

MP-IDSA *Issue Brief*

The Second Trump Administration and Southeast Asia

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S*ummary*

Southeast Asia remains a key partner for the US given that both sides have shared interests encompassing trade, investments, health and security cooperation. Further, the US and Southeast Asian countries see a dominant China posing a threat to the regional order. However, any indifference by the second Trump administration towards Southeast Asia might potentially allow China to gain strategic advantage.

The US goals in Southeast Asia were a function of its global interests that shaped its strategic position and posture. At the end of the Second World War and the onset of the Cold War, the philosophical justification for US interventionism in the region was towards containing the expansion of communism in Southeast Asia. These interventionist measures ranged from conventional diplomacy to direct and indirect military assistance. Bilateral and multilateral military alliances were also erected such as the Mutual Defense Treaty with the Philippines in August 1951 and the establishment of the Southeast Asia Treaty Organization (SEATO) in September 1954.

However, after the Vietnam War, America began to disengage in Southeast Asia due to its inability to produce the desired political order despite its military interventions. Further, under the Nixon doctrine, the US sought to normalise relations with China. This led to the US moving from a strategy of direct intervention to one of acting as the off-shore balancer, relying more on naval and air power than ground forces to maintain equilibrium in the region.¹

The end of the Cold War further created a power vacuum that reshaped external influences in Southeast Asia. However, new issues and challenges such as contentions over the status of the Straits of Malacca, which provided the principle sea route between the Indian Ocean and the South China Sea, began to intensify competitive interest amongst the major powers including the US. Being one of the fastest growing economic region in the world added to Southeast Asia's geopolitical significance.

Following a brief retreat, the US since the 9/11 began to re-engage with Southeast Asia. Under the Barack Obama administration in the midst of escalating competition with China, the US began intensifying its engagement with Southeast Asia in a manner desired by the region. The US policy in Southeast Asia viewed multilateralism as fundamental towards complementing its alliances and partnerships it sought to build in the region. The US began taking proactive steps that included joining ASEAN's Treaty of Amity and Cooperation in Southeast Asia (TAC) in 2009 and becoming an official participant in the East Asia Summit (EAS) in 2011, which was attended by President Obama regularly.

During President Trump's first administration, the momentum was slightly derailed on account of the decision to withdraw from the Trans-Pacific Partnership (TPP), which the US had signed in February 2016. Further, Trump did not attend any of the EAS and elevated the confrontation with China. This heightened concerns for Southeast Asia. Under President Joe Biden, the US began to once again intensify its

¹ Michael Leifer, "Great Power Intervention and Regional Order", in Mark W. Zacher and R. Stephen Milne (eds), *Conflict and Stability in Southeast Asia*, Anchor Press, New York, 1974, pp. 184–185, p. 200.

diplomatic outreach with Southeast Asia while also strengthening efforts towards renewing old traditional alliances and establishing new partnerships including multilateral security arrangements.

Southeast Asian countries have raised concerns regarding the new security mini-laterals such as the Australia-UK-US security partnership (AUKUS)—which is centered on providing nuclear-powered submarine technology to Australia—as an attempt to undermine ASEAN’s goal to keep the region a nuclear-free zone. At the same time, the qualitative shift in the Quadrilateral Security Dialogue (QUAD) that sought to promote cooperation in new areas like vaccine security and climate change was received favourably. This new version of QUAD by giving appropriate consideration to the interests of Southeast Asia was seen as being less focused on the containment of China.

Further, the Indo-Pacific Strategy of the United States released in February 2022, which underlined the importance of ASEAN while also embarking on new areas of cooperation which included health, climate and the environment, energy, transportation and women’s empowerment, was received positively. In November 2022, the ASEAN-US Summit held in Cambodia was attended by President Biden, during which the relations were elevated to Comprehensive Strategic Partnership.²

US high-level engagements with the region continued with President Biden hosting the leaders of ASEAN for a historic US-ASEAN Special Summit, held for the first time in Washington, D.C. in May 2022. These developments re-affirmed the US commitment to the region and underscored the importance of the emerging partnership.³ Further, new US initiatives for the Indo-Pacific such as Indo-Pacific Economic Framework (IPEF), announced at the Quad Summit in Tokyo on 24 May 2022, was welcomed by most ASEAN countries that joined all the four pillars under this framework.

This US-led initiative was also seen as a sign of Washington’s renewed economic engagement in the region. While the negotiations on three out of the four pillars under the IPEF framework have been concluded—supply chain resilience, clean economy, and fair economy, the trade pillar remains unresolved. This is on account of domestic opposition in the US to trade liberalisation, making IPEF lack the market access incentives. This shortcoming has left many Southeast Asian countries

² Shoji Tomotaka, “ASEAN’s Neutrality; A Survival amid US-China Confrontation”, in Masuda Masayuki (ed), *The Shifting Dynamics of Great Power Competition*, Interbooks Co., Ltd, Tokyo, 2023, pp. 98–103.

³ [**“U.S.-ASEAN Special Summit; New Ear in U.S.-ASEAN Relations”**](#), U.S. Embassy & Consulates in Indonesia, 17 May 2022.

sceptical. The future of IPEF remains uncertain under the second Trump administration.⁴

While President Biden’s policies and initiatives did not receive wholehearted support within Southeast Asia, they still helped assure the region of US’ commitment. During the first Trump administration, Southeast Asia benefitted on account of the US–China trade wars. This resulted in Chinese and foreign companies moving their manufacturing capacity out of China into Southeast Asia. However, it may be different this time.⁵ President Donald Trump’s “America First” economic policies such as reciprocal tariffs and reshoring of supply chains, for instance, can lead to increased protectionism, impacting the global economic order which is crucial for stability and growth in Southeast Asia.

This is concerning for Southeast Asian nations since apart from China, several countries like Vietnam, Indonesia, Malaysia and Thailand enjoy a large trade surplus with the US. Further, Southeast Asia has a high degree of economic integration with China. US indifference to Southeast Asia might further weaken US influence in the region and potentially allow its rival, China to gain strategic advantage.⁶

US–China Rivalry and Southeast Asia

Since the Cold War, the US with its military and economic power has been a major external power in Southeast Asia. From the late 1990s, a rising China began to also exert its influence in the region. The impact of the ongoing US–China competition which is intensifying globally is being felt most in Southeast Asia which today has become the microcosm for the ongoing strategic rivalry.⁷

Trump’s decision to shut down the US Agency for International Development (USAID) has reinforced the growing perception on Washington’s neglect and commitment to the region. The return of President Trump also brings back the debate on the future role of the US in Southeast Asia, and how this would play out in terms of its strategic interest *vis-à-vis* China. Southeast Asia’s economic growth potential and strategic

⁴ Narupat Rattanakit, [“Economic Corridors: One Way Forwards for US Engagement in Southeast Asia”](#), *The Diplomat*, 10 February 2025.

⁵ Ben Bland, [“In Southeast Asia, Trump Reinforces Worst Fears About the US”](#), Chatham House, 17 March 2025.

⁶ Lee Jaehyon, [“Trump 2.0 and Southeast Asia: From Disengagement to Non-Confidence”](#), The ASAN Institute for Policy Studies, 27 November 2024.

⁷ Bilahari Kausikan, [“Southeast Asia between Major Powers: Lessons for the Middle East”](#), *The Jerusalem Strategic Tribune*, June 2023.

importance to US–China competition makes it crucial for America to preserve its influence in the broader Indo-Pacific region.⁸

The US–China rivalry is already being played out in the two geo-political hotspots of the Indo-Pacific namely the South China Sea and the Taiwan Straits. Given the region’s geographical proximity to two hotspots, Southeast Asian countries are well aware that the region will be among the first to suffer the fallout as a consequence of a conflict amongst the major powers in these two geopolitical hotspots.

Escalating Tensions in the South China Sea

The ongoing dispute in the South China Sea began in the 1990s in the aftermath of the Spratly dispute⁹. The ‘Declaration on the Conduct of Parties in the South China Sea’ (DOC), signed at the ASEAN Summit in Cambodia in November 2002 is legally non-binding and has made it difficult to ensure commitments for regional stability in the South China Sea.¹⁰ Currently, ASEAN and China are engaged in negotiation of the Code of Conduct in the South China Sea (COC). In 2018, ASEAN and China released the Single Draft Negotiating Text. Both sides announced in July 2023 that they had completed its second reading. The third reading of the draft negotiating text commenced in October 2023.¹¹

Since 2010, the issue of the South China Sea has become a focal point of the US–China confrontation, on account of Beijing’s militarisation and other illicit activities in the disputed waters. This has spurred actions that include land reclamation activities to military build-up to new security realignments being witnessed today in Southeast Asia. In recent years, there has been a string of clashes between the Philippines and China in the South China Sea.

China in 2024 stepped up its coercive actions against Philippine Navy, coast guard and civilian vessels and aircraft operating legally in the Philippines’ Exclusive Economic Zone. This includes China Coast Guard (CCG), China Maritime Militia (CMM) vessels repeatedly confronting Philippine efforts to resupply its military forces on the BRP Sierra Madre—an old naval vessel grounded on Second Thomas Shoal.

⁸ James Crabtree, [“U.S.-China-Southeast Asia Relations in a Second Trump Administration”](#), Asia Society Policy Institute, 26 February 2025.

⁹ On 14 March 1988, China and Vietnam clashed on the Johnson Reef, marking the first armed conflict in the Spratly archipelago. China passed the Law on the Territorial Sea and the Contiguous Zone in February 1992, which lays claim to the entire South China Sea, further heightening the contestation. This led to the ‘ASEAN Declaration on the South China Sea’ issued at the Manila Meeting of the ASEAN Foreign Ministers in July 1992. The declaration stressed the necessity to resolve all sovereignty and jurisdictional issues pertaining to the South China Sea by peaceful means, without resort to force, and urged all parties concerned to exercise restraint.

¹⁰ Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order*, Routledge, Oxon, 2009, pp. 156–159.

¹¹ [“China, ASEAN Unlikely to Achieve Code of Conduct in 2024: Experts”](#), Benar News, 7 February 2024.

This has led to the Philippines’ military build-up as well as reinforcing of its old defence alliance with Washington. China’s other actions also include the Provisions on Administrative Enforcement Procedures for Coast Guard Agencies on 15 May 2024. This legislation gives Beijing ostensible legal cover to detain foreign vessels in “waters under Chinese jurisdiction”. Further in November 2024, China issued the coordinates for baselines around Huangyan Dao—the Chinese name for Scarborough Shoal—and deposited a copy with the United Nations.¹²

Vietnam, which has been on the receiving end of Chinese aggression the East Sea (South China Sea) in the past, has significantly accelerated the expansion of its outposts in the Spratly Islands. According to Asia Maritime Transparency Initiative (AMTI):

...Vietnam has created 692 new acres of land across a total of 10 features, compared to 404 acres created in the first 11 months of 2023 and 342 acres in 2022. This brings the total of Vietnam’s overall dredging and landfill (including both landfill and harbor/channel dredging) in disputed areas of the South China Sea to approximately 2,360 acres—roughly half of China’s 4,650 acres. This is a major change from just three years ago, when the total amount of Vietnamese dredging and landfill was just 329 acres—less than one-tenth of China’s total.

The AMTI also reported that Vietnam has begun constructing new facilities across its outposts in the Spratly that includes new harbour and temporary helipads.¹³

Beijing has repeatedly stated that external interference by the US and its allies is a cause for its discord with ASEAN over the South China Sea which is also delaying the conclusion of the COC. Further, under Trump, one can’t rule out possible overtures between Washington and Beijing which would pose a serious challenge to the ongoing South China Sea negotiations. There also remains uncertainty with regards to Trump’s commitment to its defence treaty ally the Philippines, in case of further Chinese provocation.¹⁴

Trends in the Taiwan Straits

The increasing hostilities in the Taiwan Strait would have significant implications for the region, given the geographical proximity and economic ties with both China and Taiwan. In recent years, the US has enhanced its commitment to the security of Taiwan, resulting in China viewing this as a threat to the status quo *vis-à-vis* its

¹² Carl Thayer, [“The State of the South China Sea; Coercion at Sea, Slow Progress on a Code of Conduct”](#), *The Diplomat*, 27 January 2025.

¹³ [“Hanoi in High Gear: Vietnam’s Spratly Expansion Accelerates”](#), Asia Maritime Transparency Initiative, 7 June 2024.

¹⁴ James Crabtree, [“U.S.-China-Southeast Asia Relations in a Second Trump Administration”](#), Asia Society Policy Institute, 26 February 2025.

sovereignty.¹⁵ Therefore, Southeast Asia cannot be insulated from a fallout or any kind of escalation due to the Taiwan conflict. There are over 700,000 Southeast Asian migrant workers in Taiwan and the country is also being deeply integrated into the regional supply chain. Therefore, any conflict cross the strait between China, Taiwan and the US would derail economic growth and the regional stability.¹⁶ As per the 2024 State of Southeast Asia Survey, 44.2 per cent expressed concerns over the economic implications in case of an outbreak of hostilities in the Taiwan Straits.¹⁷

The deteriorating situation across the Taiwan Straits may also adversely affect the situation in the adjacent South China Sea. China has repeatedly conducted exercises and training in Taiwan’s periphery and ramped up activities in the South China Sea. This has raised fears about increasing tensions with the US which is also intensifying activities through its Freedom of Navigation Operations (FONOPs) and other bilateral and multilateral joint exercises. Meanwhile, the People’s Liberation Army (PLA) has also repeatedly conducted exercises and training in Taiwan’s periphery while also ramping up its activities in the South China Sea.¹⁸

Southeast Asia’s Primacy and the Trump Administration

Southeast Asia, which is located strategically in the confluence of major sea lines of communication, is critical for the flow of goods and energy. Therefore, the US has strong strategic interests in the region for which it would continue to build its alliances and partnerships. The US strategic considerations would ensure that the Trump administration engage militarily and diplomatically with its allies towards countering China’s increasing influence in the region. However, like for Europe under Trump, allies in Southeast Asia would be required to step up their own defence spending rather than having complete reliance on the US.¹⁹

The possibility of President Trump altering US approach towards China would enable Beijing to further dominate the region economically and wield its political and military influence. These concerns would have strong bearing on countries such as the Philippines which is on the front line of Beijing’s assertive behaviour in the South China Sea. While China hawks in the Trump administration such as Secretary of

¹⁵ Masuda Masayuki, “Introduction”, in Masuda Masayuki ed, *The Shifting Dynamics of Great Power Competition*, Interbooks Co., Ltd, Tokyo, 2023, pp. 4–5.

¹⁶ William Choong and Hoang Thi Ha, [**“Southeast Asians Mull Over a Taiwan conflict: Big Concerns But Limited Choices”**](#), *Fulcrum*, 22 February 2023.

¹⁷ [**“The State of Southeast Asia: 2024 Survey Report”**](#), *ISEAS*, 2 April 2024.

¹⁸ Shoji Tomotaka, “ASEAN’s Neutrality; A Survival amid US-China Confrontation”, in Masuda Masayuki (ed), *The Shifting Dynamics of Great Power Competition*, Interbooks Co., Ltd, Tokyo, 2023, pp.107–108.

¹⁹ Stephen Olson, [**“Southeast Asia Must Prepare for Trump’s Everything’s on the Table’ Approach to Trade”**](#), *Fulcrum*, 20 February 2025.

State Marco Rubio and National Security Advisor Mike Waltz have attempted to reassure the Philippines, concerns remain amidst Washington’s wavering commitments globally.²⁰

The broad contours of US policy towards Southeast Asia would become clearer in the months to come through the administration’s strategic documents. However, in light of its ongoing rivalry *vis-à-vis* China, Southeast Asia remains a key partner for the US given that both sides have shared interests that include trade investments, health and security cooperation. Further, the US and Southeast Asian countries see a dominant China posing a threat to the regional order especially in light of its increasing actions being displayed in the South China Sea.

While the US and China are the primary major powers in Southeast Asia, given the uncertainty over US commitment and to China’s increasing dominance being accompanied by its activities in the South China Sea, the countries in the region are reassessing their security ties with other countries such as India, Japan, Korea, France and Australia. The broadening of such engagements, along with the US continuing to function as a critical partner, will serve to counter China’s increasing dominance and assertiveness.

²⁰ Ben Bland, “[In Southeast Asia, Trump Reinforces Worst Fears about the US](#)”, Chatham House, March 17, 2025.

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