



# Counterpoint Southeast Asia

*A publication of the Centre on Asia and Globalisation*



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## Is ASEAN Ready for Timor Leste?

By Barbora Valockova

On October 26 2025, Timor-Leste officially became the 11<sup>th</sup> 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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