

INSIGHT SOUTHEAST ASIA

Looking Eastwards From New Delhi



MANOHAR PARRIKAR INSTITUTE FOR
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Overview

This month's developments reflect accelerating strategic realignments across the Indo-Pacific. India and the Philippines conducted a two-day bilateral maritime cooperative activity, reinforcing their growing naval collaboration. This was followed by Philippine President Ferdinand Marcos Jr.'s state visit to India, during which both nations formalized a strategic partnership. US-Cambodia tensions escalated, driven by the continuation of the Trump-era 19% tariff on Cambodian imports, signaling a firmer American trade posture. Meanwhile, Vietnam and Australia held their 10th Strategic Diplomacy-Defence Dialogue, reaffirming strong bilateral cooperation on regional security. Australia and Japan signed a landmark agreement for the supply of upgraded Mogami-class multi-role frigates, enhancing maritime defense capabilities. In Myanmar, the military administration announced a timeline for long-delayed national elections, while neighboring Thailand enacted a significant policy shift by granting work rights to refugees fleeing the conflict. Lastly, the US and Indonesia held their largest-ever *Super Garuda Shield* joint military exercise, underscoring the deepening defense ties between the two countries.

India and the Philippines hold “bilateral maritime cooperative activity”

On August 3, India and the Philippines began a two-day bilateral maritime

cooperative activity (MCA) near the Scarborough Shoal, a disputed area in the South China Sea. The drills, held off the western coast of the Philippines, focused on enhancing interoperability and maritime cooperation. According to the Armed Forces of the Philippines, the exercises included “a comprehensive series of high-level naval operations aimed at strengthening tactical coordination and joint maritime capability.” Activities encompassed joint patrols, communication drills, and interoperability exercises. This marks the first time Indian naval ships have operated so close to disputed areas in the South China Sea in partnership with the Philippines, signaling deepening security ties between the two nations amid shared concerns over China's growing assertiveness in the region.

President Marcos Jr. Visits India and Establishes Strategic Partnership

From August 4 to 8, 2025, Philippine President Ferdinand Marcos Jr. visited New Delhi to commemorate the 75th anniversary of diplomatic relations, culminating in the establishment of a strategic partnership between India and the Philippines. The upgraded relationship places strong emphasis on defence and security cooperation. Key developments include the institutionalization of defence dialogue mechanisms such as the Joint Defence Cooperation Committee and the Joint Defence Industry and Logistics Committee. Maritime collaboration was a major pillar, with enhanced

cooperation in maritime domain awareness, shipbuilding, coastal surveillance, humanitarian assistance, and disaster relief. The strategic partnership also covers counterterrorism, cyber defence, protection of critical infrastructure, and peacekeeping cooperation, supported by regular exchanges and joint working groups.

Trump Administration Announces 19% Tariff on Cambodian Imports

On August 1, the Trump administration imposed a 19% tariff on Cambodian imports, down from the originally proposed 36%. The move, intended to reduce the trade imbalance, follows President Trump's threats to block trade deals with both Cambodia and Thailand over tensions along their shared border. In response, Cambodia pledged to purchase up to 20 Boeing 737 Max jets to reduce its trade surplus with the U.S.—a blow to China's Commercial Aircraft Corporation of China Ltd. (COMAC), which had aggressively lobbied to secure those sales. The tariff policy holds major implications for Cambodia's garment and footwear sector, which employs nearly a million workers, mostly women. U.S. departments warned that a tariff above 36% risked collapse of the industry, making the final 19% rate a measure seen as averting a crisis.

10th Vietnam-Australia Strategic Diplomacy–Defence Dialogue

On August 5, Vietnam and Australia held the 10th Strategic Diplomacy–

Defence Dialogue in Canberra. The Vietnamese delegation was led by Deputy Foreign Minister Nguyen Manh Cuong and Major General Duong Quy Nam, while Australia was represented by Deputy Secretary of Foreign Affairs and Trade Michelle Chan and Deputy Secretary of Defence Hugh Jeffrey. Both sides reaffirmed their commitment to strengthening cooperation under the Vietnam–Australia Comprehensive Strategic Partnership, particularly in the areas of defence, security, and capacity building. Discussions emphasized cooperation in language and specialized training, UN peacekeeping support, and provision of transport aircraft. The two countries also pledged to uphold ASEAN centrality, enhance engagement in Mekong sub-regional initiatives, and jointly address shared regional challenges.

Australia and Japan Sign Landmark Frigate Agreement

On August 5, Australia and Japan signed a US\$6.5 billion agreement for the supply of upgraded Mogami-class multi-role frigates to the Royal Australian Navy. The first three vessels will be built in Japan by Mitsubishi Heavy Industries, starting in 2029, with the remaining eight assembled in Henderson, Western Australia. This marks Japan's largest arms export since lifting its post-war export ban in 2014 and underscores Tokyo's shift toward a more active regional security role. The agreement significantly boosts Australia–Japan strategic ties,

showcasing shared concerns over regional stability and China's rise.

Myanmar Junta Sets Date for Long-Awaited Elections

Myanmar's military administration announced that multi-phase general elections will begin on December 28, 2025, citing ongoing security challenges as justification for the staggered schedule. The process is expected to heavily favor military-aligned parties, as major opposition groups remain banned or unwilling to participate. With vast areas in Shan, Kachin, Rakhine, Chin, Karenni, and Karen states under resistance control and millions displaced, implementation of elections appears highly questionable. To regain control ahead of the vote, the junta has escalated military operations and airstrikes, resulting in significant civilian casualties. Observers remain deeply skeptical about the legitimacy and feasibility of the planned elections.

Thailand Grants Work Rights to Myanmar Refugees

In a major policy reversal, Thailand has granted work rights to registered refugees from Myanmar, citing humanitarian funding cuts and a labor shortage due to the departure of Cambodian workers. Approximately 42,000 working-age refugees, out of 80,000 officially registered, will be eligible for one-year work permits and limited freedom of movement beyond refugee camps. The decision comes

amid a severe reduction in U.S. development aid under President Trump, which slashed funding for vital services run by organizations such as the International Rescue Committee and the Border Consortium. Monthly food rations had dropped to US\$2.30 before being eliminated altogether, triggering a humanitarian crisis in the camps.

US and Indonesia Launch Largest-Ever Super Garuda Shield Exercise

The United States and Indonesia kicked off their largest-ever Super Garuda Shield military exercise, involving over 6,000 personnel from 14 countries. Participants include forces from Japan, Singapore, the UK, Australia, Canada, France, Brazil, Brunei, India, South Korea, New Zealand, and Thailand, with observers from Cambodia, India, and Papua New Guinea. Commanders from both nations stated that the objective is to enhance interoperability and strengthen regional deterrence. The exercise underscores Washington's ongoing commitment to Indo-Pacific security and deepening defense ties with Southeast Asian partners.