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The ASEAN Summit 2025 – More Than Just a Stage for Trump

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The biannual Association of Southeast Asian Nations (ASEAN) summit meetings are a fixed component of regional summit diplomacy. Internationally, however, they tend to attract little to no attention. This is partly due to their reputation as mere “talk shops” that rarely produce concrete results and partly due to the structural and institutional weaknesses of ASEAN itself, which frequently become visible during such summits, reinforcing fundamental doubts about their effectiveness. The fact that the ASEAN Summit held in Kuala Lumpur in October 2025 attracted considerably greater international attention than usual can be attributed to several factors. United States (US) President Donald Trump participated in a meeting of the regional organisation for the first time and acted as patron of the so-called Thai-Cambodian peace agreement signed during the summit. Moreover, on the sidelines of the summit the US and China conducted negotiations aimed at limiting their trade disputes. The admission of Timor-Leste as ASEAN’s 11th member further underscored the organisation’s continuing appeal. Nevertheless, numerous concrete challenges, such as the management of regional conflicts or reform of the consensus principle, remain unresolved. Despite its limitations, ASEAN remains significant for Germany and Europe because of its “convening power”, its inclusive multilateralism, and the growing strategic significance of Southeast Asia.

At the 47th summit in Kuala Lumpur, special focus was placed on strengthening “ASEAN Centrality” through expanding internal cooperation mechanisms, deepening regional integration, and diversifying economic and political partnerships. The principle of “ASEAN Centrality” denotes that ASEAN – rather than extra-regional actors such as the US or China – should occupy the central role in regional cooperation across Southeast Asia. Guided by this prin-

ciple, Southeast Asian states seek to avoid becoming pawns in the strategic rivalry of competing major powers.

Malaysia, ASEAN Chair in 2025, played a central role in organising the summit. Ahead of the meeting, ASEAN had already adopted the *ASEAN Community Vision 2045*, which sets out the organisation’s ambition to play a central role by 2045 in matters of regional security, economic development and resilience, digital transformation, and



sustainability, while also bolstering the process of regional integration.

The summit yielded a number of tangible outcomes. In addition to ASEAN's expansion with the addition of Timor-Leste and the Thai-Cambodian "peace agreement", several other agreements were advanced that are expected to have a positive impact on regional cooperation. For example, ASEAN member states agreed to adopt the *ASEAN Digital Economy Framework Agreement* (DEFA) in 2026. The DEFA is intended to promote the harmonisation of regulatory frameworks governing digital trade, data flows, e-commerce, digital identities, and payment and billing systems. Finalising the DEFA would, on the one hand, foster regional integration of the digital economy, with estimates suggesting that ASEAN's digital economic output could double by 2030. On the other hand, the DEFA would have a strategic dimension by positioning ASEAN as a more autonomous actor in setting norms and standards for the global digital economy.

Important decisions were also made concerning the long-planned *ASEAN Power Grid* (APG). A revised *Memorandum of Understanding* was signed and an associated financing initiative launched. The APG project aims to interconnect the electricity grids of ASEAN member states more closely to facilitate cross-border access to electricity generated from renewable sources. At the same time, it seeks to promote regional energy security and sustainability.

The high-ranking international guests at the summit – including US President Trump and the heads of government of Brazil, South Africa, Japan, Canada, and Australia – underscored ASEAN's role as an important anchor of stability and platform for international dialogue. ASEAN's strategic position at the centre of key maritime trade routes and its growing economic weight as the world's fifth-largest economic bloc, make it a crucial arena for the power competition in Asia between the US and China. Throughout this rivalry, ASEAN has consistently sought to maintain its neutrality so as not to become a pawn of external

powers, even though some member states maintain close ties with the US or China.

For these and others, ASEAN holds significant strategic importance for Germany. The German government's *Indo-Pacific Guidelines* of 2020 explicitly emphasise the need to strengthen European Union (EU)-ASEAN partnerships, promote regional stability, and ensure ASEAN's capacity to act in an increasingly fragile regional environment.

For the first time, the EU was invited to an ASEAN summit and was represented by António Costa, President of the European Council. Shortly before the summit, the EU had concluded a free trade agreement with Indonesia: Brussels is now seeking to finalise similar agreements in the near future with the ASEAN members Thailand, Malaysia, and the Philippines.

The Trump Factor, China, and the Limits of "ASEAN Centrality"

Although Trump's participation remained uncertain until the last moment, his announcement of his attendance already shifted some of the summit's dynamics and priorities. By unexpectedly announcing his intention to attend the ceremonial signing of a peace agreement between Thailand and Cambodia, the US President introduced an issue that few observers had anticipated regarding the summit's agenda. Shortly before, the two conflicting parties were still far from reaching an agreement. Thai Prime Minister Anutin Charnvirakul had initially rejected the proposed agreement and was not interested in US sponsorship. Nonetheless, Trump's involvement moved the negotiations forward, and he further insisted that the Chinese delegation be excluded from the signing ceremony. This ensured that media attention focused entirely on Trump's role as a mediator.

The long-standing border conflict between Thailand and Cambodia, particularly in the area surrounding the Preah Vihear temple, reignited in May. Violent clashes occurred between border patrols, escalating at the end of July 2025 when both sides

employed heavy artillery and Thailand used fighter jets. Hundreds of thousands fled the border region. In response, Malaysian Prime Minister Anwar Ibrahim sought to serve as the mediator between the two parties. Trump eventually increased political pressure by threatening to suspend any negotiations on lowering US tariffs on imports from Cambodia and Thailand for as long as the hostilities continued. After days of intense fighting, a ceasefire was agreed, followed by the conclusion of negotiations with the US on tariff reductions. While Washington's pressure certainly played a role, the primary mediation was carried out by Malaysia as ASEAN Chair. Cambodian Prime Minister Hun Manet nonetheless praised Trump's "extraordinary statesmanship" and even nominated him for the Nobel Peace Prize.

Trump's presence at the summit was also significant in the context of the escalating US-China trade conflict. On 9 October 2025, Beijing announced stricter export controls on rare earths, to take effect on 1 December. Trump responded by threatening 100 per cent tariffs on Chinese imports. With the new export controls, China applied its own Foreign Direct Product Rule (FDPR) for the first time — a measure originally introduced by the US in 1959 and previously used mainly to restrict semiconductor exports to China. In effect, China mirrored the US' approach and applied it against its originator. Given that China controls approximately 80 per cent of global production and 90 per cent of processing of rare earths, the Chinese export controls could have significant geopolitical and security consequences for the US and many other countries, as shortages of rare earths would negatively affect key components of the defence industry.

On the sidelines of the ASEAN summit, US Treasury Secretary Scott Bessent, US Trade Representative Jamieson Greer, and Chinese Vice Premier He Lifeng held talks aimed at de-escalating the US-China trade dispute. These discussions also influenced the summit's dynamics. A negotiated *Framework Agreement* was interpreted by both

sides as a sign of mutual goodwill, significantly reducing the risk of escalation. Subsequently, the US announced that it would withdraw the 100 per cent tariffs imposed on China, while China stated that it would postpone the planned export controls by one year. The meeting also served as preparation for the personal meeting between Donald Trump and Xi Jinping at the APEC summit in early November in South Korea.

This was met with relief among the ASEAN states, as China and the US are their two most important trading partners. Moreover, as a result of the US-China trade conflict, the US had pressured all countries in the region to limit their economic relations with China. At the same time, Southeast Asian markets were flooded with inexpensive Chinese consumer goods that could no longer enter the US due to higher tariffs, placing local producers under pressure. Had China carried out its threatened export restrictions on rare earths, the consequences would have been damaging not only for the US, but also for ASEAN states.

The "Trump factor" largely shaped the summit due to the Sino-American rivalry, highlighting the limits of the principle of "ASEAN Centrality". While ASEAN successfully exercised its convening power and attracted high-level participants, major political processes important to Southeast Asia occurred on the margins of the summit without the participation of ASEAN members.

In areas that received considerably less international attention, ASEAN nonetheless achieved notable successes. These include the *ASEAN-China Free Trade Agreement* (ACFTA 3.0) and the *ASEAN Framework Agreement on Competition* (AFAC), adopted in September. ACFTA 3.0, long delayed, has increased economic relations between ASEAN and China. The agreement's main priorities are the digital economy, "green transformation", and the connectivity of regional supply chains. It also foresees the removal of tariff and non-tariff barriers and the harmonisation of technical standards. ACFTA 3.0 is expected to increase Chinese investment in these sectors and shift certain production processes to ASEAN states. Furthermore, the

agreement is intended to provide Southeast Asian goods with expanded access to the Chinese market, particularly in electronics, pharmaceuticals, and “green energy”, as well as agricultural products and raw materials. In doing so, China also sought to present itself as a reliable partner of ASEAN, in contrast to the US.

AFAC aims to strengthen cooperation and coordination among the relevant national authorities of ASEAN member states. Despite an existing ASEAN free trade agreement, the share of intra-ASEAN trade in goods remained relatively low for several decades. In 2023, intra-ASEAN trade amounted to US\$769.9 billion, whereas trade among EU member states totalled US\$4.135 trillion in the same year. Many ASEAN member states conduct far more trade with partners outside Southeast Asia, primarily with China and the US, than with partners within ASEAN. Intra-ASEAN trade accounted for only 21.2 per cent of the bloc’s total trade volume, compared with over 60 per cent for the EU.

Integration Despite Divergence: Timor-Leste Joins ASEAN

One of the highlights of this year’s ASEAN Summit was the formal accession of Timor-Leste to ASEAN, following more than two decades of debate. Shortly after Timor-Leste’s independence in 2002, the country’s political leadership, which emerged from a national liberation movement that had fought against Indonesian occupation, placed stronger regional integration on its agenda, with ASEAN membership as the primary instrument. Since 2005, Timor-Leste had participated in the ASEAN Regional Forum, a multilateral forum for security cooperation that includes the 10 ASEAN member states as well as 17 additional partners, including the EU. In 2007, Timor-Leste signed the *ASEAN Treaty of Amity and Cooperation* (TAC) and submitted a formal membership application in 2011.

Timor-Leste’s accession process has been long and arduous: President José Ramos-

Horta sarcastically described that “the road to ASEAN is more difficult than the road to heaven”. Several member states had long expressed reservations about Timor-Leste’s membership, despite the country having fulfilled the ASEAN Charter’s accession criteria since 2014. Concerns centred on its limited economic development and lack of administrative capacity to meet the obligations of membership, as well as the openness with which Timorese politicians addressed human rights violations and democratic deficits in the region — actions that some ASEAN members perceived as interference in domestic affairs. Conversely, ASEAN membership has enjoyed cross-party support in Timor-Leste since independence.

With a population of only 1.4 million, Timor-Leste is the smallest and poorest member of the regional organisation. As of 2024, 33.7 per cent of the population is under the age of fifteen years, and the literacy rate stands at 72 per cent. After 450 years of Portuguese colonial rule and 24 years of Indonesian occupation, the country became fully independent in 2002 following a UN-administered referendum in 1999. Timor-Leste is considered the only liberal democracy in Southeast Asia according to common indices. Despite or perhaps because of its small size and limited economic capacity, the government has consistently championed democracy, human rights, and international law on the international stage. For instance, following the military coup in Myanmar in 2021, Timor-Leste was the only state in the region to recognise the democratic opposition, the National Unity Government (NUG), as the legitimate government, leading to significant tensions with the military junta. In the context of the South China Sea conflict, involving China, Taiwan, and four ASEAN states (Vietnam, the Philippines, Malaysia, and Brunei) over territorial claims and control of islands, reefs, shoals, and exclusive economic zones, Timor-Leste actively advocates for the adherence to international law. Given its recent history, this position is unsurprising, as a UN-led transition process ended Indonesian occupation and enabled independ-

ence. In terms of democratic norms and adherence to international law, Timor-Leste's positions are expected to align closely with those of the EU and most of its member states in the future. Interest in the new member within Europe remains limited: For example, Germany has no embassy in Dili, and bilateral development cooperation was discontinued in 2023.

Economically, Timor-Leste remains highly dependent on the exploitation and export of offshore oil and gas resources, which finance nearly the entire state budget. Its main economic partner is China — particularly through the *Belt and Road Initiative* (BRI) — a consequence of the declining engagement of the US and other Western donor countries. China has also been instrumental in developing the country's severely underdeveloped infrastructure. Other key trading partners include neighbouring Indonesia and Australia, as well as Japan and South Korea.

In foreign policy, Timor-Leste maintains neutrality while traditionally fostering close political ties with the US and US allies — especially Australia — as well as with ASEAN members such as Indonesia, Malaysia, Vietnam, and the Philippines. This partly explains why Timor-Leste was able to join ASEAN despite reservations from some members. Its accession provides an opportunity to curb Chinese influence to some degree through stronger regional integration, including participation in the *ASEAN Free Trade Area* (AFTA) and the *Regional Comprehensive Economic Partnership* (RCEP), currently the world's largest free trade agreement.

Timor-Leste's accession presents a challenge for ASEAN, not least because of the country's limited material capacities. At the same time, however, it also offers opportunities to deepen regional integration and serves as a testament to ASEAN's continuing appeal as a regional organisation.

Is ASEAN Still Relevant?

Despite the successful expansion of ASEAN with the recent admission of Timor-Leste,

doubts about the organisation's effectiveness have grown over the years — both within and beyond ASEAN. The reasons for this are manifold and include structural as well as institutional factors that directly affect ASEAN's ability to respond to current practical challenges. The summit did not address these issues. The structural factors primarily stem from the heterogeneity of ASEAN member states. The organisation includes: a liberal democracy, namely Timor-Leste; defective or illiberal democracies such as Indonesia and the Philippines; hybrid regimes such as Singapore, which combine democratic and authoritarian elements; Leninist one-party systems (Vietnam and Laos); military dictatorships (Myanmar); and absolute monarchies (Brunei). Economic disparities among members are equally pronounced: Timor-Leste is one of the poorest countries in the world, while Singapore ranks among the wealthiest. Many ASEAN members are also structurally dependent on China and/or the US. This applies not only to economic and trade policy matters, but also to issues of technology and defence policy. These structural asymmetries and the resulting divergence of interests among members continue to impede regional integration and cooperation.

Among the institutional factors that constrain ASEAN's effectiveness is its low degree of institutionalisation. Unlike the EU, ASEAN does not possess supranational institutions but is organised as an intergovernmental body; its members therefore retain full national sovereignty. Consequently, there are no binding enforcement mechanisms or overarching institutions to ensure that member states comply with jointly adopted decisions. The ASEAN Secretariat in Jakarta serves only a coordinating role and holds no decision-making authority. Another limiting factor is the so-called "ASEAN Way", which rests on the principles of non-interference in the internal affairs of member states, the prohibition of inter-state use of force, and decision-making by consensus. The consensus principle has allowed member states to block policies they found objectionable, even when a



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majority of members supported them. The principle of non-interference has likewise made it exceedingly difficult for ASEAN to contribute to the resolution of intra-regional problems such as violent internal conflicts.

Structural and institutional factors alike shape ASEAN's handling of current challenges. Since decisions must be taken unanimously, individual members can block the adoption of common positions. This occurred, for example, in the case of territorial disputes in the South China Sea, involving four ASEAN members on one side and China on the other: Cambodia and Laos prevented ASEAN from taking a position perceived as too critical of China. Divergent national interests have also prevented ASEAN from issuing joint statements on extra-regional conflicts, such as those in Gaza or Ukraine.

Observers see ASEAN's weakness most clearly in its failure to respond effectively to the civil war in Myanmar following the 2021 military coup. Members sympathetic to the military regime – citing the principles of consensus and non-interference – were able to block a more robust stance toward the junta, even though it had violated core ASEAN principles. In spring 2021, ASEAN member states agreed on a *Five-Point Consensus* (which included, among other measures, a ceasefire), to which the Myanmar junta also consented. The military regime, however, subsequently ignored the agreement and ASEAN lacks the means to enforce its implementation. Divisions among ASEAN members over the Myanmar crisis were also evident at the Kuala Lumpur summit: Elections announced by the junta for December 2025, which were scheduled to take place amid an ongoing nationwide civil war and without the opposition's participation, were merely "taken note of". These elections, which are widely expected to be neither free nor fair, were not criticised. Although ASEAN rejected the junta's proposal to invite ASEAN election observers in order to lend legitimacy to the vote, member states were nevertheless told that they were "free to send observers" individually.

ASEAN likewise played no significant role in the border conflict between Cam-

bodia and Thailand. Rather, as noted earlier, it was Malaysian Prime Minister Anwar Ibrahim whose diplomatic initiative, supported by pressure from Washington, brought the parties to the negotiating table. In response to the tariffs imposed by US President Trump under his self-proclaimed "Liberation Day", which affected all ASEAN members to varying degrees, ASEAN member states initially agreed to respond "jointly" against the US. Yet just a day later, several states began bilateral negotiations with Washington on separate tariff arrangements.

ASEAN's continued relevance for Germany and the EU will likely depend above all on its "convening power". Due to its recognised neutrality in the US-China great-power rivalry and its inclusive multilateralism, ASEAN provides a platform for dialogue and conflict management. The Kuala Lumpur summit underscored this role through its contribution to de-escalation in the Sino-American trade dispute. Moreover, ASEAN remains an important partner in promoting multilateralism and rules-based international cooperation. The strategic partnership established with the EU in 2020 provides a broad foundation for such cooperation.

ASEAN members such as Vietnam, Malaysia, and Thailand offer key production, logistics, and investment locations for German and European companies pursuing diversification strategies ("China Plus One Strategy") aimed at reducing their dependence on China. In general, Southeast Asia is likely to continue to gain political significance, due to the growing economic weight of its members and the region's strategic location as a central arena of US-China rivalry in Asia.

For these reasons – and because ASEAN seeks to deepen regional integration and enhance cooperation with external partners, including those in Europe – the organisation, and many of its member states in particular, will remain important partners for Germany and the EU. Both Timor-Leste's accession and the EU's first-ever invitation to attend an ASEAN summit further underscore ASEAN's ongoing significance.

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