

# *INSIGHT* SOUTHEAST ASIA

Looking Eastwards From New Delhi



MANOHAR PARRIKAR INSTITUTE FOR  
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## Overview

The 47th ASEAN Summit, held in Kuala Lumpur, Malaysia, marked a pivotal week for regional diplomacy and cooperation. Key outcomes included the signing of an upgraded ASEAN–China Free Trade Agreement amid shifting global trade dynamics, and ASEAN foreign ministers expressing deep concern over the ongoing conflict in Myanmar. In a landmark expansion, Timor-Leste was officially admitted as ASEAN’s 11th member and Vietnam also advanced its cybersecurity cooperation by signing the Hanoi Convention—the UN Convention Against Cybercrime, aligning with global efforts to counter digital threats. Beyond ASEAN, India’s Defence Minister Rajnath Singh’s visit to Australia underscored deepening Indo Pacific security cooperation, while the Australia–U.S. Critical Minerals Framework strengthened strategic resource partnerships essential for the clean energy transition.

### **The 47th ASEAN summit held in Kuala Lumpur, Malaysia**

The 47th ASEAN Summit, held in Kuala Lumpur, Malaysia, brought together leaders and ministers from the 11-member bloc, now including Timor-Leste — to chart ASEAN’s future direction, focusing on economic resilience, digital transformation, regional security, and sustainable development. Malaysian Prime Minister Anwar Ibrahim opened the summit by emphasising ASEAN’s unity as a “pillar of peace and stability in the Indo Pacific.” Delegates reviewed progress on the ASEAN Economic Community Blueprint and discussed strategies to

strengthen trade, innovation, and connectivity across Southeast Asia.

For India, ASEAN remains a crucial partner, about half of India’s trade passes through the region, central to its “Act East” policy. Prime Minister Narendra Modi called for an early review of the 2009 India–ASEAN Free Trade Agreement to address existing trade imbalances. Meanwhile, ASEAN members continue to navigate carefully between the U.S. and China amid ongoing tensions in the South China Sea. The summit reaffirmed ASEAN’s “shared destiny and collective strength” in promoting peace, prosperity, and cooperation across the Indo Pacific.

### **China and ASEAN Sign Upgraded Free Trade Pact Amid U.S. Tariff Tensions**

China and ASEAN signed an upgraded Free Trade Agreement (FTA) called the ASEAN–China Free Trade Area 3.0, to deepen cooperation in agriculture, the digital economy, green industries, and pharmaceuticals. ASEAN remains China’s largest trading partner, with bilateral trade valued at \$771 billion in 2024. The upgraded pact aims to reduce trade barriers, boost supply chain resilience, and expand investment opportunities. It also highlights Beijing’s efforts to strengthen regional ties amid renewed U.S. tariff pressures. Yet, tensions persist in the South China Sea, with Philippine President Ferdinand Marcos Jr. criticising China’s maritime actions. As Malaysia handed over the ASEAN chairmanship to the Philippines, maritime security and regional economic cooperation are expected to take center stage in next year’s agenda.

### **ASEAN Foreign Ministers Voice 'Concern' About Ongoing Myanmar Conflict**

At the sidelines of the 47th ASEAN Summit in Kuala Lumpur, ASEAN Foreign Ministers issued a joint statement expressing deep concern over the continuing conflict in Myanmar, calling for an immediate cessation of violence and renewed efforts toward national reconciliation. The ministers reaffirmed ASEAN's commitment to implementing the Five

Point Consensus, which calls for an end to violence, constructive dialogue among all parties, and humanitarian assistance to affected communities. Despite repeated diplomatic efforts, the crisis in Myanmar continues to pose significant humanitarian and security challenges for the region. The Five-Point Consensus, agreed upon in 2021, remains largely unimplemented. The Myanmar junta continues to escalate attacks against opposition groups, while humanitarian access is severely restricted. Ministers also urged all parties in Myanmar to engage in inclusive dialogue aimed at restoring democracy and stability. ASEAN reaffirmed its support for the ASEAN Coordinating Centre for Humanitarian Assistance (AHA Centre) to deliver aid to those most affected by the conflict. The grouping underscored that ASEAN remains "ready to assist Myanmar in finding a peaceful and durable solution through ASEAN-led mechanisms."

### **Timor-Leste Becomes ASEAN's 11th Member**

In a landmark decision during the 47th ASEAN Summit in Kuala Lumpur,

Timor-Leste was officially admitted as the 11th member of the Association of Southeast Asian Nations (ASEAN). The move marks a historic milestone in ASEAN's expansion, as Timor-Leste, which gained independence in 2002, has long expressed its aspiration to join ASEAN. Its accession follows years of preparation, capacity-building, and engagement as an observer since 2022. The membership grants Timor-Leste full participation rights in all ASEAN meetings and initiatives, strengthening its integration into the regional economy and diplomatic community. The ASEAN Chair welcomed the new member, highlighting that the inclusion of Timor-Leste "enriches the diversity and strength of the ASEAN family."

### **Vietnam signed Hanoi Convention: UN Convention against Cybercrime**

Vietnam has officially signed the Hanoi Convention – the United Nations Convention Against Cybercrime. The signing took place during the 47th ASEAN Summit week, marking what

Vietnam described as its growing commitment to global efforts in combating cyber threats and promoting a secure digital environment. The Hanoi Convention establishes an international legal framework to prevent, investigate, and prosecute cybercrimes, while promoting cooperation among nations in handling digital security challenges. Vietnam, in particular, has seen a surge in online scams, digital payment fraud, and data breaches, especially with the rise of e-commerce and fintech platforms. The Convention provides a legal framework for information sharing, mutual assistance, and evidence

exchange across borders. The Hanoi Convention also strengthens ASEAN's push for a regional digital resilience framework.

### **Defence Minister Rajnath Singh's visit to Australia**

India's Defence Minister Rajnath Singh paid an official visit to Australia, aimed at deepening bilateral defence and security ties and reinforcing cooperation in maintaining peace and stability across the Indo-Pacific region.

During the visit, Minister Singh met with his Australian counterpart to review ongoing defence engagements, discuss regional security developments, and explore new avenues for collaboration in emerging technologies, maritime security, and military training. India and Australia signed several defence-cooperation agreements and made commitments to deepen operational ties such as An agreement on information sharing between the two defence establishments, a Memorandum of Understanding (MoU) on submarine search and rescue cooperation (submarine-rescue operations) between India & Australia. Terms of Reference (ToR) for the establishment of Joint Staff Talks was also signed to boost operational coordination and joint exercises and an agreement to enhance maritime security cooperation was signed: A Joint Maritime Security Collaboration Roadmap.

In a separate meeting with Australian Foreign Minister Penny Wong, Defence Minister Rajnath Singh discussed avenues to further strengthen the Comprehensive Strategic Partnership

between India and Australia. Minister Wong described both nations as *"joint custodians of the Indian Ocean,"* underscoring their shared responsibility in upholding peace, stability, and security across the region.

### **Australia, US Sign Critical Minerals Framework Agreement**

The US and Australia have signed a major agreement to strengthen supplies of rare earths and other critical minerals, aiming to reduce dependence on China, which currently controls about 70% of global rare earths mining and 90% of processing. Announced during Australian Prime Minister Anthony Albanese's visit to Washington, the deal supports a pipeline of A\$13bn (\$8.5bn) in Australian projects designed to expand mining and processing capacity. It also includes a joint commitment to invest \$1bn in US and Australian critical-minerals projects over the next six months.

Albanese said the agreement elevates long-standing cooperation on mineral security, while the US highlighted plans to fund a 100-tonnes-per-year advanced gallium refinery in Western Australia and prepare up to \$2.2bn in Export-Import Bank financing for additional projects. The partnership also covers cooperation on pricing, permitting, and government oversight of During the visit, President Donald Trump also reassured that the AUKUS submarine program remains "full steam ahead," despite earlier concerns that his administration's "America First" review could limit Australia's ability to purchase US submarines.