

# ASEAN BULLETIN

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From the CAG Team

## New Year, Same Problems: Navigating ASEAN's Path Through Global Instability

By Mae Chow



Photo credit: Presidential Communications Office, Office of the President of Philippines

Within the first two weeks into 2026, global headlines were dominated by a series of geopolitical flashpoints that underscored an increasingly fraught global environment. The United States launched a major military operation in Venezuela, resulting in the capture of President Nicolas Maduro and his wife. This move drew widespread criticism as a violation of national sovereignty and international law. At the same time, President Trump announced the withdrawal from thirty-one UN bodies and international frameworks, including the Intergovernmental Panel on Climate Change (IPCC), a key climate institution historically linked to global climate negotiations, signaling a further retreat from multilateral and global cooperation.

The *ASEAN Bulletin* is published quarterly by the Centre on Asia and Globalisation at the National University of Singapore's Lee Kuan Yew School of Public Policy. It seeks to bring together a key summary of current news articles, reports, events, and academic publications produced in English on the three pillars of the ASEAN Community - the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC).

CENTRE ON ASIA  
AND  
GLOBALISATION

Centre on Asia and Globalisation  
+65 6516 7113  
cag@nus.edu.sg  
469A Bukit Timah Road,  
Tower Block 10,  
Singapore 269770  
<https://lkyspp.nus.edu.sg/cag>

Meanwhile, China-Japan relations continue to deteriorate, with new restrictions on Chinese exports, particularly for rare earth minerals that are critical to high-tech supply chains amidst ongoing political disputes.

Closer to home, relations between Cambodia and Thailand continue to show signs of tension from Cambodia's withdrawal of its athletes from the Southeast Asia Games hosted by Thailand in late 2025, to the Thai side accusing Cambodia of violating the recent ceasefire agreement by distorting facts surrounding the disputed historical sites and making comments about Thailand's domestic elections. Lingering tensions between the two ASEAN nations continue to strain regional cohesion amid an increasingly volatile environment. In Myanmar, the military junta had recently conducted "sham" elections, glossing over low turnout and the lack of political opposition. These elections highlight how the entrenched political crisis will continue to be ruled by fear and intimidation, further isolating Myanmar and worsening the humanitarian and security concerns in the country. As the perilous situation in Myanmar drags onto its fifth year, it has glaringly continued to highlight how ASEAN has remained limited in its capability to manage internal conflicts and regional crises through collective action.

These developments demonstrate how ongoing global trends have made the

global environment more volatile with unresolved political crises and economic insecurity, weakened democratic institutions and multilateralism, and strained interstate relations. Consequently, this puts ASEAN's institutional capability to uphold international law and manage regional peace and stability to the test. The onus thus lies on the Southeast Asian countries to navigate these instabilities to safeguard their strategic interests.

Firstly, it is crucial for ASEAN to actively manage ongoing intra-state and inter-state disputes. In the case of Myanmar, ASEAN must uphold its principles, guided by the ASEAN Way, while balancing the pressing need to address consequential security impacts, including transnational crimes and refugee flows in neighbouring countries. Looking back at the 1999 Humanitarian Crisis in East Timor, ASEAN's slow response had spillover effects across the region. Its slow response, constrained by the non-interference doctrine, drew heavy criticism for the organization's inflexibility. While actively stepping in to resolve the crisis is out of ASEAN's hands, ASEAN cannot accept the ongoing situation in Myanmar as-is and allow the civil war to continue to escalate. There is a pressing need to reevaluate the Five-Point Consensus approach. ASEAN should consider adopting a clearer, more strategic, and more results-oriented framework for engaging the military junta to ensure that its institutional efforts lead

to meaningful engagement and more sustainable peace. The precarious peace between Cambodia and Thailand requires ASEAN's efforts in continuously engaging with both sides to maintain the ceasefire and prevent the conflict from escalating. During the Preah Vihear Temple dispute between Cambodia and Thailand, mediation efforts led by then-chair Indonesia, alongside the other Southeast Asian countries, helped keep both sides engaged with ASEAN and maintain diplomatic ties despite escalating tensions. Although ASEAN played a limited role in directly resolving the dispute, the soft security approach to conflict containment served as a necessary first step in resolving disputes among member states. Nevertheless, the limitations in ASEAN's effectiveness in resolving disputes due to its principled approach and the continued reluctance to use the Dispute Settlement Mechanism in resolving intra-state disputes, suggests an urgent need for ASEAN to reassess its mechanisms in order to deal with intra-regional crises without undermining its own principles.

It is also crucial for ASEAN to strengthen cooperation and partnership mechanisms across its institutions to address both ongoing and emerging sources of instability. Issues such as human trafficking, climate change, cyber threats, and AI-driven security risks are increasingly complex and transnational in nature, necessitating greater coordination efforts across the member states. Since

the formation of the ASEAN's Political and Security Community, the institution has continued to transform, playing an increasingly active role—from confidence-building in the mid-1960s and containing the threat of communism to addressing new and complex security challenges through institutional cooperation. This demonstrates ASEAN's capacity to evolve and strengthen through building trust, policy coordination, and multilateral security cooperation. To sustain this trajectory, ASEAN must continuously update its institutional frameworks, strengthen capacity-building initiatives, and deepen engagement with extra-regional partners, including Japan, South Korea, Australia, and the European Union. These efforts will help ASEAN to maintain its strategic foothold and respond more effectively to rising security challenges while reinforcing peace, stability, and cooperation in Southeast Asia.

Additionally, the persistent development and economic divide across ASEAN countries demand greater efforts to promote inclusive regional growth and cooperation. While ASEAN's markets have continued to enjoy robust economic growth, and are expected to remain attractive to businesses, benefiting from global trade and investment, these gains are unevenly distributed across the region. Moreover, this positive outlook must be accessed alongside growing vulnerabilities, including potential global economic shocks and the rising risks

posed by scams and financially-motivated cyberattacks, which threaten market stability and investor confidence.

Against this backdrop, joint capacity building programs can help hone policy tools and digital financial skills to strengthen economic resilience and narrow development gaps. Furthermore, deepening intra-regional trade through the removal of remaining barriers to trade and leveraging economic frameworks such as the ASEAN Trade in Goods Agreement (ATIGA) and the Regional Comprehensive Economic Partnership (RCEP) can further strengthen the ASEAN Economic Community.

As Philippines assumes chairmanship of ASEAN in the coming year, it faces the challenge of steering ASEAN toward more proactive and coordinated responses to evolving security and humanitarian challenges while fostering opportunities for socio-economic growth. Following Timor-Leste's admission in late 2025, full accession and integration into ASEAN's agreements and frameworks are still underway, thereby, requiring continuous support from existing members. Looking ahead, the South China Sea disputes will likely remain a significant source of regional instability. Advancing the Code of Conduct (COC) has been identified as a priority under the Philippine chairmanship, requiring carefully calibrated engagement with China to

reduce the risk of escalation while maintaining ASEAN's credibility and strategic interests in the region. With its own maritime interests at stake, the Philippines is well-positioned to give the long-awaited COC the necessary impetus to conclude in an "effective and substantive" manner.

Under the theme of "Navigating Our Future, Together," the Philippine chairmanship comes at a critical juncture for ASEAN. ASEAN can no longer afford to take a passive role but must demonstrate leadership by strengthening regional unity, responding decisively to crises, and adapting its principles to contemporary challenges. Doing so will allow ASEAN to safeguard regional stability, reinforce international law, and remain a credible actor in shaping the future of Southeast Asia and the broader Indo-Pacific region.

**Ms Mae Chow** is a Research Assistant at the Centre on Asia and Globalisation, at the LKY School of Public Policy.

From the CAG Team

# RCEP 2.0: Why the World's Largest Trade Deal Needs a Comprehensive Upgrade

By Scarlet Xu Ni



Is the world's largest Free Trade Agreement good enough?

This question will define the Regional Comprehensive Economic Partnership (RCEP)'s first general review in 2027. Since entering into force in 2022, the RCEP has consolidated the web of ASEAN+1 Free Trade Agreements (FTA) into a unified framework and established the first FTA linking China, Japan, and South Korea. In terms of GDP, it is the largest trade agreement in history. Yet, by ambition, it ends up falling short.

The upcoming review will determine whether RCEP 1.0 was merely a starting point or a ceiling. With one more year to prepare, members face a choice: pursue

comprehensive upgrades, or risk watching RCEP settle into irrelevance as global trade moves beyond it.

## An Underperforming “Game-Changer”

The headline numbers suggest progress. Intra-RCEP trade grew 3 percent in 2024, with intra-ASEAN trade up by 7 percent and trade beyond RCEP rose by 5 percent. However, these aggregate figures mask deeper problems with how the agreement actually performs.

The problems begin with managing tariffs, which is an FTA's most basic function. Although the agreement consolidates multiple ASEAN+1 frameworks, its tariff offers are less ambitious than those it was

meant to consolidate. The fifteen members had negotiated 38 distinct tariff schedules, varying in pace and depth of liberalisation. Under current arrangements, RCEP will remove duties on 92 percent of tariff lines over twenty-five years, placing it at the lower end of ambition relative to existing ASEAN+1 agreements, even at full implementation. Compared with ASEAN+1 FTAs, RCEP's complexity and modest benefits have limited its appeal for firms, particularly where existing bilateral agreements offer more convenient options. Available data points to low utilisation: for example, Vietnam's RCEP utilisation rate in 2024 stood at 1.8 percent, compared with an average of 40.5 percent for its ASEAN+1 FTAs.

RCEP's commitments on services pale beside those of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Services trade in RCEP countries grew at an annual average of 8.3 percent from 2005–2019, well above the global average of 6.2 percent, underscoring its importance for the region. Yet, liberalisation under RCEP remains fragmented. While some members use positive lists (opening only scheduled sectors), others have employed negative lists (where all sectors remain open unless restricted). The latter, which the CPTPP uses, offers clearer rules and deeper market access. Although the RCEP members have pledged to shift to the negative-list approach, progress depends on voluntary commitments, and the lists of reservations continue to be extensive.

RCEP's services in trade liberalisation thus lags behind the standards set by competing agreements. Moreover, it has not reduced complexity for businesses as intended, with differing administrative requirements and complex market access approaches still hindering utilisation.

Additionally, the RCEP's digital provisions are inadequate for modern trade. The e-commerce chapter falls outside of the dispute settlement, limiting legal enforceability. Provisions on personal data protection largely reflect aspirational goals rather than enforceable standards, while commitments on facilitating cross-border data flows can be set aside by governments on public policy or national security grounds, often bypassing transparency requirements and review mechanisms. Notably, the upgraded AANZFTA subjects most e-commerce provisions to dispute settlement, establishing firm rules on data flows and source code disclosure while tightly circumscribing exceptions to enhance predictability. As frameworks like the UK-Singapore Digital Economy Agreement advance into developing AI governance and formulating robust digital identity systems, RCEP risks falling further behind.

These shortcomings reveal how the RCEP has been underperforming as an FTA. This is especially concerning because RCEP was intended to consolidate, not complicate, the region's spaghetti bowl of overlapping FTAs. Given the wide development gap among members, a modest starting point allows for flexibility

and easier integration. But standing still risks leaving RCEP as the lowest-common-denominator FTA.

### Seizing the 2027 Window

The 2027 General Review offers RCEP a critical window to address its deficiencies and modernise the agreement in line with the evolving trade realities, particularly in digital economy and sustainability. With built-in review mechanisms, the "living" design of the RCEP, was precisely meant for this purpose: evolution in response to changing needs.

Recent ASEAN+1 upgrades demonstrate that meaningful reforms are achievable. The upgraded ASEAN–China FTA (ACFTA) 3.0 incorporates new chapters on the digital and green economy. The upgraded ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) has further reduced tariffs, deepened services and digital trade liberalisations, placed the e-commerce chapter under dispute settlement, and introduced a standalone Trade and Sustainable Development chapter—the first of its kind in an ASEAN FTA. These agreements illustrate how members of the RCEP can negotiate ambitious upgrades in trade and economic cooperation when political will exists.

Low-hanging fruits should be the immediate focus in the 2027 review. RCEP could adopt provisions that have

already been negotiated in recent ASEAN+1 frameworks, harmonising upward to match the best existing terms without the need to negotiate from scratch. Services and digital economy commitments, where RCEP currently lags behind both the CPTPP and members' own bilateral agreements, could be further improved by incorporating standards that have already been established under the AANZFTA. Given the growing importance of sustainability for trade and development, the RCEP should draw from the upgraded AANZFTA and ACFTA by introducing environmental provisions.

There are notable areas that might require sustained work beyond the 2027 review. This includes further simplifying tariff schedules and reducing tariffs. Although such reforms demand careful negotiation, given members' diverse levels of political will and technical capacity, such efforts will further improve intra-regional trade. The RCEP Joint Committee should also strengthen coordination on effective implementation while expanding outreach to improve business awareness of the agreement. Systematic consultations with the private sector can further identify practical barriers, while targeted outreach programs can further develop effective practices under RCEP's frameworks and where improvements are needed. In parallel, accelerating the establishment of the planned permanent RCEP Secretariat would strengthen institutional capacity.

Nevertheless, challenges remain formidable. Negotiating amongst fifteen diverse economies is inherently difficult, and Timor-Leste's accession into ASEAN further complicates matters. Timor-Leste's planned entry will test RCEP's capacity to integrate least-developed countries, which require transitional arrangements and capacity-building support. Expansion of membership for RCEP could also deepen regional integration and bring about new growth opportunities. However, in the absence of CPTPP-style accession benchmarks, under which applicants must commit to the highest standard of market access, RCEP's accession negotiations require particular caution to prevent dilution of existing commitments.

### Make or Break

The past three years have shown that the RCEP is necessary but insufficient. RCEP 1.0 was designed as a modest starting point, a pragmatic compromise among fifteen diverse economies. While this compromise helped to launch the agreement, it has also limited RCEP's impact. RCEP's utilisation rate has continued to remain low because businesses find existing bilateral agreements more attractive and convenient. Beyond tariffs, services trade, digital trade, and sustainability, RCEP's commitments trails behind competing frameworks in a wide array

of areas, notably non-tariff barriers, labour standards, and competition policy.

For an agreement encompassing 30 percent of global GDP and population, this represents a significant missed opportunity. Against the backdrop of a weakening multilateral trading system, intensifying US-China trade wars and fragmenting supply chains make functional regional trade frameworks increasingly valuable as stabilising, rules-based anchors. In doing so, these frameworks strengthen regional cooperation, safeguard free trade, and help members jointly manage global trade uncertainty.

There is only one year left to prepare for the next step. Members must decide whether to pursue meaningful upgrades or accept RCEP's current limitations as permanent. The agreement's future relevance depends on that choice.

**Ms Scarlet Xu Ni** is a Research Assistant at the Centre on Asia and Globalisation, at the LKY School of Public Policy.

From the CAG Team

# The Chicken-and-Egg Question for ASEAN: Which Comes First, Readiness or Integration?

By Abigail Andrade



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Media Center of The ASEAN Summit  
2023/M Agung Rajasa/pras/mjfla

On October 26, 2025, Timor-Leste officially became ASEAN's eleventh member state during the 47<sup>th</sup> ASEAN Summit in Kuala Lumpur, Malaysia. This marked the end of a structured accession process that began in 2023 under the ASEAN Accession Roadmap. Over this period, Timor-Leste undertook reforms and capacity-building initiatives guided by ASEAN's assessment process to work toward meeting the procedural and institutional criteria for membership.

For Timor-Leste, ASEAN membership offers a range of economic and strategic opportunities, such as deeper cross-border integration through improved connectivity, economic corridors, and people-to-people exchanges across the region. Membership also supports Timor-Leste's diversification agenda through enhanced cooperation in infrastructure, maritime security, human capital, the digital economy, and private sector development.

More broadly, accession links Timor-Leste's development strategy to ASEAN's core goals of regional economic integration and social progress while supporting stability and connectivity.

However, Timor-Leste's accession to ASEAN reopens a long-standing debate over whether institutional readiness should precede integration or should it be shaped by ASEAN. This debate is underscored by persistent development challenges in Timor-Leste, including high poverty and malnutrition rates and heavy dependence on petroleum revenues. While the "readiness-first" approach emphasises strengthening institutions before assuming international obligations, alternative views point in the opposite direction.

This debate is particularly relevant given Timor-Leste's limited institutional capacity amid the expanding scope of ASEAN cooperation. Although the country has put in structures for ASEAN engagement and has already initiated the legal harmonisation processes, assessments highlight persistent gaps in technical capacity and readiness, given the scale of ASEAN commitments and the expansion of cooperation beyond trade.

### **The Case For Readiness First: Risks Of Premature Integration**

The "readiness-first" approach contends that institutional capacity is often a prerequisite for effective policy implementation.

The World Bank argues that development hinges not on policy alone but also on the institutions' ability to ensure commitment, coordination, and cooperation. Additionally, coordinated expectations help overcome uncertainty through encouraging compliance, provide public goods, and promote inclusive growth across government agencies.

Vietnam's World Trade Organization (WTO) accession illustrates why external commitments do not automatically produce institutional reform. Vietnam joined the WTO in 2007 when its domestic economy remained dominated by large state-owned enterprises and market competition was weak. This led some observers to view accession as institutionally premature. Although accession created pressure to reform, it also heightened competition concerns, prompting political leaders to reinforce large state economic groups rather than restructure them. As these groups become more entrenched, the institutional impact of accession becomes more diluted, illustrating how international agreements can be reshaped by domestic incentives when reform coalitions and capacity are weak.

Premature integration risks overwhelming administrations as commitment towards achieving the high standards set by ASEAN demand sustained technical capacity.

For example, initiatives such as the National Single Window rely on inter-agency coordination across customs, trade, and transport authorities. However, misaligned incentives and priorities across agencies have continued to constrain effective implementation. The Economic Research Institute for ASEAN and East Asia (ERIA) notes that internal capacity building will be important for Timor-Leste to meet the technical demands of ASEAN membership without overextending administrative systems.

For small administrations with limited institutional capacity, premature integration risks reducing compliance to procedural formality rather than substantive reform. Limited institutional capacity is closely linked to poorer development outcomes, as weak human capital and administrative capacity make reforms harder and reinforce high cost of doing business and burdensome bureaucratic procedures that discourage productivity and investment. When mandates are unclear and capacity is weak, governments may adopt rules on paper without meaningful administrative reform, resulting in box-ticking compliance. This often raises compliance costs for firms without improving implementation outcomes, undermining institutional credibility and the practical benefits of integration.

ASEAN's experience with Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV) shows that uneven readiness at accession

had created implementation challenges for meeting commitment goals set by the ASEAN Economic Community (AEC). Upon accession, limited human capital, weak institutions, and underdeveloped trade and regulatory systems, have resulted in delays and uneven compliance with ASEAN's standards. This prompted ASEAN to launch mechanisms such as the Initiative for ASEAN Integration (IAI) for new members to support capacity-building. While accession helped anchor reforms over time, many CLMV members continued to play catch-up, underscoring how integration without sustained capacity-building can entrench implementation gaps.

### **The Case For Integration First**

Alternative views challenge the assumption that institutional readiness must precede integration, arguing that readiness should be an outcome of commitment. External commitments, such as the WTO accession or regional trade agreements, can anchor reforms, mobilise assistance, and strengthen reform coalitions. Studies on accession at the WTO show that binding international commitments frequently accelerate legal reform, upgrade regulations, and modernise customs, because of the imposed deadlines, monitoring, and focal points for institutional change. As a case in point, the World Bank notes that deep agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) can accelerate domestic reforms in areas including

customs, competition, services, procurement, and labour by creating incentives and providing governments with external justification for institutional upgrading.

At the same time, international unions can create external pressure that can help governments to overcome domestic resistance and lock in reforms. From this perspective, readiness emerges as an outcome of accession rather than a precondition. In the European Union (EU), accession negotiations require candidates to adapt their administrative and institutional structures and progressively align their national legislation with EU law during the accession process, rather than beforehand. Regional commitments can also play a role in shaping domestic reform coalitions. Vietnam's WTO accession shows how reform-minded policymakers have been able to leverage binding international trade and regulatory obligations to push for domestic competitiveness and institutional change. Shortly after accession, the Communist Party's Central Committee issued a special resolution outlining post-WTO reform priorities, signaling how external incentives and obligations helped consolidate incentive for reform.

Comparatively, ASEAN's institutional architecture does not assume that member states have the capacity to carry out the necessary reforms and

commitments. Instead, it has mechanisms in place for differentiated integration and capacity support such as the IAI.

Through its regular policy forums and technical assistance programs, ASEAN encourages member states to continuously upgrade their infrastructure and streamline regulatory alignment to participate in regional markets. ASEAN's experience with Cambodia further exemplifies this dynamic. When Cambodia joined ASEAN in 1999, similar concerns were raised about its ability to make reforms. This led ASEAN to adopt its ASEAN-Minus-X mechanism, allowing more prepared members to advance with economic agreements while granting newer members additional time to comply. Through this approach, Cambodia made incremental gains over time in customs and trade facilitation, although compliance with ASEAN standards has remained uneven. These cases suggest that integration can support institutional learning over time, even as capacity constraints persist.

## Conclusion

Timor-Leste's accession to ASEAN reflects a long-standing debate over whether readiness should precede membership or emerge through it. ASEAN's experience suggests that limited capacity at accession can create risks, such as uneven implementation and box-ticking compliance.

However, Cambodia's accession to ASEAN shows that integration can act as a catalyst for reform by offering external anchors that are hard to create at the domestic level due to weak institutional capacity.

Taken together, Timor-Leste's accession highlights how readiness and integration interact over time rather than operate as sequential choices. Accession does not eliminate capacity constraints or guarantee institutional upgrading, but within ASEAN's flexible, gradual framework, it can help structure reform and foster institutional learning. Integration is therefore not as a one-off milestone but an ongoing process shaped by both domestic capacity and regional commitments.

**Ms Abigail Andrada** is currently an intern at the Centre on Asia and Globalisation. She is pursuing a master's degree in Public Policy at the Lee Kuan Yew School of Public Policy, National University of Singapore. Her research interests focuses on international trade and regional integration.

## NEWS ARTICLES &amp; COMMENTARIES

## ASEAN POLITICAL-SECURITY COMMUNITY

## News Articles

**Cambodia-Thailand situation on the table at ASEAN Foreign Ministers' Retreat****Asia News Network, January 27**

The upcoming ASEAN Foreign Ministers' Retreat in the Cebu will discuss priorities and key deliverables under the Philippines' ASEAN Chairmanship for 2026, with the aim of achieving the ASEAN Community 2045 as well as follow-up on the current situation between Cambodia and Thailand.

**ASEAN Unity, Maritime Security And Myanmar To Shape Malaysia's Focus For 2026 - Foreign Ministry Sec-Gen****Bernama, January 24**

Malaysia will support the Philippines' 2026 ASEAN Chairmanship and ongoing regional efforts to boost ASEAN unity, maritime security cooperation and engagement on Myanmar, while also pushing trade, digital transformation and inclusive economic growth across the region.

**Indonesia accepts Trump's invitation to join 'Board of Peace' as experts warn of risks, potential domestic fallout****CNA, January 22**

Indonesia has accepted an invitation to join former US President Donald Trump's "Board of Peace" aimed at advancing a Gaza ceasefire and wider peace efforts, a move that has drawn both diplomatic support and concern about its potential impact on Indonesia's independent foreign policy and domestic reactions.

**ASEAN chair Philippines hosts Myanmar 'stakeholder meeting' to push stalled peace bid****The Strait Times, January 22**

The Philippines will be hosting a meeting of "important political groups" from army-ruled Myanmar to revive the bloc's stalled peace plan and enhance dialogue on de-escalation, aid delivery, and humanitarian access.

**Multidirectional altercasting among middle powers: role alignment in Western Pacific maritime security****The Pacific Review, January 15**

*By Barbora Valockova, a Research Fellow at CAG, LKYSPP, and Mae Chow, a Research Assistant at CAG, LKYSPP.*

The article argues that maritime security cooperation among Japan, ASEAN, the EU, and South Korea emerges through multidirectional altercasting, where middle powers with different capabilities iteratively project and adjust roles. By using vision development, norm-setting, and accommodation strategies, they forge legitimised, complementary security roles rather than role conflict, shaping an evolving regional order in the Western Pacific.

**How Has Malaysia as ASEAN Chair Fared in Handling the Myanmar Crisis?****RSIS Commentary, January 8**

*By Tsjeng Zhizhao Henrick, an Associate Research Fellow with the Regional Security Architecture Programme, Institute of Defence and Strategic Studies, S. Rajaratnam School of International Studies (RSIS).*

Malaysia's tenure as ASEAN chair highlighted the bloc's continued difficulties in addressing the Myanmar crisis. While efforts were made to sustain diplomatic engagement and humanitarian outreach, ASEAN's influence over developments on the ground remained constrained.

## NEWS ARTICLES &amp; COMMENTARIES

## ASEAN POLITICAL-SECURITY COMMUNITY

## News Articles

## As ASEAN chair, Philippines aims for 'effective' South China Sea code of conduct

The Japan Times, January 18

Philippine Foreign Secretary Maria Theresa Lazaro said that, as ASEAN chair in 2026, Philippines aims to make meaningful progress toward finalising a long-delayed South China Sea Code of Conduct (COC) with China and Southeast Asian partners.

## Philippine ministers' 'premature' Myanmar visit casts doubts over Asean's role

South China Morning Post, January 14

Philippine foreign minister Theresa Lazaro's recent visit to Myanmar has drawn criticism that it could undermine ASEAN's credibility under Manila's 2026 chairmanship by appearing to lend tacit support to the military junta and its widely condemned election. Critics argue the early engagement with Myanmar's leaders risks sending the wrong signal about ASEAN's role as a neutral mediator in the ongoing crisis.

## Myanmar's flawed election is also a test of ASEAN credibility

CNA, January 12

Myanmar's planned military-run election, criticised as neither free nor fair amid ongoing conflict, is raising questions about ASEAN's role as the bloc balances engagement with the junta against humanitarian concerns. ASEAN has said it will not certify the vote or deploy observers.

## How should ASEAN address the 2025 mess?

The Jakarta Post, January 8

ASEAN enters 2026 after a difficult 2025 marked by regional fragmentation, stalled implementation of key initiatives, and mounting external geopolitical pressures. Addressing these challenges will require stronger collective leadership, more practical cooperation, and renewed efforts to uphold ASEAN centrality in a changing Indo-Pacific landscape.

## What Southeast Asia Should Expect from Trump in 2026

Fulcrum, January 2

By Derek Grossman, a Visiting Senior Fellow at ISEAS - Yusof Ishak Institute and Professor of the Practice of Political Science and International Relations at the University of Southern California.

Southeast Asia is preparing for a more transactional and unpredictable US policy environment in 2026, with expectations of renewed trade pressure, tougher positions on security burden-sharing, and less emphasis on multilateral diplomacy under a Trump presidency. Regional governments are likely to hedge by strengthening economic resilience and maintaining strategic flexibility amid greater uncertainty in US engagement.

## Media

## Discussions



## [Policy Unpacked] ASEAN Amidst US-China tensions

LKYSP, December 10



CSA: Is ASEAN Ready For Timor-Leste?  
CAG, LKYSP, November 18

## NEWS ARTICLES &amp; COMMENTARIES

## ASEAN ECONOMIC COMMUNITY

## News Articles

**EU Signals Trade Pact Talks with ASEAN TO Begin After 2027****Jakarta Globe, January 27**

The EU is on track to start talks on a regional ASEAN-EU trade pact after 2027, focusing first on concluding individual free trade agreements with ASEAN member states as building blocks toward a broader deal.

**How ASEAN is managing the risks and opportunities of global turbulence****World Economic Forum, January 26**

ASEAN's leaders fear that in the current environment, they must, as Minister Nitithanprapas suggested, "cooperate more, and if we don't, we will suffer".

**ASEAN could scale up sustainable aviation fuel by 2050****Vietnam Investment Review, January 24**

With regional sustainability in mind, Southeast Asian countries are exploring the large-scale generation and adoption of sustainable aviation fuel to support greener long-term aviation growth.

**ASEAN faces a tougher world but its diversity and resilience offer an edge: WEF panel****The Straits Times, January 22**

ASEAN, despite facing major global challenges, can leverage its diversity, neutrality and resilience to seize opportunities and strengthen cooperation for future growth, say WEF panelists.

**Commerce Minister takes DEFA to WEF Davos, pitching ASEAN's digital economy pact as a model for modern trade rules****The Nation, January 21**

At WEF Davos 2026, Thailand pushed ASEAN's Digital Economy Framework Agreement as a template for other countries and regions to develop interoperable digital trade rules that boost competitiveness, sustainability, and supply-chain resilience.

## Selected Commentaries &amp; Publications

**Divided We Fall: ASEAN's Response to Trump's Illiberal Trade Agenda****Business World, January 27**

*By Abdurohman, the deputy director (Functional Surveillance and Research) for the ASEAN+3 Macroeconomic Research Office (AMRO), and Xianguo Huang, a senior economist at AMRO.*

In the AI era, ASEAN economies must pair coordinated reforms with skills investment and broad AI adoption to raise productivity and escape the middle-income trap.

**ASEAN exists 2025 bruised but not broken****East Asia Forum, January 25**

*By Julia Tijaja, an Associate Senior Fellow at the ASEAN Studies Centre, ISEAS-Yusof Ishak Institute, Singapore.*

ASEAN's long-term economic prospects remain strong, but its credibility will depend on proactive leadership that builds resilience amid global uncertainty.

**ASEAN needs Indonesia but Indonesia needs ASEAN more****East Asia Forum, January 25**

*By Iman Pambagyo, Former Director General for International Trade Negotiations of Indonesia.*

Amid tariff wars and geopolitical rivalry, Indonesia must lead ASEAN beyond technocratic integration toward a unified regional production community.

## NEWS ARTICLES &amp; COMMENTARIES

## ASEAN ECONOMIC COMMUNITY

## News Articles

**King Praises National Economic Achievements, Malaysia Success As ASEAN Chair****Barnama, January 19**

Malaysia's King Sultan Ibrahim congratulated the government on positive economic growth in the past year and on its leadership role as ASEAN chair.

**Singapore urged to expand Johor SEZ to Indonesia to deepen Asean integration****South China Morning Post, January 13**

Business groups in Singapore are calling for the Johor-Singapore Special Economic Zone (JS-SEZ) to be expanded to include Indonesia's Riau Islands to deepen ASEAN economic integration and make the region more attractive to global investors.

**Inside the Philippines' stacked agenda to stacked agenda to steer Asean's trillion-dollar economy****Business Times, January 6**

The Philippines has laid out a comprehensive economic agenda as ASEAN chair in 2026, prioritising initiatives such as a Digital Economy Framework Agreement, strategic trade management, semiconductor and critical minerals roadmaps, and digital payments connectivity to help steer the bloc's economic development.

**ASEAN has benefited from US-China trade war, but it is stuck in a complicated spot****The Business Times, December 31**

ASEAN economies have generally benefitted from trade tensions between the US and China as investors diversify supply chains into Southeast Asia, but the bloc now faces challenges balancing this role with global economic uncertainties and geopolitical competition. Policymakers are under pressure to strengthen regional cooperation to sustain these trade gains amid shifting global dynamics.

## Selected Commentaries &amp; Publications

**China-ASEAN economic cooperation to strengthen trade****Global Times, January 18**

*By Fajar Hirawan, an assistant professor at the Faculty of Economics and Business at the Indonesian International Islamic University and senior researcher at the Business and Economics Research Institute.*

CAFTA 3.0 is driving faster-growing China-ASEAN trade and deeper regional value chain integration beyond tariffs into digital trade, supply chains, and sustainability.

**MSMES in the ASEAN Economic Community: Connecting the Blueprint to Real-World Action****Fulcrum, January 9**

*By Miguel Jaime Encarnacion, a Research Associate (ASEAN Law and Policy) at the National University of Singapore's Centre for International Law.*

MSMEs remain central to ASEAN's economic integration agenda, but gaps persist between regional blueprints and on-the-ground implementation. Closing these gaps will be key to ensuring that MSMEs can fully benefit from the AEC.

## Media Discussions



Paving the Way for a More Resilient & Inclusive Economic Future  
ISEAS-Yusof Ishak Institute,  
January 7

## NEWS ARTICLES &amp; COMMENTARIES

## ASEAN SOCIO-CULTURAL COMMUNITY

## News Articles

**Singapore cements its role as a hub for art-and-artists-in Southeast Asia****The Art Newspaper, January 20**

Singapore is cementing its position as a leading arts hub as Southeast Asia's art scene gains global prominence, driven by growing regional talent, stronger institutions and rising international interest in the region's creative economy.

**Soft power, hard cash: Southeast Asia's billion-dollar anime obsession****South China Morning Post, January 11**

Anime has become a major cultural and commercial force in Southeast Asia, driving a billion-dollar market spanning streaming, merchandising, conventions and tourism. The trend highlights how Japanese soft power is translating into significant economic activity across the region, particularly among younger consumers.

**Surge in Southeast Asian tourism to China****China Daily, December 29**

China recorded a strong rebound in outbound and inbound tourism in 2025, with Southeast Asia among the top destinations as travel demand recovered following the easing of restrictions. The surge is boosting tourism revenues across the region and reinforcing people-to-people ties between China and ASEAN countries.

**Cambodia quits SEA Games in Thailand amid deadly border clashes****South China Morning Post, December 10**

Cambodia withdrew its entire delegation from the SEA Games in Thailand following a dispute over competition arrangements, marking an unusual escalation in sporting tensions between the two neighbours. The move highlights how political and diplomatic frictions can spill over into regional sporting events.

## Selected Commentaries &amp; Publications

**RedNote's Success and Beijing's Soft Power in Southeast Asia****Fulcrum, January 14**

*By Wang Zheng, a Visiting Fellow with ISEAS – Yusof Ishak Institute.*

The rapid growth of the Chinese social media platform RedNote in Southeast Asia is emerging as a new channel of Chinese soft power.

**Redefining cultural integration: Reflections of a new immigrant in Southeast Asia****Think China, December 31**

*By Cindy Qi, a Singapore-based practitioner and researcher specialising in cross-border financial structuring, trust governance, and international regulatory frameworks.*

New immigrants in Southeast Asia, especially in multicultural Singapore, are reshaping local cultural integration by blending traditions from their homelands with the lived cultural practices of their new communities, creating dynamic, hybrid identities.

## Media Discussions



**Southeast Asia Climate Outlook Survey (2020-2024): Understanding Regional Attitude towards Climate Change**  
ISEAS-Yusof Ishak, November 28



## Our team



**Denis Hew** is a Senior Research Fellow with the Centre on Asia and Globalisation, at the Lee Kuan Yew School of Public Policy, National University of Singapore. Prior to taking up his current appointment, Denis was Director of the APEC Policy Support Unit (PSU) from 2011 to 2022.

 @denishew

 denis.hew@nus.edu.sg



**Mae Chow** is the editor for the *ASEAN Bulletin*. She is a Research Assistant at the Centre on Asia and Globalisation. She has a Masters in International Affairs with a specialisation in International Security from the Lee Kuan Yew School of Public Policy.

 mae.chow@nus.edu.sg



**Barbora Valockova** is a Research Fellow at the Centre on Asia and Globalisation, where she researches international relations of Southeast Asia. She holds a PhD in Public Policy and Global Affairs from Nanyang Technological University in Singapore.

 barborav@nus.edu.sg



**Abigail Andrada** is currently an intern at the Centre on Asia and Globalisation. She is pursuing a master's degree in Public Policy at the Lee Kuan Yew School of Public Policy, National University of Singapore.

## THE CENTRE ON ASIA AND GLOBALISATION

The Centre on Asia and Globalisation is a research centre at the Lee Kuan Yew School of Public Policy, National University of Singapore. It conducts in-depth research on developments in the Asia-Pacific and beyond, and aims to provide academics, decision-makers, and the general public with objective analysis on issues of regional and global significance. The Centre's motto "Objective Research with Impact" reflects its commitment towards ensuring that its analysis informs policy and decision makers in and about Asia.

## OTHER CAG PUBLICATIONS

- *Multidirectional altercasting among middle powers: role alignment in Western Pacific maritime security* by Barbora Valockova and Mae Chow (The Pacific Review, 2026)
- [CSA series] Is ASEAN Ready for Timor-Leste? (Centre on Asia and Globalisation, November 20, 2025)
- “*Southeast Asia between the superpowers: Introducing the Autonomy of Choice Alignment Index*,” by Khong Yuen Foong and Joseph Liow Chinyong (Hinrich Foundation, November 18, 2025)
- *Strategic choices for middle powers in developing AI capabilities: a case study of Singapore* by Jassie Hsi Cheng, Byron Chong and Miguel Alberto Gomez (Asia Security, 2025)
- *Operationalising the AEC Strategic Plan 2026-2030: From Aspirations to Real Action* by Denis Hew (Fulcrum Focus Plus, September 25, 2025)
- *Washington’s Ironclad Commitments Are Rusting in the Indo-Pacific* by Gregory H. Winger, Miguel Alberto Gomez and Lauren Sukin (War on the rocks, September 24, 2025)



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Feedback or comment?

Contact our Editor: Mae Chow (Research Assistant) [mae.chow@nus.edu.sg](mailto:mae.chow@nus.edu.sg)

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