

Headlines:

- **Japan to Deploy Cruise Missiles on Islands in light of China**
- **China to Forgive African Loans**
- **Pakistan Seeks Loans**

Details:

Japan to Deploy Cruise Missiles on Islands in light of China

Japan is considering the deployment of 1,000 long-range cruise missiles to boost its counterattack capability against China. The missiles would be existing arms modified to extend their range from 100 km (62 miles) to 1,000 km. The arms, launched by ships or aircraft, would be stationed mainly around the southern Nansei Islands and capable of reaching the coastal areas of North Korea and China, the Yomiuri said. Japan, which interprets its war-renouncing postwar constitution to mean it may use its military only for self-defense, has stepped up its military spending and taken a more assertive strategy in recent years. But it has refrained from deploying long-range missiles, among its limits on weapons that can strike targets on foreign soil. With the rise of China and America's support Japan has been rearming for what will be the next great power competition between China and the US. Japan has firmly placed its eggs in the American camp.

China to Forgive African Loans

China, the largest government creditor to emerging economies, said it will forgive 23 interest-free loans to 17 African countries and redirect \$10 billion of its International Monetary Fund reserves to nations on the continent. Foreign Minister Wang Yi announced the cancellations in a meeting last week of the Forum on China-Africa Cooperation, according to a post on the ministry's website. It didn't provide details on the value of the loans which it said matured at the end of 2021, nor did it state which nations owed the money. Since 2000, Beijing has announced multiple rounds of debt forgiveness of interest-free loans to African countries, cancelling at least \$3.4 billion of debt through 2019, according to a study published by Johns Hopkins University School of Advanced International Studies. The cancelled debt was limited to mature, interest-free foreign aid loans, with Zambia receiving the most cancellations over that period. However, the vast majority of China's recent lending in Africa such as concessional loans and commercial loans have never been considered for cancellation, the report added, though some of it has been restructured. China has used loan cancellations as a tool to build relations with the developing world, often its loans have looser conditions than western institutions whose loans are viewed as a form of colonialism.

Pakistan Seeks Loans

Pakistani Prime Minister Shehbaz Sharif was in this week seeking economic assistance and energy deals to help relieve some of the strain on the flagging Pakistani economy. Qatar, Saudi Arabia and the United Arab Emirates will collectively provide \$4 billion in support over the next year, while the International Monetary Fund will decide in the coming days whether to approve a \$1.2 billion loan for Pakistan. the Pakistan Muslim League-Nawaz (PML-N) led coalition government took the decision of withdrawing subsidy on petroleum products and started collecting petroleum development levy (PDL) on petroleum products to win back the loan programme. the prolonged delay in resumption of the IMF programme and political instability devalued domestic currency by 13.75% (or Rs31.31) to an all-time low of Rs240 against the dollar since mid of April. On Monday, the rupee closed at Rs216.66 to a dollar.