



Counterpoint Southeast Asia

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Is ASEAN Ready for Timor Leste?

By Barbora Valockova

On October 26 2025, Timor-Leste officially became the 11th member of the Association of Southeast Asian Nations (ASEAN), marking the bloc's first expansion since Cambodia joined in 1999. Prime Minister Xanana Gusmão declared “Today history is made” at the 47th ASEAN Summit in Kuala Lumpur as Timor-Leste's flag was placed alongside those of existing member states. For a nation that gained independence in 2002 following centuries of Portuguese colonial rule and decades of Indonesian occupation, ASEAN membership represents a longstanding aspiration for deeper regional integration and international recognition.


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Counterpoint Southeast Asia is published regularly by the Centre on Asia and Globalisation at the National University of Singapore's Lee Kuan Yew School of Public Policy. It seeks to answer major questions of strategic significance for Southeast Asia by bringing in diverse voices from around the region. Each issue will tackle one question from three different perspectives.

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Timor-Leste officially applied for membership in 2011, with ASEAN agreeing in principle to admit the country in 2022 and granting it **observer status**. The 2023 **Roadmap** for Full Membership established technical and institutional criteria that Timor-Leste has been implementing with support from ASEAN member states and the Secretariat. Malaysian Prime Minister **Anwar Ibrahim announced** in May 2025 that ASEAN had finally achieved consensus after many rounds of negotiations, paving the way for October's historic admission.

Yet beneath this historic achievement lie several integration challenges, particularly in the economic sphere. Timor-Leste has by far **the smallest GDP in ASEAN** and faces significant vulnerabilities rooted in petroleum dependence, with oil production **having ceased** in June 2025. The country relies heavily on public spending financed through withdrawals from its **Petroleum Fund**, which faces long-term sustainability concerns. Additionally, Timor-Leste's private sector remains **underdeveloped**, and concerns persist about whether the country can meet ASEAN's rigorous commitments, including hosting high-level meetings and fulfilling bureaucratic responsibilities.

The path to membership also exposed tensions within ASEAN. In mid-2025, Myanmar **objected** to Timor-Leste's accession, citing interference in its internal affairs due to Timor-Leste's reported support for democratic forces in Myanmar's ongoing civil war. While Myanmar's objection was bypassed, it **underscored** how divergent

political systems may strain ASEAN's consensus-based decision-making. Despite these tensions, Timor-Leste's strategic position offers unique opportunities. Its location at the **crossroads** between Southeast Asia and the Pacific, coupled with relationships with both China and Australia, positions it uniquely in an era of intensifying geopolitical competition. The country now has access to ASEAN-led security and economic mechanisms, through which it can strengthen ties with external partners. Furthermore, since regaining independence, Timor-Leste has made **progress in peacebuilding and state building**, establishing democratic norms with regular elections and high levels of press freedom, bringing distinctive normative contributions to ASEAN.

The implications of Timor-Leste's membership extend beyond these immediate concerns to encompass broader questions about ASEAN's institutional evolution. ASEAN has evolved from its original five founding members into a more diverse organisation involving varied political systems, development levels, and external relationships. Timor-Leste's accession raises important questions about how the organisation can balance competing priorities: supporting new members' development while maintaining institutional effectiveness, promoting regional inclusion while ensuring capacity to meet obligations, and adapting its integration mechanisms to accommodate expanding membership. Success will depend on both ASEAN's capacity to provide meaningful integration

support and Timor-Leste's ability to strengthen its institutional capabilities during a period of significant economic transition. The accession thus serves as a test of ASEAN's ability to maintain coherence while embracing greater diversity.

Given these dynamics, it is essential to ask: **Is ASEAN Ready for Timor-Leste?** To address this question, the Centre on Asia and Globalisation (CAG) invited three experts for its **17th Counterpoint Southeast Asia (CSA) public panel** discussion on November 5, 2025: Denis Hew (CAG, LKYSPP, NUS); Johan Pahlepi (Centre for International Law (CIL), NUS); and Julia Lau (ISEAS-Yusof Ishak Institute).

Julia Lau offers a perspective grounded in Timor-Leste's qualities and normative contributions. She argues that the country's democratic credentials, commitment to international law, youthful population, and willingness to address difficult issues like the Myanmar crisis represent an opportunity for ASEAN renewal, even if this requires uncomfortable conversations about democracy and human rights.

Johan Pahlepi analyses the legal and procedural dimensions of accession. He explains that ASEAN has departed from its own Charter-mandated processes by relying on a political Roadmap rather than a formal accession procedure, creating asymmetries in rights and obligations that undermine the organisation's rules-based identity and establish problematic precedents for future enlargement.

Denis Hew with his co-authors Mae Chow and Scarlet Xu Ni from CAG examine the economic opportunities and challenges of integrating Timor-Leste. They contend that while ASEAN membership offers significant potential benefits for market access and regional integration, the country's structural economic vulnerabilities and ASEAN's persistent development gaps raise serious questions about readiness on both sides, potentially testing the bloc's capacity to achieve equitable and sustainable development.

The question "Is ASEAN ready for Timor-Leste?" therefore touches upon multiple dimensions—economic, institutional, political, and normative—each presenting distinct challenges and opportunities. Whether this expansion strengthens or strains ASEAN will reveal much about the organisation's adaptability, solidarity, and vision for Southeast Asia's future in an increasingly complex regional and global landscape.

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Guest Column

Ready and Willing: The Case for Timor-Leste

By Julia Lau

Timor-Leste's democratic credentials, commitment to international law, and youthful population position it as ASEAN's most democratic member, bringing normative strengths that could reinvigorate the regional organisation. The country's willingness to challenge fellow members on issues like Myanmar and human rights may prove uncomfortable but necessary for ASEAN's evolution.

Two Burning Questions. In answering the question, “Is ASEAN ready for Timor-Leste?”, we can consider its opposite, “Is Timor-Leste ready for ASEAN?”. This was the tricky question that had occupied ASEAN’s capitals, diplomats and bureaucrats in the past fourteen years of Timor-Leste’s journey towards full accession. As a researcher, I first made the case for Timor-Leste’s membership, unprompted by any Timorese or other element, in [July 2022](#).

Back then, as someone who had not yet visited Timor-Leste, I cited a laundry list of pluses, arguing from first principles. To me, Timor-Leste’s democratic nature as a polity, its undeniable proximity and geographical situation in Southeast Asia, and other factors that showed its ability and willingness to fulfil the [prerequisites](#) of membership listed in A.6



of the ASEAN Charter, made the case for accession difficult to deny or delay. It was also a question of equity: if in the mid- to late 1990s, ASEAN had taken on four less developed nation-states as full members, how long more can ASEAN deny membership to one more, who in some ways already outperformed those four, in the present day?

Since that entreaty, I have had the privilege to interview Timor-Leste’s ambassador to Singapore HE Alex Tilman for a [podcast](#), visited Timor-Leste’s capital city Dili twice in three years for two of the Timor-Leste Studies Association’s [conferences](#), and interacted with several Timorese academics and ASEAN nationals who live and work in Dili. These varied experiences have further convinced me that Timor-Leste is ready for ASEAN, whatever naysayers might think. Its bureaucrats and leaders have put in the work although the learning curve has been steep and the learning process is still ongoing.

Entering ASEAN can only benefit Timor-Leste, even if the initial adjustment may prove challenging—for the existing ten members as well as the newcomer. As my colleague Sharon Seah and I argued in a [piece](#) in mid-August, Timor-Leste’s accession might just be the shot in the arm a beleaguered ASEAN needs. The eleventh member state brings with it a firm belief in the normative power of international law and norms, its [youthful promise](#) (provided its current leaders graciously plan for peaceful succession), and its unique vision of “[inclusive sustainability](#),” equitable justice and peaceful co-existence in a turbulent world.

To the point on the belief in international law and most inspiringly, perhaps, this tiny developing island nation-state of 1.4 million is what I called in a conference presentation given in Dili this past July “the living embodiment of the concept of [self-determination](#).” When I was a law undergraduate in the mid-1990s, the then province of East Timor in Indonesia was one of the cases we studied when we considered what “[recognition](#)” and “self-determination” truly meant, for a separatist entity seeking its own future. Just a few years after that, it was exhilarating to witness [history](#) being made after the August 30, 1999 [referendum](#)—and the ensuing violence followed by the reclamation of nationhood, supported by an international [peacekeeping](#) mission—when Timor-Leste regained its independence on May 20, 2002. Now, Timor-Leste is an outspoken supporter of fellow SIDS (small island developing states) and a firm believer in

multilateralism and the rule of international law.

If we turn to the question of whether ASEAN is ready for Timor-Leste, then potential sources of tension might be when issues like human rights and the Myanmar crisis are discussed at ASEAN forums. Is ASEAN ready to have tough conversations about democracy and human rights, including at the heads of state level? My expectation is that in time, the newest ASEAN entrant will prod its fellow members on how to improve the grouping’s showing on a range of tricky topics, not least on Myanmar, a topic on which Timorese leaders—President Ramos-Horta in particular—have been [consistent](#) and outspoken [critics](#). This will not be comfortable for many of the other AMS but an honest, even blunt, discussion may be more productive than the status quo.

Is ASEAN ready to adjust to its most democratic member? Interestingly, tiny Timor-Leste punches way above its weight if we consider all eleven ASEAN member states’ rankings in global indices on democratic freedoms. Freedom House gives Timor-Leste a score of [seventy-two](#) out of a possible hundred (“Free”). This is the highest among the AMS, even though Timor-Leste’s fledgling democratic institutions and uneven practices in upholding and promoting diversity and gender equality are still works in progress.

Is ASEAN ready to absorb one of the most youthful populations in the world? Timor-Leste’s youthful population, who comprise

almost half of the country, face a yet uncertain future. They have far to go in terms of levelling up with the region's educational and health standards, just as their country has a long developmental journey ahead. The recent university student demonstrations against legislators in Dili also showed that there is serious inequality which triggers resentment against the elite or pits 'haves' against 'have-nots' in Timor-Leste. What was interesting, however, was the national government's willingness to cancel its decision to gift cars to legislators so as to defuse these tensions.

An unknown is whether Timor-Leste's youth will stay on in their home country or seek greener pastures elsewhere in ASEAN. The brain drain that could result if the latter becomes the more popular option would be akin to what neighbouring Indonesia is now experiencing with its "Kabur Aja Dulu" ("Just Escape First") phenomenon. This would be disastrous for a small country like Timor-Leste.

Finally, is ASEAN ready for a tolerant new neighbour? Timor-Leste, while overwhelmingly Catholic in its belief, is a country that holds an annual, small-scale Pride celebration and parade, although SOGIE protections are uneven. This is not to say that discrimination or homophobia do not exist in the newest AMS, but Timor-Leste's tolerance for diversity and welcoming of difference will likely make it a bright spot in our region.

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Timor-Leste's Accession to ASEAN: Restoring a Charter-Based Pathway

By Johan Pahlepi

ASEAN's admission of Timor-Leste has bypassed Charter-mandated procedures, relying instead on a political Roadmap that creates asymmetries in members' rights and obligations. A formal, Charter-based accession procedure is essential to preserve ASEAN's rules-based identity and ensure legal coherence in future enlargements.

ASEAN's recent decisions in Kuala Lumpur to admit Timor-Leste as its eleventh member on 26 October 2025, alongside Timor-Leste's accession to the ASEAN Charter and the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone (SEANWFZ), have created a confusing legal process for a complex undertaking. Membership is not ceremonial; it entails binding obligations under approximately 400 legal instruments. To protect ASEAN's rules-based identity and establish sound precedent, the process should be grounded in the ASEAN Charter and conducted through the organs and procedures it prescribes. This essay argues that the Charter-based accession procedure is essential to address and prevent ongoing imbalances in rights and obligations between Timor-Leste and other ASEAN Member States.



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Charter Requirements and the Limits of Political Roadmaps

The ASEAN Charter assigns clear institutional responsibilities for the admission of new members. Article 6(1) requires the ASEAN Coordinating Council (ACC) to prescribe a procedure for the application and admission of new members. That procedure should guide application processes, structure negotiations, and clarify how accession interfaces with ASEAN's broader legal architecture.

Since the Charter entered into force, however, the ACC has not established, or at least not published, such a procedure. Proceeding without one risks confusion and undermines legal certainty. Assuming no formal accession procedure has been issued or published, the **Roadmap adopted in 2023** remains the only guideline for Timor-Leste's accession.

The Roadmap and its annexes are political instruments; they set out expectations rather than a legally grounded process and include accession to terminated legal instruments among the Roadmap milestones, thereby blurring the line between political priorities and legal requirements. Replacing the Charter-mandated procedure with the Roadmap to guide Timor-Leste's admission process is procedurally problematic. The current process departs from the Charter's mandate under Article 6(1) and sets a poor precedent for post-Charter admissions, normalising ad hoc shortcuts that erode legal certainty.

Addressing Accession Asymmetries: A Rules-Based Pathway for ASEAN Membership

Articles 1 and 2 of the ASEAN Charter set out ASEAN's purposes and principles. To realise these aims, ASEAN Member States have concluded more than 200 ASEAN legal instruments among themselves. All ten ASEAN Member States participate in these legal instruments through signature and, where applicable, ratification, acceptance, approval, or accession. Under ASEAN practice, it is customary for all ASEAN Member States to participate in all ASEAN legal instruments. When its membership was confirmed on October 26, 2025, Timor-Leste had acceded only to the ASEAN Charter, the Treaty of Amity and Cooperation in Southeast Asia (TAC), and the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone (SEANWFZ).

This made Timor-Leste the only Member State that did not participate in a majority of ASEAN legal instruments at the time of its confirmation as the eleventh Member State.

With this limited accession profile, imbalances in rights and obligations have arisen between Timor-Leste and other Member States. For example, Timor-Leste now participates in ASEAN organs under the Charter, such as participating in ASEAN Sectoral Ministerial Bodies under the ASEAN Economic Community (AEC). However, it has yet to assume the corresponding treaty obligations under such Community legal instruments, which creates asymmetries in market-access rights and compliance duties. These circumstances create tension with the Charter's aspiration of practical equality and raise questions about ASEAN's credibility as a rules-based organisation. These asymmetries underscore the need for a standardised, Charter-grounded accession pathway.

Ideally, the ACC should prescribe an accession procedure that enables timely accession to core legal instruments and facilitates the prompt deposit of instruments of accession by the acceding state to at least some core agreements, for example all ASEAN Political-Security Community and ASEAN Socio-Cultural Community legal instruments, as well as fundamental AEC treaties such as the ASEAN Trade in Goods Agreement (ATIGA), the ASEAN Trade in Services Agreement (ATISA), the ASEAN Comprehensive Investment Agreement (ACIA), and the ASEAN Framework

Agreement on the Facilitation of Goods in Transit (AFAFGIT), and, finally, the Charter. Consistent with Article 6(4) of the ASEAN Charter, accession to the Charter is positioned last to serve as the formal act that effects admission to ASEAN. This should then be followed by clear transitional implementation and monitoring mechanisms, including a timeline for accession to the remaining legal instruments. This approach preserves legal coherence, accelerates reciprocal market-access benefits, and minimises imbalances in rights and obligations after admission, while ensuring that domestic legislation, institutions, and systems are ready to implement the new commitments.

Timor-Leste and External Legal Instruments

In addition to instruments concluded among ASEAN Member States, ASEAN and its Member States have concluded more than 200 legal instruments with external partners, the majority of which are free trade agreements and cooperation agreements. In the absence of an accession procedure, clarification is needed on Timor-Leste's status in relation to these instruments. Specifically: (i) whether, under Article 5(1) of the ASEAN Charter, Timor-Leste's membership requires accession to all of these instruments; (ii) the applicable procedures for Timor-Leste to accede; and (iii) the timelines for such accession. Providing these clarifications would ensure legal certainty and coherence in

Timor-Leste's integration into ASEAN's external legal framework.

Conclusion

In conclusion, the ACC should prescribe the accession procedure and clarify the sequencing across core internal legal instruments and relevant external agreements. Consistent with Article 6(4) of the ASEAN Charter, accession to the Charter should serve as the capstone act affecting admission, following timely accession to core agreements and accompanied by transitional implementation and monitoring mechanisms. This approach would provide Timor-Leste with a clear, lawful pathway to full participation and bolster the legitimacy, predictability, and effectiveness of ASEAN enlargement. By contrast, proceeding based on limited accessions to the Charter, TAC, and SEANWFZ, without an ACC-led procedure and with reliance on the Roadmap, risks sustained imbalances in rights and obligations and weakens confidence in ASEAN's rules-based system. Clarifying Timor-Leste's status in relation to ASEAN's external legal instruments, including scope, procedures, timelines, and sequencing, will further ensure legal certainty and coherence in its integration with ASEAN's broader legal architecture.

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Reality Check: The Challenges of Integrating Timor-Leste into ASEAN

By Denis Hew, Mae Chow, and Scarlet Xu Ni

Timor-Leste's accession offers market access benefits, but its structural vulnerabilities, such as depleting petroleum reserves, weak institutions, and narrow export base, raise questions about premature timing. The integration therefore tests ASEAN's capacity to achieve equitable development without widening existing disparities among member states.

Timor-Leste officially became ASEAN's eleventh member state on October 26, 2025, during the recent ASEAN Summit in Kuala Lumpur, Malaysia. This development marks a milestone for both ASEAN and Timor-Leste, carrying significant symbolic and strategic weight. Amid the celebratory rhetoric and hopeful diplomatic fanfare, a critical question remains: Is ASEAN truly ready to welcome its newest member? While Timor-Leste's accession fulfils a long-standing commitment to regional integration, ASEAN continues to grapple with persistent internal challenges, particularly its wide economic disparities, that could strain the bloc's capacity to achieve its integration agenda over the longer term.



Security challenges across the region further compound these challenges. The precarious ceasefire between Cambodia and Thailand, the ongoing political and humanitarian crisis in Myanmar, and the intensifying US-China great power rivalry have tested ASEAN's unity and effectiveness in managing disputes. Against this backdrop, Timor-Leste's accession to ASEAN can be seen as a litmus test of ASEAN's cohesiveness and leadership. ASEAN centrality—its long-cherished approach of being in the driver's seat when engaging with external partners—will also be put to the test.

Opportunities and Potential Benefits

Timor-Leste's accession to ASEAN is more than a bureaucratic enlargement; it is a mutually beneficial opportunity for both sides. For Timor-Leste, the transition from observer to full member status could jump start its economy while conferring strategic, geopolitical and institutional advantages that support its long-term development.

For ASEAN, welcoming Timor-Leste offers a timely opportunity to reaffirm its long-standing commitment to regional unity, inclusivity and shared prosperity, which are values that underpin its community-building efforts. To the broader international community, these efforts also reinforce ASEAN's relevance and credibility as a cohesive and thriving regional community.

Economically, ASEAN membership would vastly improve Timor-Leste's access to global markets and integration into regional supply chains. Under the ASEAN Trade in Goods Agreement (ATIGA), 98.6 percent of products traded among member states already enjoy **zero tariffs**. For Timor-Leste, which imports **more than 60 percent** of its products from ASEAN, membership would not only reduce import costs but also grant duty-free access for its own exports to regional markets. It will further enable Timor-Leste to leverage ASEAN's extensive network of external free trade agreements (FTAs) and to deepen partnerships with other major economies around the world. Participation in ASEAN's regional frameworks such as ATIGA and the ASEAN Comprehensive Investment Agreement (ACIA) will open new avenues for Timor-Leste to boost trade and attract foreign investments.

The enthusiasm in **supporting** Timor-Leste's transition also presents ASEAN with a valuable opportunity to re-evaluate the effectiveness of its capacity-building programs and technical cooperation initiatives. Just as how ASEAN supported Laos and Cambodia in their accession to ASEAN in

the 1990s, it can now draw on these experiences to better assist Timor-Leste in narrowing the development gap (NDG).

Beyond economics, Timor-Leste's accession carries symbolic and strategic value. As the region's youngest member state, having gained independence from Indonesia, its inclusion in ASEAN embodies reconciliation, resilience, and regional solidarity. Once divided by conflict, Indonesia and Timor-Leste have transformed their relationship into one of mutual respect and dialogue, with Jakarta emerging as a **key advocate** for Timor-Leste's membership.

Geographically, Timor-Leste occupies a strategic position in the Indo-Pacific, bordering Australia across the Timor Sea. Its close historical and cultural ties with **Australia** and **the Pacific Islands** will strategically extend ASEAN's geopolitical footprint eastward, enhancing engagement with partners such as Australia and New Zealand. Both countries have vested interests in supporting Timor-Leste's development and maintaining peace and stability in the Pacific region. At the same time, Timor-Leste's close economic and security ties with China have also **raised concerns** among some partners, like Australia, over potential economic coercion and expanding Chinese influence in the Indo-Pacific. By joining ASEAN, Timor-Leste can diversify its partnership and strengthen its diplomatic autonomy, helping to balance great power pressures while aligning its foreign policy with ASEAN's principles of strategic neutrality and openness.

Timor-Leste's Economic Challenges

With a GDP of only 1.8 billion USD in 2024, it is ASEAN's smallest economy. Across most development indicators, Timor-Leste tracks closely with Cambodia, Laos, and Myanmar (CLM), the bloc's weakest economic performers and least developed members. Its 2023 UNDP Human Development Index (HDI) score of 0.63 places it, alongside CLM, and ranks below the lower-middle-income average. Timor-Leste's narrow export base exposes structural vulnerabilities that will likely intensify as its major resources decline over time. Oil, gas and coffee accounted for over 99 percent of total merchandise exports in 2021, with fuels and mining products alone comprising about 92 percent in 2022.

Given that intra-ASEAN trade makes up about a quarter of ASEAN commerce, Timor-Leste's highly concentrated export structure further narrows its already limited scope for regional integration. Its export basket offers little complementarity with regional economies. Beyond petroleum and coffee, Timor-Leste lacks the manufacturing capacity at this stage to join the region's established value chains. Moreover, structural constraints characterised by legal and regulatory impediments, weak human capital, inadequate infrastructure, and a limited domestic market, pose significant challenges to investment and regional economic integration.

The depletion of petroleum reserves threatens to collapse the state-led growth model that has sustained Timor-Leste since

independence. Petroleum revenues have historically financed over 70 percent of the government budget through the state-owned Petroleum Fund. The public sector accounts for approximately 60 percent of non-oil GDP, creating an economy structurally dependent on government expenditure. However, oil and gas production from the Bayu-Undan field, Timor-Leste's major producing field, completely ceased in 2025. With no immediate production to replace it, the country now relies entirely on drawing down the Fund's accumulated reserves. The Greater Sunrise gas field presents a potential fiscal lifeline, but risks associated with its development need to be carefully managed.

Timor-Leste's weak record in implementing reforms casts doubt on its readiness for ASEAN membership obligations. Since 2013, it has received extensive capacity development technical assistance programmes from the Asian Development Bank (ADB) to prepare for ASEAN integration. While it has managed to join ASEAN, the underlying economic and institutional deficiencies persist. Alignment with major regional economic agreements, such as ATIGA, also remains at a preparatory stage. As Timor-Leste begins implementing its ASEAN commitments, it will continue to depend heavily on technical and financial assistance from member states, dialogue partners, and international institutions. The combination of a declining revenue base, an undiversified economy, weak institutions, and limited reform capacity underscores the country's structural fragility.

Conclusion

These concerns surrounding Timor-Leste's accession underscore a broader policy problem: ASEAN's membership enlargement risks further widening the region's stark and persistent development gaps. This remains one of ASEAN's key internal challenges, with direct implications for realising the AEC and achieving the goals set in the ASEAN Vision 2045. Before Timor-Leste, the last country to join ASEAN was Cambodia in 1999, and similar reservations were expressed back then about its capacity to undertake the required economic and institutional reforms. In the late-1990s and early 2000s, ASEAN faced the dual challenge of integrating its transitional economies of Cambodia, Laos, Myanmar, and Vietnam (CLMV), while deepening economic integration and strengthening regional connectivity (especially infrastructure development and trade facilitation). To address this, a two-track approach was adopted to allow the CLMV countries more time to catch up with their more developed members. However, more than two decades later, these development gaps persist, and the various work plans under the Initiative for ASEAN Integration (IAI), the main regional framework to narrow these gaps—have proven to be largely ineffective. The accession of Timor-Leste, whose institutional capacity and domestic economy are weaker than Cambodia at the time of its entry, will only amplify ASEAN's longer-term challenge

of achieving equitable and sustainable development. From an economic perspective, this raises legitimate questions about whether Timor-Leste's admission to ASEAN was premature.

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