

# CHAPTER 2

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## Trump 2.0: Opportunities and Challenges for ASEAN

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### Introduction

Although barely touching the one-year mark, the impact of the second Trump administration (Trump 2.0) on the international geopolitical and geoeconomic landscapes has been profound. If the first Trump administration (Trump 1.0) was marked by dysfunctional and incoherent policies, its second iteration has been more efficient in implementing the President's agenda, especially in transforming his "Make America Great Again" (MAGA) ideas into policies and actions. For ASEAN and the international community, adjusting to Trump 2.0 has been a steep learning curve. This chapter attempts to provide a preliminary view of the impact and implications of Trump 2.0 on ASEAN and the region. The first section draws out the main findings of the Anatomy of Choice Alignment Index, the State of Southeast Asia Survey 2025, and the Southeast Asia Influence Index in the context of the region's strategic conundrum of choosing sides between China and the US. The second section discusses the dynamics of Trump 2.0 and its impact on the region's views of the US. The third section provides a snapshot of the US diplomatic practices in the region. It argues that in light of the perception of the US's growing sense of disinterest in regional affairs, ASEAN needs to assert its agency, consolidate existing partnerships, and establish new ones to mitigate these strategic uncertainties.

### Overview of ASEAN's Strategic Alignment

ASEAN Member States have often been pressured by analysts and the media to state their choice of alignment with either China or the US. In response, their leaders have declared unequivocally that ASEAN's choice is not to take sides. Scholars and practitioners have conceptualized this response as a position of hedging or neutrality. Indeed, it is a difficult choice to choose between the two major powers that are integral to the peace and prosperity of the region. Choosing sides puts ASEAN in a precarious position and opens the possibility of punishment or abandonment by the side that it did not choose. Hence, "not taking sides" is a prudent strategy to avoid punitive measures or antagonizing either of the major powers. This approach also enables ASEAN to reap benefits from both sides.

However, recent research by scholars at the Lee Kuan Yew School of Public Policy (LKYSPP) has shed a different light on ASEAN's strategic options and indicated that while "not taking sides" is a predictable and oft-quoted response, it is by no means a unanimous option (refer to Table 1). The

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<sup>1</sup> These views are solely the author's and do not reflect or represent the views of his affiliation.

Anatomy of Choice Alignment Index, which studies the alignment choices of ASEAN Member States vis-à-vis China and the US from 1995 to 2024, showed that five ASEAN Member States, namely, Brunei, Indonesia, Malaysia, Singapore, and Thailand, have maintained a position of “non-aligned” or “hedging.” At the same time, the study reported that other ASEAN Member States have leaned towards one major power or the other. Cambodia, Laos, Myanmar, and Vietnam have demonstrated their affinity towards China, whereas the Philippines is aligned with the US.

A comparison of the index scores from the periods 1995–2009 and 2010–2024 yields additional insights into China’s growing influence in the region. Overall, all ASEAN Member States, with the exception of Vietnam, seem to be moving closer to China. Vietnam moved from “aligned with China” to “non-aligned.” It is the only ASEAN Member State in this period to lean towards the US. Notable swings in China’s favor are Cambodia’s shift from “aligned” to “strongly aligned,” Indonesia’s shift from aligned with the US to aligned with China, and Thailand’s move from “non-aligned” to “aligned with China.”

**Table 1: Anatomy of Choice Alignment Index (1995–2024)**

Country	1995–2024	1995–2009	2010–2024	Trending
Brunei	48 NA	50 NA	45 NA	+5 CN
Cambodia	38 C	43 C	33 C+	+10 CN
Indonesia	50 NA	56 US	44 C	+12 CN
Laos	29 C+	33 C+	25 C+	+8 CN
Malaysia	50 NA	52 NA	47 NA	+5 CN
Myanmar	25 C+	26 C+	24 C+	+2 CN
Philippines	62 US	64 US	60 US	+4 CN
Singapore	51NA	54 NA	48 NA	+6 CN
Thailand	47 NA	51 NA	44 C	+7 CN
Vietnam	43 C	41 C	45 NA	+4 US

0–33: Strongly aligned with China (C+)

34–44: Aligned with China (C)

45–55: Non-aligned, hedging range (NA)

56–66: Aligned with the US (US)

67–100: Strongly aligned with the US (US+)

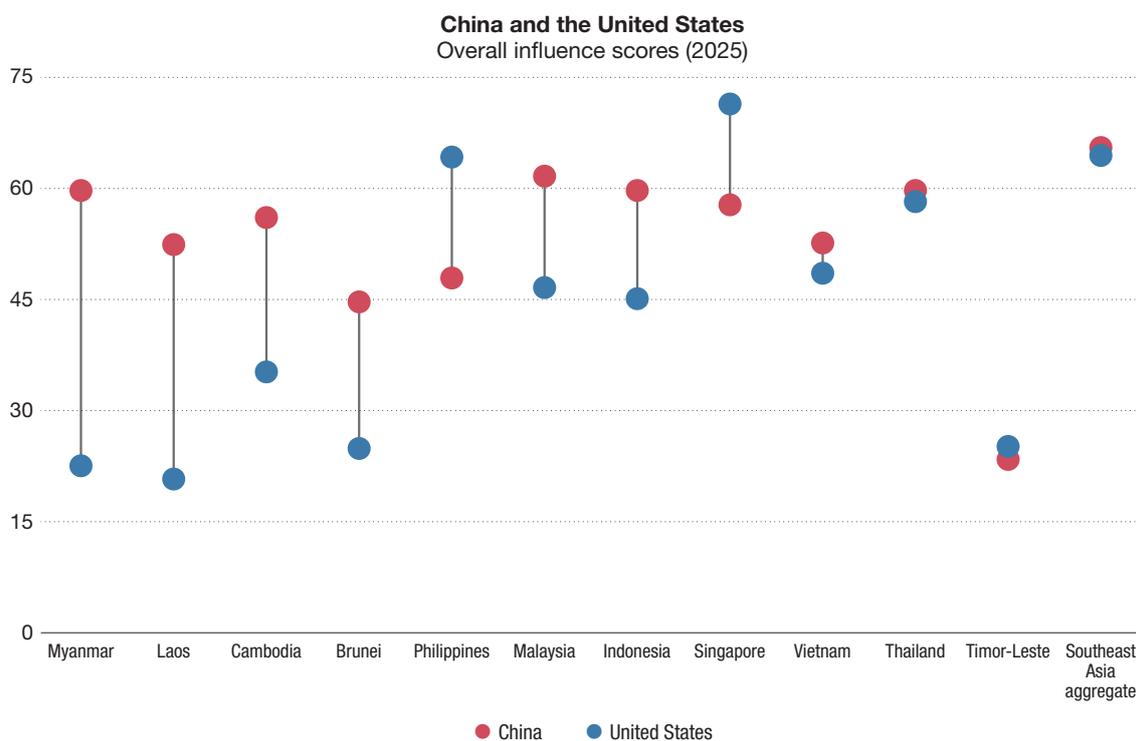
Source: Adapted from Yuen Foong Khong and Joseph Chinyong Liow, *Anatomy of Choice Alignment Index*, <https://lkyspp.nus.edu.sg/cag/research/aocai>.

China’s sway in the region is also supported by the results of two regional surveys, namely, the State of Southeast Asia 2025 survey conducted by the ISEAS - Yusof Ishak Institute and the Southeast Asia Influence Index 2025 survey conducted by the Lowy Institute. The State of Southeast Asia 2025 survey found that 56.4% of the ASEAN-10 respondents contend that China is the most influential

economic power in the region.<sup>2</sup> China is perceived to be the top economic actor in all ASEAN-10 countries. It is also viewed as the most influential political and strategic power in Southeast Asia by the highest plurality (37.9%) of the respondents.<sup>3</sup> All but one of the ASEAN-10 countries (the Philippines) ranked China over the US in terms of political and strategic influence. Notwithstanding the pervasive influence and perceived high standing of China, the US emerged as the “choice” of the majority of respondents (52.3%) if ASEAN were forced to align with either China or the US. It remains to be seen if the region’s strategic perception will turn away from the US in light of the unpopularity of Trump’s reciprocal tariff policy in the next iteration of the survey in 2026.

In terms of overall influence in the region, the Southeast Asia Influence Index study showed that China is marginally ahead of the US (refer to Figure 1). However, China has a distinct advantage in Brunei, Cambodia, Indonesia, Laos, Malaysia, and Myanmar, and holds a small advantage over the US in Thailand and Vietnam. In spite of China’s expanding influence in the region, the US’s influence is strong in the Philippines and Singapore.

Figure 1: Influence of China and the US in Southeast Asia



Source: *Southeast Asia Influence Index - Key Findings Report*, Lowy Institute.

<sup>2</sup> Sharon Seah et al., *The State of Southeast Asia: 2025 Survey Report* (Singapore: ISEAS-Yusof Ishak Institute, 2025), p. 32.

<sup>3</sup> *Ibid.*, p. 34.

Read together and broadly, the results of the Anatomy of Strategic Choice Index, State of Southeast Asia 2025 Survey, and Southeast Asia Influence Index point to China's expanding power and influence as the most consequential major power in the region. The US has lost ground in the region, with the notable exception of the Philippines, where the US continues to be held in high regard. This development is not surprising given Washington's strong and consistent support for Manila in asserting the latter's sovereign rights in the South China Sea.

## **The Catalyst for Strategic Diversification**

In many ways, the coming of Trump 2.0 is a wake-up call for the region. Trump's indiscriminate application of reciprocal tariffs without any distinction between allies and non-allies came as a shock. In particular, Vietnam felt particularly let down with an initial tariff rate of 46% despite having a comprehensive strategic partnership with the US in place. Two US treaty allies – the Philippines and Thailand – were similarly not spared from punitive tariff measures, with the former being charged an initial rate of 17% and the latter subject to a rate of 36% when the tariffs were rolled out. Even Singapore, which has a trade deficit with the US, was charged a baseline tariff of 10%.

One key takeaway from Trump's reciprocal tariffs is the danger of economic overdependency on a single market. The upshot of the Trump tariffs is that they incentivize states to diversify their trade relations. In this regard, Indonesia concluded a Comprehensive Economic Partnership Agreement (CEPA) with the European Union (EU) in September 2025. The long-stalled EU-Malaysia trade negotiations were resumed in January 2025. EU negotiations with the Philippines and Thailand are ongoing. Work is also ongoing to conclude the ASEAN-Canada free trade agreement by 2026. Under Malaysia's chairmanship, the ASEAN-Gulf Cooperation Council-China Summit was convened on May 27, 2025 to deepen economic cooperation, trade and strategic ties between the three regions. Some regional countries have sought additional strategic cushion by joining "non-Western" groupings such as BRICS, wherein Indonesia is a full member, and Malaysia, Thailand, and Vietnam are partner countries.

The search for new partners and deepening of new partnerships extends beyond the realm of trade and economics. In the past year, the Philippines has concluded Status of Visiting Forces agreements (SOVFA) with New Zealand and Canada. The Philippines also signed a Reciprocal Access Agreement (RAA) with Japan. Vietnam also upgraded its relations with the United Kingdom to a comprehensive strategic partnership in October 2025.

The broadening of ASEAN's economic partnerships with its external partners is not a new development. But Trump 2.0 gave expanding such partnerships added urgency to minimize the region's overdependency on the US market. Similarly, the striking political and security partnerships are a hedge against the uncertainties of the US commitment to regional peace and security. Diversification

is an astute response to the problem of overdependency on the US. This response also reduces US leverage in using economic warfare as a political tool.

## **The Role of the Middle Powers in the ASEAN Conundrum**

The ASEAN conundrum is a complex interplay of three strategic imperatives. First, ASEAN's mantra of open and inclusive regionalism means that it would endeavor to engage a wide range of external partners. Second, ASEAN's preference for a non-aligned posture compels it to balance the competing interests of the major powers. Third, ASEAN needs to maintain its centrality to ensure its relevance and autonomy. This conundrum is more acute in the wake of rising strategic rivalry between China and the US. It is imperative that ASEAN maintains a delicate balance of engagement with China and the US. Similarly, seeking to avoid taking sides between two major powers serves to maintain ASEAN's strategic autonomy. In this context, one of the notable inferences of the Anatomy of Choice Alignment Index is to render the "taking sides" question moot. The region's strategic tilt towards China effectively takes the option of "taking sides" out of ASEAN's hands.

If this tilt towards China continues into the medium and long term, the possibility of Southeast Asia becoming a Chinese sphere of influence cannot be ruled out entirely. With the US under the Trump administration taking what appears to be a relatively inward-looking posture and reducing its global commitments, ASEAN would have to look to its other external partners to support the region's strategic ballast in preventing the rise of a hegemonic power.

Specifically, the region's middle powers – Australia, India, Japan, and South Korea – hold the key to maintaining a regional strategic balance by making up for the US's "absence." Australia and Japan had demonstrated their regional leadership qualities by corralling like-minded partners to form the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) when the US withdrew from the Trans-Pacific Partnership (TPP). Likewise, the establishment of the ASEAN-led Regional Comprehensive Economic Partnership (RCEP) of which Australia, Japan, New Zealand and South Korea are parties, underlined the importance of broad-based cooperation. More importantly, the CPTPP and RCEP proved that the middle powers have the potential and capacity to fill the void vacated by the US in advancing the free trade agenda.

In particular, Japan holds the highest potential to make up for the US's strategic shortfall. Japan has a deep reservoir of goodwill in the region. It has consistently been viewed as the most trusted major power by respondents of the State of Southeast Asia Survey for the past nine years. In the latest iteration of the survey in 2025, 66.8% of the respondents regarded Japan as the most trustworthy

major power.<sup>4</sup> From a practical perspective, results from the Southeast Asia Influence Index showed that “Japan is the only partner other than the United States and China that is active across all domains of influence and across all Southeast Asian countries.”<sup>5</sup> The Index affirmed Japan’s influence in the region’s economic and cultural affairs (refer to Table 2). It is notable that, notwithstanding Japan’s past aversion to a security role, it is ranked fourth after the US, Australia, and Thailand in “defence networks.” Among others, this success demonstrated that Japan’s Official Security Assistance (OSA) has had a meaningful impact on its security cooperation in the region. The Japan-ASEAN Ministerial Initiative for Enhanced Defence Cooperation (JASMINE) and One Cooperative Effort Among Nations (OCEAN) initiatives announced at the ASEAN Defence Ministers’ Meeting Plus (ADMM Plus) in November 2025, which emphasizes humanitarian assistance and disaster relief,<sup>6</sup> as well as maritime security, will provide additional impetus to deepen Japan’s security cooperation with ASEAN.

**Table 2: Influence of the Middle Powers in Southeast Asia**

Country	Economic Relationships		Defence Networks		Diplomatic Influence		Cultural Influence		Regional Engagement	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Australia	23.8	9	58.6	2	61.6	6	23.5	9	64.5	5
India	21.3	10	33.1	10	54.2	11	11.2	19	68.9	4
Japan	48.6	3	40.5	4	68.4	2	34.4	4	86.9	2
South Korea	27.9	5	32.5	11	53.5	12	22.1	10	81.4	3

Source: Adapted from *Southeast Asia Influence Index - Key Findings Report*, Lowy Institute.

It might be beyond the capacity of the middle powers, either individually or collectively, to replace the US. It is also not in the interest of the region to displace the US. ASEAN’s strategic preference remains keeping the region open and inclusive, and the priority is to “ride out” the Trump wave and to facilitate continued US engagement in the region. Until the Trump or future administrations rekindle their interest in Southeast Asia and ASEAN, the region should turn to middle powers, especially Japan, Australia, and South Korea, to mitigate the externalities of major power rivalry, as well as to compensate for the US’s lower regional profile and commitment.

## **The Increasing Visibility of Defense Diplomacy in US Engagement with ASEAN**

Trump’s participation at the 13<sup>th</sup> ASEAN-United States Summit and 20<sup>th</sup> East Asia Summit was one of the highlights of the 47<sup>th</sup> ASEAN Summit and Related Summits in October 2025. However, the

<sup>4</sup> Ibid., p. 68.

<sup>5</sup> Susannah Patton, Jack Sato, and Rahman Yaacob, *Southeast Asia Influence Index - Key Findings Report* (Lowy Institute, 2025), p. 12.

<sup>6</sup> Fuad Nizam and Luqman Hakim, Japan unveils new defence cooperation frameworks to boost Asean security, *New Straits Times*, November 1, 2025.

President's participation belies the administration's engagement with ASEAN. The Southeast Asia Influence Index ranked the US sixth in terms of "regional engagement" after China, Japan, South Korea, India, and Australia. This finding is not surprising considering Trump's noted disdain for multilateralism. He has dismissed the Indo-Pacific Economic Partnership (IPEF), which was initiated by his predecessor. In addition, Trump has yet to nominate an ambassador to ASEAN. Beyond the showmanship of "appearances" at ASEAN Summits, the US will continue to pay minimal lip service to ASEAN and tread lightly on multilateral processes. It is also notable that ASEAN did not merit a single mention in the 2025 US National Security Strategy. ASEAN should come to terms with the fact that it is not a priority in the Trump administration.

The US's preferred bilateral mode of engagement will have an impact on ASEAN-US relations and its level of engagement and commitment in ASEAN-led processes such as the EAS, ADMM Plus, and ASEAN Regional Forum (ARF). This would also mean that any effort on the part of ASEAN or its external partners to reinvigorate the East Asia Summit is unlikely to draw much interest from Washington. From an economic perspective, Trump's implementation of "reciprocal tariffs" runs counter to free trade and multilateralism. Its withdrawal from the TPP effectively means that the US is locked out of the region's multilateral trade frameworks. In contrast, China is a party to RCEP and has applied to join the CPTPP.

The Trump administration's track record in the past year has shown a relatively more active role in defense affairs compared to diplomacy. Secretary of State Marco Rubio has only made two visits to the region. All these visits were to Malaysia for engagements under the ASEAN framework: ASEAN Regional Forum, ASEAN Post-Ministerial Conference, and the ASEAN Summit. In contrast, Secretary of Defense Pete Hegseth has made multiple visits to the region, including official visits to Malaysia, the Philippines, Singapore, and Vietnam. It is also noteworthy that Hegseth's first visit to the Indo-Pacific region was to the Philippines. He also attended the 22<sup>nd</sup> IISS Shangri-La Dialogue in Singapore, where he declared that "America is proud to be back in the Indo-Pacific — and we're here to stay."<sup>7</sup> The US continues to be actively engaged with regional partners in the security and defense spaces. It has conducted military exercises with all ASEAN-10 countries, with the exception of Cambodia, Laos, and Vietnam. The relative weight and frequency of US defense diplomacy suggest that the US regional engagement is likely to be led by the Department of Defense rather than the Department of State. In other words, the driver for US engagement with the region is first and foremost security.

## **The Decline of US Soft Power**

The imposition of reciprocal tariffs has all but damaged the US's image as a proponent and champion

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<sup>7</sup> Pete Hegseth, "Remarks by Secretary of Defense Pete Hegseth at the 2025 Shangri-La Dialogue in Singapore," Shangri-La Dialogue, Singapore, May 31, 2025.

of free trade. Its reputation has been further damaged by the shuttering of the US Agency for International Development (USAID). Almost overnight, US assistance and aid in supporting refugee camps, demining operations, decommissioning of unexploded ordnance from the Vietnam War era, and health programs such as the prevention and treatment of HIV/AIDs, have dried up. In the aftermath of the Mandalay earthquake in March 2025, “Russian and Chinese first responders rushed in to help, while the United States was nowhere to be found”<sup>8</sup> as a result of the USAID’s closure. Cutbacks also led to the termination of services by Voice of America and Radio Free Asia, “depriving citizens in mainland Southeast Asia honest news about both their own governments and those of US competitors like China and Russia.”<sup>9</sup> Collectively, these events eliminated some of the most effective tools of American soft power in the region. Furthermore, the withdrawal of the US from humanitarian assistance and public information spaces has the effect of ceding the strategic ground to China and Russia. In addition, Trump’s allegations of fake news and sowing seeds of suspicion in the US political process have undermined the US’s reputation as a defender of freedom of the press and the rule of law, and as a beacon of democracy. As a result, US soft power is waning as it loses the attributes that make it “attractive” as a role model for the global community.

## **Emerging Trends of US Diplomatic Practices in the Region**

Trump’s interest in the region, as indicated by his ambassadorial nominations and appointments to ASEAN Member States and ASEAN, has shown a high degree of consistency between his first and second administrations. As of October 2025, Trump has either nominated or appointed eight ambassadors and left three positions vacant. This is the same number as in the first Trump administration (refer to Table 3). Trump has also demonstrated his disinterest in multilateralism by keeping the ASEAN ambassadorship position vacant for both his terms of office. Not having a US ambassador to ASEAN is particularly significant as the US was the first Dialogue Partner to appoint an ambassador and to establish a permanent mission to ASEAN in 2008 and 2010, respectively. The other notable trend in Trump’s ambassadorial appointments to the region is the prevalence of political appointees over career professionals. In his first administration, Trump posted one political appointee (Thailand), and this number has risen to four (Malaysia, Philippines, Singapore, and Vietnam) in the current administration. The increasing preference for political appointees over career professionals reflects Trump’s personal leadership style.

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<sup>8</sup> Gregory B. Poling, “Southeast Asia navigates Trump’s return: quick deals, lasting dread,” in *Navigating Disruption: Ally and Partner Responses to U.S. Foreign Policy*, ed. Victor Cha, Nicholas Szechenyi, and Will Todman (Washington D.C.: Center for Strategic and International Studies, 2025), p. 51.

<sup>9</sup> Ibid.

**Table 3: Background of US Ambassadors to Southeast Asian States and ASEAN  
in the Obama, Biden, and Trump Administrations**

Country/ Organization	Obama Administration	Trump 1.0	Biden Administration	Trump 2.0 (Oct. 2025)
Brunei	Career	Career	Career	Career
Cambodia	Career/Political	Career	Vacant	Career
Indonesia	Career	Career	Career	Vacant
Laos	Career	Career	Career	Career
Malaysia	Career	Career	Career	Political (N)
Myanmar	Career	N/A	N/A	N/A
Philippines	Career	Vacant	Career	Political (N)
Singapore	Political	Vacant	Political	Political
Thailand	Career	Political	Career	Career
Timor-Leste	Career	Career	Career	Vacant
Vietnam	Career	Career	Career	Political (N)
ASEAN	Political	Vacant	Political	Vacant

Key: N= nominated

Source: American Foreign Service Association

## Conclusion

The region – much like the rest of the world – has been consumed with a high degree of anxiety and trepidation over Trump’s reciprocal tariffs. The shadow of the upward revision of tariff rates goes beyond profits and losses, and has the potential to cause serious economic disruptions. For most ASEAN Member States that are export-driven economies, the US’s unilateral imposition of tariffs is an existential threat to their economic well-being and political stability. As dangerous and disruptive as the tariffs are, it is myopic to ignore the other aspects of Trump 2.0. The US withdrawal from the World Health Organization (WHO), UNESCO, UN Human Rights Council, and the Paris Agreement, as well as freezing its contributions to the United Nations (UN), has damaged the US’s global standing and reputation. Similarly, the US’s push for its European partners to shoulder greater financial responsibility for their security in general, and NATO in particular, is making Southeast Asia rethink its heavy reliance on the US for security. One Southeast Asian defense minister has offered that “the [US] image has changed from liberator to great disruptor to a landlord seeking rent.”<sup>10</sup> If the US cannot be depended on to defend Europe, can it be trusted to come to Southeast Asia’s assistance in a crisis? Would these doubts concerning America’s dependability and trustworthiness influence regional powers to develop their own independent nuclear deterrents, potentially sparking a nuclear arms race?

<sup>10</sup> Ng, E. H., “Remarks at the BMW Foundation Herbert Quandt Annual Leaders Roundtable, “On The Horns of A Trilemma: Geopolitical Recession, Technological Leadership And Energy Security,” 14 Feb 2025, [https://www.mindef.gov.sg/news-and-events/latest-releases/15feb25\\_speech/](https://www.mindef.gov.sg/news-and-events/latest-releases/15feb25_speech/)

The Trump-Xi meeting at the sidelines of the APEC meeting in Gyeongju, South Korea gave renewed hope that a reset of the most important bilateral relationship is possible. The meeting also resuscitated discussions of a “G2” between China and the US, following Trump calling the discussion a “G2 meeting.”<sup>11</sup> A rapprochement between the two major powers and cooperation to address global concerns such as climate change are certainly welcomed. But the advent of a world in which the two major powers dictate terms and set boundaries for the rest of the world is a nightmare scenario. The fact that ASEAN would be relegated to price takers should give the region grave cause for concern. While ASEAN sings the mantra of “centrality,” its invocation is most urgently needed today more than ever. ASEAN must double down on establishing its agency and work with other middle powers to ensure the rule of law and multilateralism remain the mainstay of international diplomacy.

At the same time, ASEAN needs to come to terms with the fact that Trump has remade the US in his own mold. Lawmakers from both sides of the US political divide appear to be averse to multilateral free trade frameworks such as the TPP or CPTPP. ASEAN will continue to be a low priority. Although it is premature to draw any firm conclusion on the US’s engagement trajectory, there is a possibility that the US might retreat as an offshore balancer and take on the role of an “absentee” power. These are sub-optimal and worrisome outcomes for ASEAN. But they are outcomes that ASEAN must prepare for out of an abundance of caution, given the growing sense of isolationism in the US.

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<sup>11</sup> Wang Xiangwei, “US and China as co-equals? Trump-Xi meeting hints at new G2 world,” CNA, 5 November 2025, <https://www.channelnewsasia.com/commentary/us-china-g2-trump-xi-trade-tariff-truce-5444476>