



Delhi Policy Group

Advancing India's Rise as a Leading Power



POLICY BRIEF

Developments in Southeast Asia: 2024

Authors

Biren Nanda
Jayanitika Rao T.V.

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Prime Minister Narendra Modi and the Prime Minister of the Socialist Republic of Vietnam, Mr. Pham Minh Chinh at Hyderabad House, in New Delhi on August 1, 2024. Source: [Prime Minister of India](#)

Indonesian President Prabowo Subianto delivers his inaugural address at the Parliament Building, Jakarta, on October 20, 2024. Source: [Cabinet Secretariat of the Republic of Indonesia](#)

Indian Prime Minister Narendra Modi with Prime Minister of Singapore, Lawrence Wong, in Singapore on September 4, 2024. Source: [X/@LawrenceWongST](#)

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Developments in Southeast Asia: 2024

by

Biren Nanda and Jayanitika Rao T.V.

“Two thousand and twenty four” was an eventful calendar year for Asia, marked by an increasing degree of political risk. The highlight of domestic developments in Asia was the election of new leaders in Taiwan, Indonesia, Singapore, Japan and Vietnam. Geopolitically, pivotal areas of concern included Taiwan, the South China Sea, Myanmar, and the Korean Peninsula, each of which has the potential to become a flashpoint for an escalating and widening regional conflict in Asia. These hot spots have complicated the operational environment in the region. The accretion of military power, which has followed the region's economic development, is altering the balance of power both within Asia and between the region and the West. This review paper aims to delineate the geopolitical trends that have emerged in Asia during 2024 - trends that are now at the forefront of international politics in the twenty-first century.

Taiwan

The year commenced with the unprecedented third consecutive electoral victory of an independence-minded candidate from the Democratic Progressive Party (DPP) in Taiwan's presidential elections held on January 13. This outcome elicited varied reactions from East Asian nations that have historically maintained amicable relations with Taiwan. Despite the efforts of China to sway the election results in favour of the opposition Kuomintang candidate, William Lai Ching-te of the DPP successfully secured the presidency by defeating his two pro-China rivals. However, the DPP did not attain an outright majority in the parliamentary elections, held simultaneously.

Although many foreign governments were privately pleased with the election results in Taiwan, few were openly effusive in their praise. Many chose instead to congratulate Taiwan for holding democratic elections and Mr Lai for his win. China was unimpressed by the congratulatory messages issued by some of its East Asian neighbours. It “immediately made solemn démarches” to Singapore and summoned the ambassador of the Philippines, whose President Ferdinand Marcos Jr had congratulated Dr Lai, saying that he was looking “forward to

close collaboration" and "strengthening mutual interests" between the Philippines and Taiwan.¹

Indonesia

The next significant development occurred when Prabowo Subianto was elected as the eighth president of Indonesia. On February 14, during the world's largest single-day election held in the third-largest democracy and the fourth-most populous nation, Prabowo secured 59 per cent of the votes. This victory was officially confirmed by the Election Commission (KPU) one month later. It quickly became apparent that Prabowo Subianto intended to direct Indonesia to a new trajectory. His policy of "active diplomacy" empowered Indonesia to assume a more critical role on the global stage in 2024. Even prior to his inauguration, President Prabowo engaged with world leaders, including Xi Jinping on April 1, Fumio Kishida on April 3, and Anwar Ibrahim on April 4. By September 2024, he had conducted a minimum of 84 meetings with officials from 38 countries, both within Indonesia and internationally.

Leveraging his position as President-elect and Defence Minister, Prabowo cultivated defence cooperation with foreign leaders, thereby demonstrating his commitment to advancing Indonesia's defence capabilities. An illustrative example of this initiative occurred on February 23, when Australian Defence Minister Richard Marles and Minister Prabowo Subianto announced a "very significant" defence cooperation agreement between their respective countries.² This landmark agreement was formalised on August 29 by the two leaders. The treaty-level agreement aims to enhance practical cooperation and interoperability between the defence forces of both nations in critical areas, including maritime security, counterterrorism, humanitarian assistance, disaster relief, logistics support, education and training, as well as across the defence industry.

Despite the proactive nature of his foreign policy initiatives, significant discussion has emerged regarding Prabowo's diplomatic missteps. As a strong leader, Prabowo envisions the presidential office as the leading institution for diplomatic policy making; however, this approach can yield controversial consequences, as he frequently acts without the counsel of his cabinet. A prominent example that occurred was the Joint Statement issued during

¹ "Why South Korea remained cautious in congratulating Taiwan's election result". Korea Pro, January 19, 2024. <https://koreapro.org/2024/01/why-south-korea-remained-cautious-in-congratulating-taiwans-election-result/>

² Jatmiko, Andi and Karmini Niniek "Indonesia and Australia Move Toward 'Significant' Security Agreement". The Diplomat. (2024, February 26). Accessed from, <https://thediplomat.com/2024/>

Prabowo's visit to China following his summit with Xi Jinping on November 9. In this statement, both parties reached an "important common understanding on joint development in areas of overlapping claims" and agreed to establish an 'Inter-Governmental Joint Steering Committee' to explore and advance relevant cooperation. This assertion seemingly reversed Indonesia's long-standing position that it was not a party to the South China Sea dispute, particularly as Indonesia does not acknowledge any overlapping maritime boundary claims with China in the North Natuna Sea.

In response to this development, the Indonesian Foreign Ministry (KEMLU) swiftly initiated damage control, clarifying that any maritime cooperation with China does not signify Jakarta's recognition of China's 'nine-dash line' and that such collaboration would not impinge upon Indonesia's sovereignty or jurisdiction over the Natuna Islands.

In conclusion, while Prabowo's proactive diplomatic approach signifies a departure from the strategies of previous administrations, it may inadvertently result in further diplomatic controversies in the future. His distinct working style and preference for engaging experienced foreign policy analysts as advisors could engender scepticism regarding Indonesia's regional leadership and potentially enhance China's influence.

Philippines

The Philippines was particularly noteworthy among the significant potential flashpoints of geopolitical competition in Southeast Asia during 2024. Since the beginning of 2014, the Philippines has been contending with domestic challenges while adopting a proactive approach to address China's assertiveness in the South China Sea.

As the Philippines approaches the midterm elections in 2025, the emerging divisions between the two dominant political dynasties threatens to undermine domestic stability. These families include former President Rodrigo Duterte, his daughter, Vice President Sara Duterte, and the current President, Bongbong Marcos. The intensity of this rivalry has escalated to concerning levels, particularly following statements made by the vice president that included threats against the president.

The tenuous alliance between the Marcos and Duterte families began to deteriorate on January 28, when former President Duterte accused Bongbong Marcos of drug use. He further alleged that the Marcos administration was planning constitutional amendments to extend the presidential term beyond the legally established six years. Duterte warned that President Marcos could

face a fate similar to that of his father, Ferdinand Marcos, who enforced martial law for fourteen years before being ousted through a public uprising. Initially, President Marcos refrained from commenting on these allegations; however, he subsequently indicated that Duterte's history of fentanyl consumption may have contributed to his erratic behaviour.

The ongoing conflict between these two political families has persisted throughout the year and poses a significant risk to the fragile democratic institutions in the Philippines. As the focus shifts to this rivalry, critical issues such as recurring floods and increasing aggression from China in the South China Sea remain unresolved.

Tensions in the South China Sea

The most critical geopolitical development in the neighbourhood is the rising contestation in the South China Sea. China's sweeping claims in the South China Sea based on the 'nine-dash-line' have frustrated competing claimants like Vietnam, Malaysia, Indonesia, Taiwan, and the Philippines. As its capabilities have proliferated, China has become more assertive resulting in clashes with other claimant countries that have gone against China's claims in the SCS.

In August alone, the China and the Philippines reported six confrontations in the air and at sea in the contested waters. Five of them took place at or near Scarborough Shoal and the Sabina Shoal in the Spratly Islands. This area is within the Philippines' 200-nautical-mile (about 370 kilometres) Exclusive Economic Zone (EEZ) but overlaps with China's 'nine dash line claim'. Both sides blame each other for the escalation in tensions between the two countries.³

In response to China's growing assertions and to strengthen the Philippines' claims in the South China Sea, on November 8, President Ferdinand Marcos Jr. signed two laws: the "Philippine Maritime Zones Act" and the "Philippine Archipelagic Sea Lanes Act". These laws serve to clarify and assert the Philippines' maritime claims, delineating specific zones that include internal waters, territorial seas, and an Exclusive Economic Zone (EEZ) as per international law. "The "Maritime Zones Act" reinforces the Philippines' claims

³ "China and Philippines trade blame as ships collide". BBC News, August 31, 2024. <https://www.bbc.com/news/articles/cx2erwedxz5o>

within its 200 nautical mile exclusive economic zone, particularly those concerning the Kalayaan Island Group (KIG)⁴.

The escalating tensions in the South China Sea in 2024 have not been limited to China and the Philippines but also other claimants, notably Vietnam. Carefully balancing its relationship with China without provoking a large confrontation, Vietnam has engaged in a measured assertiveness to strengthen its sovereignty claims in the Spratly Islands. However, China has adopted distinct approaches towards both the Philippines and Vietnam. While it has reacted forcefully towards the Philippines, and its resupply missions to the Second Thomas Shoal, it has been relatively tolerant towards Vietnam's island expansion initiatives.⁵

In 2024, China employed "grey zone" tactics against Vietnam, which included the harassment of Vietnamese fishermen and the deployment of survey vessels within Vietnamese territorial waters. In response, Vietnam protested diplomatically, and both sides engaged in a "war of words". Despite these provocations, Vietnam did not respond in the same way as the Philippines did, and in fact, continued its exploration and fishing activities in the region. This scenario differs significantly as compared to the one between China and Philippines. This differential treatment towards the two countries is mainly attributable to the mutual defence treaty between the United States and the Philippines, which mandates US assistance to the Philippines during armed attacks by third parties.

Due to its geographical proximity to China, Vietnam has been reluctant to confront China's coercive tactics in the maritime region. The significant disparity in maritime capabilities between China and Vietnam and the absence of a military ally highlights Vietnam's challenges in deterring or effectively responding to Chinese military actions. Consequently, while Vietnam intends to assert its sovereignty, it exercises caution to avoid provoking China. Nonetheless, uncertainty remains regarding Vietnam's potential reactions should China escalate its coercion over issues deemed critical by Vietnam, such as the possible occupation of one of its SCS outposts, reminiscent of China's actions at Scarborough Shoal in 2012. Thus, while the risk of military conflict in the region has intensified, the potential for military confrontation has similarly

⁴ Congress of the Philippines, "An Act Declaring the Maritime Zones Under the Jurisdiction of The Republic of The Philippines," <https://legacy.senate.gov.ph/lisdata/4304339610!.pdf>.

⁵ "Hanoi in High Gear: Vietnam's Spratly Expansion Accelerates". Asia Maritime Transparency Initiative, June 7, 2024. <https://amti.csis.org/hanoi-in-high-gear-vietnams-spratly-expansion-accelerates/>

increased for 2025, especially as Manila and Hanoi has adopted more assertive measures to counter China's grey zone tactics in South China Sea.

The Squad

Another significant outcome of the increasing frequency of aggressive assertions by China in the South China Sea has been the emergence of a new grouping of US treaty alliance members in the Indo-Pacific. The US, Japan, Australia, and the Philippines, grouping unofficially termed as the 'Squad' or the 'new Quad', convened their second Defence Ministers meeting in Hawaii on May 2. As critical concerns are being raised regarding the US commitment to the Indo-Pacific, given its preoccupation with the wars in the Middle East and Europe, this is the latest effort by Washington to rally and reaffirm its hub and spoke alliance network in Asia. The preponderant theme in the quadrilateral interactions of the US, Japan, Australia, and the Philippines, including the recent meeting, remains to enhance defence interoperability and maritime cooperation.

China responded strongly to the growing alliance between the four countries. While no official statement was released on the meeting, the state-run media channel, Global Times, characterised the new group's aim as "containing China"⁶. It warned the Philippines of losing its autonomy and of the potential "Ukrainization" of the Philippines, operating as a pawn of the US in the region. The piece attributes Marcos' administration's obedience to the US as a factor for instability in the Asia-Pacific region. In April 2024, the People's Liberation Army of China responded to the multilateral maritime exercises carried out by the 'Squad' partners by concurrently conducting "joint naval and air combat patrols in the South China Sea"⁷.

Australia's Engagement with Southeast Asia

During the past year, Canberra has also stepped up and shifted the balance of its attention and resources from an aspirational looking strategy for multilateral region-building, to a more pessimistic and defensive posture disproportionately focused on Australia's Pacific "inner ring". The government's signature foreign policy initiative since 2018 – the Pacific Step-up – is designed to maintain Australia's coveted role as the partner of choice for economic, development, and security cooperation in its Pacific near

⁶ Times, Global. n.d. "US Assembles 'Squad' of Allies to Counter China." Copyright 2021 by the Global Times. <https://www.globaltimes.cn/page/202405/1311678.shtml>.

⁷ Afp. 2024. "China Conducts Military Drills in South China Sea." The Hindu. April 7, 2024. <https://www.thehindu.com/news/international/china-conducts-military-drills-in-south-china-sea/article68038902.ece>.

abroad. It comes in direct response to China's economic and political overtures to several Pacific Island states.

Australia's relationship with China has been increasingly strained since 2017, when then-Prime Minister Malcolm Turnbull cited concerns regarding Chinese influence as the rationale for prohibiting foreign political donations and legislating against foreign interference. On June 15, Chinese Premier Li Qiang visited Australia, asserting that the bilateral relationship was "back on track after a period of twists and turns" and urging both nations to "shelve" their differences.

Despite this indication of improving relations, China's active diplomatic engagement, which is viewed as a concerted effort to enhance diplomatic, economic, and security ties with Pacific Island nations, has caused Australia to remain cautious and vigilant. Chinese Foreign Minister Wang Yi visited Papua New Guinea in April to foster bilateral relations with this resource-rich Melanesian country amid rising concerns in Canberra and Washington regarding China's expanding influence and the potential establishment of a military presence in the region. As the largest country within this group, Papua New Guinea possesses significant strategic importance for major powers, including the United States and potentially China, along with considerable natural resource deposits.

While Wang Yi's recent visit to Papua New Guinea did not yield any landmark agreements, he pointedly remarked that the Pacific Island nations were not the "backyard of any major country," in an apparent critique of Australia and the United States. The growing security cooperation between China and the Pacific Islands has raised alarms for Australia and its Western allies, who are apprehensive that such developments may facilitate a Chinese military presence in the region.

As such, in order to counter Chinese influence in the Pacific, Australia's Foreign Minister, Senator Penny Wong, led a high-power delegation of six Australian ministers to Papua New Guinea as part of a concerted push to offer greater financial aid, and more respectful treatment of the Pacific leaders, and enhanced security cooperation. Before leaving for Port Moresby, the PNG capital, Senator Penny Wong said Australia was in "a state of permanent contest" with China in the Pacific. There remains an underlying tension between Australia's desire to improve relations with China, and the imperative to push back against its aggressive behaviour in the South China Sea and its growing influence in the South Pacific.

The jostling for influence in the Pacific is unlikely to end any time soon. With China's deep pockets and its determination to increase its security footprint in the region, the leaders of sovereign Pacific Island states will be able to exercise their agency and choose their partners as they like. But if the recent change of leaders in the Solomon Islands is any guide, the peoples of the region will hopefully prioritise stability over new security partners.

China-ROK-Japan Trilateral Summit

In a breakthrough meeting, the three key countries of East Asia – Japan, South Korea, and China – convened a trilateral summit drawing an end to a four-year-long hiatus. The three countries share strained bilateral relations, due to lingering grievances from a history of occupation and contesting ideologies and interests, which has inhibited trilateral cooperation rendering the continent unstable. As geopolitical tensions rise, the need to restart channels of dialogue and diplomacy is shared across the three countries.

A joint declaration was issued at the summit meeting, highlighting six priority areas of cooperation⁸ - People-to-People Exchanges, Sustainable Development including through Climate Change Response, Economic Cooperation and Trade, Public Health and Ageing Society, Science and Technology Cooperation, Digital Transformation and Disaster Relief and Safety.

Contrary to the narrative, the key factor enabling the resumption of the trilateral summit this year is the recent rapprochement in bilateral relations between South Korea and Japan. The rapprochement between South Korea and Japan has strengthened the US alliance network in East Asia. The long-held differences between the two US allies had previously inhibited extensive military cooperation between Tokyo and Seoul and endangered critical supply chains.

ASEAN in 2024

Amidst the intensifying global power shifts and competitive national dynamics threatening regional security, ASEAN's efficacy was questioned again this year. Despite the challenges, countries remained committed to their engagement through ASEAN. The 57th ASEAN Foreign Ministers' Meeting and other related meetings took place in Vientiane, Laos, from July 25 to 27, 2024. This comprehensive event included 15 ministerial meetings with ASEAN's Dialogue

⁸ Yoon, Suk Yeol, Fumio Kishida, Republic of Korea, Japan, and People's Republic of China. 2024. "Joint Declaration of the Ninth ROK-Japan-China Trilateral Summit." <https://www.mofa.go.jp/files/100675321.pdf>.

Partners – India, Australia, Canada, China, the E.U., Japan, New Zealand, Russia, South Korea, and the US. Dr S Jaishankar represented India at the 31st ASEAN Regional Forum and 14th East Asia Summit Foreign Ministers' Meeting and co-chaired the ASEAN Post-Ministerial Conference with India. The joint statements from the various meetings reiterated the '5 Point Consensus' as the central means to address the political crisis in Myanmar and reaffirmed the commitment to upholding international law, including the 1982 UNCLOS, and the need to maintain and promote peace, security, stability, safety, and freedom of navigation in and over-flights above the South China Sea.

A fragmented ASEAN has led to fractured consensus building, hindering concrete and pragmatic progress on regional and international developments of consequence. The Joint Statements that have emerged from the multiple Foreign Ministers meetings reflect these complexities. However, they also showcase the sustained and institutionalized dialogue, demonstrating the resilience and perseverance of ASEAN even in the face of adversity.

Myanmar

As mentioned above, the biggest single challenge to ASEAN's efficacy has been the on-going protracted civil war in Myanmar. Since the February 2021 coup d'état that prevented a re-elected National League for Democracy (NLD) government led by Aung San Suu Kyi from taking power in February 2021, Myanmar has scarcely been out of the headlines. With no end in sight to the ongoing civil war in Myanmar, let alone the restoration of democracy in the country, ASEAN members have reiterated the need for a peaceful resolution. Under Laos' chairmanship of the ASEAN, Myanmar was again brought to the forefront of the discussion. Since the onset of the crisis in Myanmar, as Laos shares a border with Myanmar, it has experienced an influx of drugs and transnational crimes. Therefore, since January 2024 Laos has attempted to find a solution to the on-going crisis in Myanmar. Despite these efforts, the situation in Myanmar remains unchanged.

The on-going instability in Myanmar has already created one of the worst humanitarian crises in the world by forcing more than 1.2 million Rohingya refugees to flee Myanmar. As such, it has also revealed the failure of the ASEAN to deal effectively with a major crisis in one of its own member states that has serious implications for the region and for its own future. Beset by their own rivalry and distracted by other global conflicts, Myanmar's largest neighbours – India and China – have adopted a cautious wait and watch approach. While being cautious, China is also supporting the Myanmar military materially as its second biggest supplier of arms. As the biggest foreign investor in Myanmar,

China is also mindful of protecting its economic interests. ASEAN member states exhibit divergent perspectives regarding the approach to dealing with the crisis in Myanmar. While Vietnam and the Philippines regard the coup as an internal issue, nations such as Malaysia and Indonesia have articulated their concerns. Nevertheless, ASEAN has underscored the necessity of devising a viable path forward. On December 19 and 20, Thailand convened two informal regional meetings to address Myanmar's political and security crisis. The session held on December 20, 2024, concentrated explicitly on implementing the 'Five-Point Consensus' (5PC) and ensuring a seamless transition between the current ASEAN chair and the succeeding chair in managing this crisis.

ASEAN – India Relations in 2024

India celebrated a decade of its 'Act East Policy' in 2024, previously known as the 'Look East Policy.' As outlined by India's Ministry of External Affairs (MEA), the 'Act East Policy' focuses on the extended neighborhood within the Indo-Pacific region, with the Association of Southeast Asian Nations (ASEAN) at its core. The relationship between ASEAN and India has seen substantial growth, marked by increased trade and investment flows, friend-shoring initiatives, and improved interpersonal connections. Notably, under the 'Act East Policy', Indian Prime Minister Narendra Modi and External Affairs Minister Dr S. Jaishankar have played a pivotal role in actively collaborating with ASEAN member states, significantly enhancing India's presence in the region.

Visit of Vietnam's Prime Minister to India

The Prime Minister of Vietnam, Pham Minh Chinh, made his first official visit to New Delhi, India from July 30- August 1, 2024⁹. During his visit, the Prime Minister called on the President of India, Droupadi Murmu, Vice-President, Jagdeep Dhankar, and held bilateral talks with Prime Minister, Narendra Modi, and External Affairs Minister of India, Dr. S. Jaishankar. On the last day of his visit, Prime Minister Chinh delivered a lecture on "Enhancing Vietnam - India Comprehensive Strategic Partnership for Peace, Cooperation and Development in the Indo-Pacific Region and the World" at the Indian Council of World Affairs, New Delhi. Two critical documents emerged from the meetings - a 'Joint Statement on the Strengthening of the 'Comprehensive

⁹ "State Visit of H.E. Pham Minh Chinh, Prime Minister of the Socialist Republic of Vietnam to India." n.d. Ministry of External Affairs, Government of India. https://www.mea.gov.in/press-releases.htm?dtl/38048/State_Visit_of_HE_Pham_Minh_Chinh_Prime_Minister_of_the_Socialist_Republic_of_Vietnam_to_India.

Strategic Partnership'¹⁰ and a 'Plan of Action for the implementation of the 'Comprehensive Strategic Partnership' during the 2024-2028.

State Visit of Malaysian Prime Minister Anwar Ibrahim to India

Malaysian Prime Minister Anwar Ibrahim arrived in New Delhi on August 20, 2024, on a three-day State Visit to India. This was his first visit to India as Prime Minister. During the visit, the two Prime Ministers took stock of the enhanced strategic ties between the two countries. Both Prime Ministers recognised that the 'Enhanced Strategic Partnership' between the countries established in 2015 has helped in advancing bilateral ties into a multidimensional relationship. Recognising that the relations between India and Malaysia have evolved and matured across a broad spectrum of areas and that this deepening of engagement has significantly widened and intensified the relations, the Prime Ministers determined that the timing was propitious for relations to be further consolidated into a 'Comprehensive Strategic Partnership'. The two leaders reiterated their commitment to respecting freedom of navigation and overflights, and unimpeded lawful commerce, based on the principles of international law, as reflected notably in the United Nations Convention on the Law of the Sea (UNCLOS) 1982.

21st ASEAN-India Summit

The 21st ASEAN-India Summit was convened in Vientiane, Lao PDR, on October 10, 2024. The meeting was chaired by the Prime Minister of the Lao PDR, Sonexay Siphandone under the theme "Enhancing Connectivity and Resilience"¹¹. The Summit was attended by Indian Prime Minister Narendra Modi, leaders of the ASEAN member states and Prime Minister of the Democratic Republic of Timor-Leste, Xanana Gusmão, as Observer. The 21st Summit marked a decade since the adoption of the 'Act East' policy, formerly known as the 'Look East' policy. This year is also critical as the anniversary of the 'Act East' policy coincides with the ten years of Narendra Modi's term as the Prime Minister of India.

¹⁰ "Joint Statement on Strengthening of the Comprehensive Strategic Partnership Between the Republic of India and the Socialist Republic of Viet Nam." n.d. Ministry of External Affairs, Government of India.

https://www.mea.gov.in/bilateral-documents.htm?dtl/38069/Joint_Statement_on_Strengthening_of_the_Comprehensive_Strategic_Partnership_Between_the_Republic_of_India_and_the_Socialist_Republic_of_Viet_Nam.

¹¹ Jow_Han. 2024. "Chairman's Statement of the 21st ASEAN-India Summit." ASEAN Main Portal. October 18, 2024. <https://asean.org/chairmans-statement-of-the-21st-asean-indiasummit/>.

The Summit produced a comprehensive joint statement. One of the key focus areas of the joint statement was digital connectivity, especially through fintech and digital payments. To that end, the joint statement announced the launch of the 'Fund for Digital Future', operationalized in 2024 to advance digital cooperation, especially in Digital Public Infrastructure and the establishment of the 'ASEAN-India Annual Financial Dialogue'. Other initiatives announced are the 'ASEAN-India Fellowship for Higher Education in Agriculture and Allied Sciences' and a proposal for an 'ASEAN-India Workshop on Green Hydrogen', and an annual 'ASEAN-India Health Ministers' Meeting'. The year 2025 was also declared as the 'ASEAN-India Year of Tourism', to promote the tourism sector for joint development.

Engagement between China and ASEAN

The engagement between the regional grouping of Southeast Asian countries, ASEAN and China plays a critical role in determining the future of security architecture in the Indo-Pacific for 2025. The contemporary discourse on China-ASEAN relations over-emphasises the strained equation between these neighbours due to escalating tensions in the South China Sea and overlooks the comprehensive economic and security partnership they share. Beyond the disputes at sea, China and ASEAN have a long history of diplomatic relations driven by geographical proximity, historical and cultural affinity, and economic engagement.

A critical feature of these bilateral relations emerged as China and ASEAN signed a Free Trade Agreement (FTA) in 2001. China today is ASEAN's top trading partner and a leading foreign investor. Trade relations between the two are likely to grow, with increasing economic integration and supply chain connectivity under the Regional Comprehensive Economic Engagement (RCEP). Beyond the economic realm, China and ASEAN share a comprehensive relationship in traditional and non-traditional security areas.

The US emphasis on democratic norms in governance also drives a wedge in its relations with ASEAN countries, that have their own distinct and diverse political systems. As Washington remains preoccupied with the wars in Europe and the Middle East, a key question for ASEAN is the intent and ability of the USA to project power and balance China's actions in the region. Furthermore, US engagement in Southeast Asia seems to be driven by bilateral and mini-lateral arrangements, which are seen to be diminishing ASEAN centrality.

Effect of US-China Rivalry on Southeast Asian Nations in 2024

The intensification of the US-China rivalry in Southeast Asia has placed numerous nations in a precarious position. While a few countries have articulated their positions explicitly, as discussed above, there has been insufficient discourse regarding many other Southeast Asian nations. The remaining countries endeavour to avoid direct involvement in the conflict by adeptly navigating the ambitions of both major powers. Although this strategic approach is not unprecedented, the stakes are higher than ever. A failure to maintain this balance may result in the division of the region between the two powers, compelling smaller nations to compromise their national interests to accommodate the priorities of the larger powers.

While ASEAN's engagement has been discussed, it is important to note that there is no singular Southeast Asian perspective. As such, there is a difference in how each country deals with this rivalry based on their national interest. As emphasised, some countries like the Philippines have boldly chosen to disagree with China's assertions and have moved closer to the US. In contrast, other countries like Thailand have opted to balance the rivalry by maintaining a positive relationship with both the US and China. In contrast, smaller states, like Cambodia and Laos, have moved closer to China. However, it would be a mistake to conclude that Southeast Asian nations are mere pawns in this Sino-US competition.

Despite Thailand being regarded as the United States' "oldest ally in Asia", there has been a downward trajectory of US-Thai relations in recent years. This was evident in US criticism of Thailand after the military coups of 2006 and 2014, which ousted the governments of Thai Prime Minister Thaksin Shinawatra and Yingluck Shinawatra's from power, respectively. The US's firm reaction to the coups, was primarily through its security alliance, which included cutting defence assistance to Thailand, was regarded by several Thai officials as an assault on their nation's sovereignty and an attempt to interfere in domestic affairs, which is a clear red line. As many Western democracies ostracised Thailand for its military regime, especially after the 2014 military coup led by Gen. Prayut Chan-o-cha the Thai government had to seek out other options and, subsequently leading to Thailand establishing closer ties with China out of necessity.

The relationship between Thailand and China has taken on a deeper meaning in recent years, extending beyond political and economic cooperation to shared strategic interests in the security and military areas. Since the 2014 coup, the level of interaction between Thailand and China has increased significantly

as the United States withdrew its support. As a result, China slowly became Thailand's primary source of armaments, and the two countries broadened their bilateral Joint Military Operations (JMEs). However, this does not mean that Thailand will lean too much towards China as Thai political logic believes that this would tie them up and suffocate them. Therefore, it would endeavour to maintain a balanced relationship with every country based on its strategic interest. However, depending on the issue or situation, Thailand will be more inclined to sway towards one nation or the other.

On the other hand, often small states like Cambodia and Laos are characterised as 'vassal states' of Beijing, and this has long been the reason for their neglect by great powers and middle powers allowing China to strengthen its foothold in the Mekong Region. However, as Laos assumed the chairmanship of ASEAN for 2024 and Cambodia witnessed the rise of a new leadership under Hun Manet, it is critical to understand the motivations behind the foreign policy calculations of the two countries.

Cambodia upgraded its bilateral relations with China to a 'Comprehensive Strategic Partnership' in 2010 and endorsed China's Belt and Road Initiative in 2013. Since then, Cambodia has received significant economic development assistance with the construction of more than 10 bridges and 30 national roads totalling over 3,000 kilometres in length in ten years. China has approved nearly 3 billion USD in airport projects, 2 billion USD for the Phnom Penh-Sihanoukville Expressway Project, more than 7.5 billion USD in hydropower plants, and about 4 billion USD in coal power plants. Cambodia is thus, one of the countries with the largest growth of BRI engagement from 2021 to 2022.¹² However, as Cambodia's economic ties with China grew, relations with the United States declined. Concerns regarding the possibility of 'colour revolutions' stem from the possibility of US interference impacting the political stability in Phnom Penh. As mentioned above, like many Southeast Asian nations, irrespective of their size and power, any attempt of foreign interference in domestic affairs is a clear red line. Despite the limitations of a small state and China's overt economic influence in the region, Cambodia has showcased independence in its foreign policy on certain occasions.

Similarly, Laos has greatly benefited from China's BRI investments. Since 1989, China has directly or indirectly invested in around 815 projects totalling over US\$16 billion, making it the largest source of infrastructure financing for the

¹² China Belt and Road Initiative (BRI) Investment Report 2022, Green Finance and Development Centre, February 3, 2023. Accessed from, <https://greenfdc.org/biodiversity-finance-lab/>

country. In contrast, US engagement with Laos reached its peak under the Obama administration and has since waned.

Laos and Cambodia, like many countries, have attempted to diversify their relations and tried to act independently in their foreign policy. Nevertheless, one cannot ignore the reality either. The fact is that Laos's total debt to China is about 65 per cent of gross domestic product at \$12.2 billion, and in the case of Cambodia, whose foreign debt now stands at almost \$10 billion, 41% is owed to China. In addition to China's economic clout, geographical proximity and political affinity allow Beijing's influence to overshadow the engagement of other powers in the region. The problem with the US's engagement with Southeast Asian nations, as exemplified in Laos and Cambodia, is the former's overemphasis on shared values rather than on shared interests, restricting its outreach.

While smaller nations have limited agency to hedge in this great power game Middle and Regional Power nations have the flexibility to hedge between the two powers. In the past year, the President of Vietnam has conducted meetings with prominent leaders, including Chinese President Xi Jinping (August 2024), Russian President Vladimir Putin (June 2024), and U.S. President Joe Biden (September 2024). These interactions illustrate Vietnam's capacity to effectively balance its international relationships while underscoring the nation's dexterity in foreign policy. This level of diplomatic agility has been difficult for many nations to achieve especially smaller nations. Additionally, the Prime Minister, Pham Minh Chinh, made his first official visit to New Delhi, India from July 30- August 1¹³. Speaking at Columbia University on September 23,¹⁴ To Lam emphasised that Vietnam is at "a new historical starting point, a new era – the era of the Vietnamese people's rise." This new discourse on Vietnam's evolving strategic narrative reflects a nation at the crossroads of global affairs wherein Vietnam is growing confident in its actions as demonstrated by its diplomatic activity of 2024 but still maintaining its nuanced understanding of an increasingly volatile international landscape.

¹³ "State Visit of H.E. Pham Minh Chinh, Prime Minister of the Socialist Republic of Vietnam to India." n.d. Ministry of External Affairs, Government of India. https://www.mea.gov.in/press-releases.htm?dtl/38048/State_Visit_of_HE_Pham_Minch_Chinh_Prime_Minister_of_the_Socialist_Republic_of_Vietnam_to_India.

¹⁴ "Full text of General Secretary and President To Lam's policy speech at Columbia University: 'Vietnam's path, relations with the United States and vision for a new era'". Vietnam News, September 24, 2024. <https://www.vietnam.vn/en/toan-van-phat-bieu-chinh-sach-cua-tong-bi-thu-chu-tich-nuoc-to-lam-tai-dai-hoc-columbia-con-duong-cua-viet-nam-quan-he-voi-hoa-ky-va-tam-nhin-cho-ky-nguyen-moi/>

South Korea, Japan and the US

Despite the radical shift in South Korea's, US and Japan's policy, Yoon's administration has strategically avoided antagonising China. Since coming to power, Yoon cancelled his meeting with U.S. House Speaker Nancy Pelosi after her controversial trip to Taiwan on grounds of a "comprehensive consideration of national interest"¹⁵. In the country's first-ever Indo-Pacific Strategy document, South Korea had been careful in characterising it as an "inclusive region where nations that represent diverse political systems can peacefully co-exist"¹⁶. The document stated China was a "key regional partner", a view distinct from that of the US. Seoul continued to balance the two great powers as it participated in the talks on the Chip 4 alliance while signing a bilateral agreement to boost supply chain cooperation and communications with Beijing¹⁷.

South Korea's relationship with Japan was further strained by the strong opposition to the rapprochement in the two countries. The previous leadership in South Korea had been forced to reverse its engagement with Japan in the face of strong public opposition. Given Yoon's marginal victory in the presidential election and the opposition's strong foothold on South Korea's national assembly, Yoon's policies were expected to be far more susceptible to negative reviews. On the other side, successive Japanese Prime Ministers also suffered from low approval ratings. This issue was aggravated by the actions of Japan's Ministry of Education which soon after the Japan-South Korea Summit approved history textbooks that omitted references to comfort women, forced labour and claimed disputed islands. These trends suggested that the rapprochement between China and Japan might be short-lived and would be intertwined with the fates of these leaders and might be overturned under a new leadership in either country in the future.

Despite these challenges, the trilateral push was seen as likely to persevere based on converging interests, as was evident from the clearance for THAAD deployment in South Korea¹⁸. As geopolitical challenges in the neighbourhood grew, domestic public opinion was also shifting, with China replacing Japan as

¹⁵ South Korea Leader Snubs Pelosi Over Holiday, Adding to His Woes, [Bloomberg](#), August 4, 2022

¹⁶ Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region, [Ministry of Foreign Affairs, Republic of Korea](#), December 28, 2022

¹⁷ S. Korea, China sign first MOU on supply chain cooperation, [Yonhap News Agency](#), August 27, 2022

¹⁸ THAAD & Patriot Missiles To Roar In China's Backyard As US Defense System Approved For S.Korea Deployment, [The Eurasian Times](#), June 22, 2023

South Korea's most disliked country¹⁹. The complex and contested geopolitical landscape, shared threat perceptions and national security interests were likely to propel forward the Japan-South Korea partnership at least in the short to medium term.

The current domestic political crisis in South Korea – Yoon's declaration of martial law and his subsequent impeachment- came as a surprise to some because the allies of South Korea were focused upon Yoon's foreign policy but ignored the domestic discord in the country. The crisis has undermined the national security of the US, Japan and China and put a question mark on the future of progress made since Yoon's assumption of office in South Korea.

Conclusion

In conclusion, the year 2024 has proven to be quite active for Southeast and East Asia. The on-going great power competition between the United States and China has escalated, with the unilateral actions of an ascendant China are being acutely experienced in Southeast Asia. Nevertheless, the nations in this region must contend not only with this geopolitical rivalry but also with significant domestic challenges that will play a crucial role in determining the stability of the region for the following year. It is clear that 2025 will present difficulties for everyone involved.

¹⁹ South Koreans Now Dislike China More Than They Dislike Japan, [The New York Times](#), March 8, 2022



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