



Delhi Policy Group

Advancing India's Rise as a Leading Power

EAST ASIA EXPLORER OCTOBER 2025

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Cover Images:

Australian Prime Minister Anthony Albanese and U.S. President Donald Trump signed a landmark agreement to invest a combined \$2 billion (\$1 billion from each nation) during their first formal bilateral meeting at the White House on October 20, 2025. Source: [Australian Government](#)

The 47th Association of Southeast Asian Nations (ASEAN) Summit was held, under Malaysia's chairmanship of ASEAN, at Kuala Lumpur, Malaysia, from October 26-28, 2025. Source: [X/@ASEAN](#)

President Marcos Jr. repeatedly highlighted China's unilateral plan to establish a "nature reserve" in Scarborough Shoal at various ASEAN high-level meetings, including the ASEAN-US Summit and the East Asia Summit in Kuala Lumpur, Malaysia. Source: [X/ASEAN](#)

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Contents

Albanese-Trump Meeting Solidifies AUKUS Alliance, But Doubts Remain

Dr. Pradeep Taneja1

Conservation as Pretext: China's Nature Reserve at Scarborough Shoal

Divya Rai4

The 22nd India-ASEAN Summit

Biren Nanda8

Albanese-Trump Meeting Solidifies AUKUS Alliance, But Doubts Remain

by

Dr. Pradeep Taneja

Australian Prime Minister Anthony Albanese's meeting with Donald Trump in the Cabinet Room of the White House on 20 October came exactly nine months after Trump was sworn in for the second time as President. Albanese had been under attack from the opposition for not being able to secure a face-to-face sit-down meeting with the US President since Trump's return to office. That Albanese was unable to meet with President Trump during his visit to the US in September for the UN General Assembly, except for a photo opportunity during a reception hosted by Trump, had been weaponised by his political opponents against him.

Against that background, the fact that a meeting took place was in itself a victory for Albanese. At a time when visiting the White House can turn into an ambush for foreign leaders, the Albanese-Trump meeting was a jolly affair. Trump heaped praise on Australia and called Albanese a 'great leader'.

Prime Minister Albanese had three priorities going into this meeting. First, he wanted an assurance that the US government was still committed to the AUKUS agreement to provide nuclear-powered submarines to Australia after [reports](#) emerged in June that the Undersecretary of Defence, Elbridge Colby, a known AUKUS sceptic, was conducting a review into the Biden-era deal to make sure it complies with the 'America first' agenda of President Trump. Albanese's second priority was to see if he could persuade the US leader to remove or reduce the 10 per cent 'reciprocal tariffs' that Trump had imposed on imports from Australia in April. Finally, the Australian leader wanted to offer Australia as a reliable supplier of critical minerals to the US in the wake of the export controls imposed by China, thus cementing Australia's position as a close strategic and economic partner of the United States.

By all accounts, the meeting was a big success. While Trump was unwilling to reduce the tariffs, arguing that Australian exports to the US already faced the lowest tariffs, he was fulsome in his support for the submarine deal and the AUKUS alliance more broadly. Addressing concerns about the US industrial capacity to produce enough Virginia class submarines to meet the needs of the US Navy and, at the same time, to provide them to Australia, Trump said: "we do actually have a lot of submarines. We have the best submarines in the world, and we're building a few more currently under construction, and now we're starting we have it all set with Anthony [Albanese]".

President Trump's remarks to the media endorsing AUKUS even before the two leaders sat down for the formal meeting, helped to allay concerns in Australia about the US government's willingness and ability to deliver the Virginia class submarines to Australia under Pillar 1 of the AUKUS agreement. When asked if Australia could rely on the US to

build and deliver the submarines to Australia, Trump said the US was “going full steam ahead” with the AUKUS deal, under which the first submarine should arrive in Australia in 2032.

Having obtained a key assurance on the security front from the US president, the Australian leader signed a multi-billion dollar agreement with Trump that would help Australia enhance its capacity to mine and process critical minerals for supply to the United States and the world. The critical minerals deal is designed to break China’s near-monopoly over the sector. Under the deal, the US and Australian governments are set to invest US\$3 billion over the next six months in a pipeline of projects in nearly every state and territory of Australia. The private sector firms are expected to invest an additional five million dollars. So confident was the US President about Australia’s ability to produce and process critical minerals that he [said](#), “about a year from now you'll have so much critical minerals and rare earths you won't know what to do with them.”

The success and positive energy of the meeting was, however, marred by an awkward moment for the Australian delegation. The former Australian prime minister, Kevin Rudd, who was appointed by Albanese as Australia’s ambassador to the United States when he first came to power in 2022, had worked very hard behind the scenes in Washington to secure a meeting between the two leaders. But, in 2020, in a now-deleted social media post, Rudd had described Trump as the ‘most destructive’ president in US history. When asked by an Australian reporter what he thought of that assessment, Trump told Rudd, who was sitting across the table from him, “I don’t like you and I probably never will”. While there was laughter in the room when Trump made that statement, it is believed that Rudd later offered an apology to Trump.

Despite the obvious success of the meeting that included Albanese getting an assurance from Trump on the delivery of Virginia class submarines, doubts still linger about the future of AUKUS. Firstly, the Pentagon review of AUKUS is still underway, and it is unclear what it will recommend. Second, the Trump administration’s Navy Secretary, John Phelan, has talked about remaining “ambiguities” about the deal. As the US Navy is primarily handling the implementation of Pillar 1 of the AUKUS deal, much will depend on how the US Navy feels about the impact of the delivery of three Virginia class submarines to Australia on its own war preparedness. Also, the legislation enabling the AUKUS deal passed by the US Congress gives the US president the power to renege on the deal should a future president conclude that handing over these submarines to Australia would undermine US capabilities.

Finally, there appears to be growing unease within Australia about spending AUD 268 to 368 billion over thirty years on acquiring three Virginia class nuclear submarines from the US and building five AUKUS-class nuclear submarines in Australia. According to critics, Australia does not need such offensive capabilities. Some in the ruling Australian Labor Party also feel that the whole AUKUS alliance is an unnecessary provocation to China that will drag Australia into a costly war with its largest trading partner.

Two former Australian prime ministers – Paul Keating and Malcom Turnbull – representing opposite sides of politics, have [argued](#) that far from guaranteeing Australia's security, the AUKUS deal could leave Australia unable to defend itself.

In conclusion, despite a short-term assurance on the future of AUKUS, its future hangs in the balance.

Conservation as Pretext: China's Nature Reserve at Scarborough Shoal

by

Divya Rai

China's announcement of establishing a nature reserve at Scarborough Shoal has instantly turned the spotlight back onto the disputed atoll. On September 10, 2025, China's State Council announced the reserve to cover roughly 3,500 hectares, citing coral and marine-life protection objectives.¹ In addition to the announcement, China also announced plans to improve the management institutions of the nature reserve, which implies that China would establish a Scarborough Shoal Nature Reserve Administration and set up departments for ecological monitoring, law enforcement patrols and scientific research and education, among other departments, and could station monitoring and enforcement personnel permanently on the shoal.² Heralded as a move for "diversity and sustainability", the new reserve sits inside one of Asia's most contested maritime flashpoints and is viewed by the Philippines as tightening control in the disputed shoal.

China's nature reserve at the shoal builds directly on its earlier, contentious declaration of territorial baselines at the atoll in 2024. Scarborough Shoal – known as Huangyan Dao in China and Bajo de Masinloc in the Philippines – lies roughly 200 km off Luzon in the Philippines, close to vital shipping routes in the South China Sea. The reserve covers an area of about 8,700 acres along the northeastern side of the shoal. A map released by the Chinese government shows the entire northeastern rim of the atoll designated as the reserve, which consists of a "core zone" flanked by two "experimental zones".³ China's 1994 Regulations on Nature Reserves define a strictly protected "core zone", encompassing the fringing reef and barring all human access without explicit approval, and an "experimental zone" where limited activities such as scientific research, cultivation of rare species, and tourism are permitted.⁴ Notably, the deliberate exclusion of the lagoon entrance

¹ State Council of the People's Republic of China. "China to Establish Huangyan Dao National Nature Reserve". September 10, 2025.

https://english.www.gov.cn/policies/latestreleases/202509/10/content_WS68c16eefc6d00fa19f7a254f.html.

² ThinkChina. "Scarborough Shoal: Is China's 'Nature Reserve' a Military Outpost in Disguise?" September 17, 2025. <https://www.thinkchina.sg/politics/scarborough-shoal-chinas-nature-reserve-military-outpost-disguise>.

³ Global Times. "China approves establishment of Huangyan Dao national nature reserve". September 10, 2025. <https://www.globaltimes.cn/page/202509/1343192.shtml>

⁴ Ministry of Ecology and Environment of the People's Republic of China. "Regulations on Nature Reserves". October 23, 2017.

https://www.mee.gov.cn/ywgz/fgbz/xzfg/201805/t20180516_440442.shtml

from the reserve's mapped boundaries appears tactically designed to project an image of respect for existing fishing practices and to deflect international backlash. Nonetheless, it limits livelihoods and access for Philippine fisherfolk, whose local economies depend on the area, while also raising the costs and risks of any counter-operations by Manila or its partners.

The announcement provoked a diplomatic backlash from the Philippines, which labelled the move "illegitimate and unlawful" and accused China of infringing on Philippine rights and interests.⁵ President Ferdinand R. Marcos at the ASEAN summit in Kuala Lumpur aired his protest over China's placing Bajo de Masinloc under a "national nature reserve" status. He criticised the "nature reserve" in Bajo de Masinloc (Scarborough Shoal), describing the move as an infringement on Philippine sovereignty and a violation of international law".⁶ Alongside Manila, the United States⁷, Canada⁸, and Japan condemned China's action, warning that it could escalate regional tensions and undermine peace and stability in the Indo-Pacific. These countries framed the reserve as a potentially destabilising measure that complicates dispute resolution efforts and contravenes established international law. Meanwhile, other South China Sea claimant states – Vietnam, Malaysia, Indonesia, and Brunei – did not issue official statements or protests.

Since a 2012 standoff, China has exercised de facto control over the shoal by maintaining a constant coast guard presence that regulates access to the lagoon. In recent years, China has intensified patrols and enforced restrictions that block Philippine fishers from traditional grounds.⁹ Beijing's declaration of a national nature reserve is widely seen by experts as a geopolitical strategy rather than a genuine environmental initiative. The national nature reserve at Scarborough Shoal is an extension of its control, aiming to formalise Chinese administration and justify these restrictions under the guise of environmental protection. However, this is not the first time China has adopted this approach. It had earlier used the protection of

⁵ Department of Foreign Affairs-Philippines. "DFA Statement on China's Recent Approval of the Establishment of a Nature Reserve in Bajo De Masinloc." September 11, 2025.

<https://dfa.gov.ph/dfa-news/statements-and-advisoriesupdate/37142-dfa-statement-on-china-s-recent-approval-of-the-establishment-of-a-nature-reserve-in-bajo-de-masinloc>

⁶ Philstar. "Marcos Hits China's 'Nature Reserve' Declaration". October 28, 2025. <https://www.philstar.com/headlines/2025/10/28/2483034/marcos-hits-chinas-nature-reserve-declaration>

⁷ US Department of State. Marco Rubio, Secretary of State, "On Scarborough Reef". September 12, 2025. <https://www.state.gov/releases/2025/09/on-scarborough-reef>

⁸ Twitter - Embassy of Canada to the Philippines. September 13, 2025. <https://x.com/CanEmbPH/status/1966921412335354272>

⁹ Forbes. "China's New Nature Reserve Tests Manila and Washington". September 28, 2025. <https://www.forbes.com/sites/jillgoldenziel/2025/09/28/chinas-new-nature-reserve-tests-manila-and-washington/>.

marine health to assert territorial claims and regulate resource access in contested areas. A prominent and longstanding example of this practice is China's annual fishing ban, first announced in 1999. While framed as a measure to promote sustainable fishing, the ban has been repeatedly protested by countries like Vietnam and the Philippines, who argue it is a unilateral and illegal imposition on their traditional fishing grounds.¹⁰ This approach appears to have normalised Beijing's control over vital and resource-rich areas of the South China Sea, including those that fall within its contested nine-dash line claims.

China has long undermined the stability of the South China Sea. The nature reserve is likely a pretext to further shift the status of the Scarborough Shoal in its favour. China escalated its pressure on the Philippines following the announcement. On September 16, Chinese Coast Guard ships deployed water cannons against a Filipino civilian fisheries vessel in the vicinity. The confrontation unfolded as the Filipino coast guard and civilian ships were on a humanitarian mission to deliver essential supplies Filipino fishing boats in the area.¹¹ This clearly demonstrates how domestic law and force to give its bid at sovereignty a semblance of legitimacy. To further tighten its hold, China would deploy small observation posts or semi-permanent platforms to sustain coast guard operations in the future.

Scarborough Shoal has long been a flashpoint between the Philippines and China. Tensions have simmered for a while at the shoal, and multiple collision incidents in recent years have caused diplomatic rows, but none escalated into armed conflict. As China's maritime enforcement capabilities grow, these will reinforce Chinese presence without overt militarisation. Although in recent years, the Philippines has rallied support from international partners, including the United States, Australia, and Japan, to uphold the 2016 ruling and denounce China's assertive actions in the South China Sea. This has prompted Beijing to adopt a firmer law enforcement patrol and an expanding administrative and ecological presence around the shoal. Eventually, China would intend to build "observation stations" in the reserve, which may be a pretext for more robust military outposts in the shoal, acutely endangering the well-being of the handful of Filipino fisherfolk who are already facing difficulties gaining access to fish around the shoal.¹²

¹⁰ China Daily Hong Kong. "Annual Fishing Ban Begins in South China Sea." China Daily, October 29, 2025. <https://www.chinadailyhk.com/hk/article/165431>

¹¹ Presidential Office for Maritime Concerns. "Statement of the National Maritime Council on China's Water Cannoning of BRP Datu Gumbay Piang and PLA Navy Live-Fire Broadcast near Bajo de Masinloc". September 17, 2025. <https://x.com/POMC57/status/1968242354915303833>

¹² Reuters. "Philippine fishermen fear China's nature reserve plan could lead to more harassment". September 12, 2025. <https://www.reuters.com/world/china/philippine-fishermen-fear-chinas-nature-reserve-plan-could-lead-more-harassment-2025-09->

Over the coming decade, Scarborough Shoal will likely remain under China's effective control. China has long used “grey zone” tactics to achieve this, including deploying barriers at the lagoon's mouth, harassing vessels with water cannons, conducting close-quarter blockings, and maintaining a constant presence with large fishing fleets and maritime militia. Its recent establishment of a nature reserve is another display of its “Three Warfares” strategy—leveraging legal, media, and psychological tactics—to tighten control and restrict foreign access, even within the Philippines' exclusive economic zone (EEZ). From Beijing's perspective, the Philippines' persistent legal, diplomatic, and alliance-based resistance has turned the Scarborough Shoal into no longer just a bilateral maritime dispute. It has become a frontline for positioning China as the sole dominant power in Asia and to counter the U.S.-led alliance. In the future, low-level clashes—such as water-cannon incidents, blockings, and standoffs—are expected to continue, likely punctuated by temporary crises that raise regional alarm.

[12/#:~:text=Filipino%20boats%20have%20reported%20frequent,refuge%20for%20vessels%20during%20storms.](#)

The 22nd India-ASEAN Summit

by

Biren Nanda

The recently concluded ASEAN-India Summit was held on October 26, 2025. The 22nd ASEAN-India summit was attended by Prime Minister Modi virtually, while External Affairs Minister Dr. S. Jaishankar led the Indian delegation in person in Kuala Lumpur.

The following are some key highlights of the announcements made by Prime Minister Modi. First, Prime Minister Modi announced that 2026 will be designated as the 'ASEAN-India Year of Maritime Cooperation' in order to enhance collaboration in a number of areas, including blue economy, maritime security and environmental protection. The designation of the year 2026 as the "ASEAN-India Year of Maritime Cooperation" will provide an opportunity to forge partnerships in the area of the blue economy.

The ASEAN leaders and the Indian Prime Minister approved a new 'ASEAN-India Plan of Action' for the period 2026 to 2030 in order to provide an overarching and consistent support to the Comprehensive Strategic Partnership between the two, between the ASEAN bloc and India. Some areas of the strategic partnership include cooperation in education, energy, and digital technology.

Prime Minister Modi urged the leaders to push for an early review of the ASEAN-India trade in goods agreement in order to realise the full economic potential of the relationship and address trade imbalances. He expressed strong support for ASEAN unity, ASEAN centrality, and the 'ASEAN Outlook for the Indo-Pacific' (AOIP).

Digital transformation through cooperation in emerging technologies, such as semiconductors, AI, and fintech, was a central point of the discussions. There were also discussions on enhancing connectivity – both physical and digital – in line with 'India's Act policy' and the SAGAR vision. Amongst the projects being undertaken to enhance connectivity is the 'India Thailand Myanmar Trilateral Highway Project'.

India consistently highlighted the importance of the India-ASEAN partnership as the cornerstone and anchor of India's Act East policy and its Indo-Pacific vision, aiming for a free, open and rules-based Indo-Pacific region.

PM Modi emphasised that terrorism remained a serious challenge to global peace and security and stressed the importance of unity in the fight against terrorism. He proposed organising the “Second ASEAN-India Defence Ministers’ Meeting’ and the “Second ASEAN-India Maritime Exercise” for a secure maritime environment. India will continue its role as a ‘First Responder’ in times of crisis in the neighbourhood and further strengthen cooperation in disaster preparedness and HADR.

India will arrange for the training of 400 professionals in renewable energy to support the ASEAN Power Grid initiative and offer Quick Impact Projects (QIPs) to Timor Leste. PM Modi also proposed the establishment of a Centre for Southeast Asian Studies at Nalanda University to develop regional expertise.

The 47th ASEAN Summit

The 47th ASEAN Summit and related meetings were held in Kuala Lumpur from October 26 to 28. The summit demonstrated both the diplomatic strength and the strategic vulnerability of the ASEAN bloc. The attendance by US President Donald Trump at the summit dominated the proceedings and featured the signing of legally binding trade agreements with Malaysia and Cambodia, framework agreements with Thailand and Vietnam and an MOU on critical minerals with Malaysia and Thailand. President Trump also presided over the signing of the Kuala Lumpur accord to ease border tensions between Thailand and Cambodia.

A significant development was the addition of an 11th member of ASEAN at the Summit, TIMOR-LESTE, whose accession will involve considerable handholding by international financial institutions, donor countries and maritime ASEAN countries to bridge the development gap with the rest of ASEAN.

Myanmar leaders were absent from the summit, demonstrating the bloc’s internal divisions, including the challenge of balancing commitments to non-interference with the need to address humanitarian and governance issues. Myanmar was represented at the working level and will be passed over for the Chair of ASEAN in 2026, which position will be assumed by the Philippines.

Significant development included the signing of the digital economy framework agreement – the first of its kind on a region-wide basis. The agreement, which will be implemented from 2026 onwards, will enable cross-border digital trade data flows and promote e-commerce in ASEAN.

Present Trump's attendance at the summit meetings, notwithstanding US tariffs, remains a burden for countries – 19% for Malaysia, Thailand and Cambodia and 20% from Vietnam.

China and ASEAN signed an agreement for an upgraded 'ASEAN-China Free Trade Area' 3.0. In the absence of US leadership, China tried to pose as an advocate of open trade, investment and regional connectivity, drawing the contrast with the United States under Donald Trump. South Korea and Malaysia concluded a free trade agreement.

ASEAN is committed to supporting its TROIKA mechanism in order to implement the 'Five Point Consensus' in Myanmar and encourage constructive dialogue amongst all parties.

A major outcome of the summit was the 'Kuala Lumpur Declaration 2045', which charts the future trajectory of the bloc. ASEAN will continue to advance its commitment to fulfil its community development agenda. The Philippines, as the incoming chair, will focus on advancing national cohesion and economic recovery as well as security issues in the South Sea.



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