered; landing gear mystery deepens as investigation expands](#) | Times Kuwait
- [Trump tells Fox News he has a group of wealthy people to buy TikTok](#) | Nikkei Asia
- [The unfolding tragedy of ending US aid](#) | Financial Times