

Welcome to This Week's Asia on the Horizon

Welcome to this week's edition of Asia on the Horizon. As the geopolitical and economic tides continue to shift in Asia and beyond, we bring you in-depth analysis and updates on the developments shaping the region's future.

This week, South Korea faces an unprecedented political crisis with the detention of President Yoon Suk Yeol, marking a critical moment in the nation's democratic journey. Meanwhile, the European Union is considering decisive actions to counter discriminatory practices in China's medical device market, underscoring the complex dynamics of global trade. On the maritime front, suspicious movements of a Russian vessel near Taiwan's undersea cables have raised alarms about the security of critical infrastructure, a concern increasingly tied to great power competition.

As TikTok teeters on the brink of a U.S. ban, creators are flocking to alternative platforms like China's RedNote, reflecting the intersection of technology and geopolitics. The U.S.-India ICT partnership is also making strides in advancing secure digital ecosystems, demonstrating the region's pivotal role in global technology collaboration.

With Donald Trump's second term set to begin, a pivotal phone call with Chinese President Xi Jinping hints at a potentially recalibrated U.S.-China relationship. The conversation, coupled with Trump's policy signals, suggests a complex interplay of cooperation and competition in trade, technology, and security. These developments are set against the backdrop of Nigeria's admission as a BRICS partner country, highlighting the bloc's expanding influence and ambitions to reshape global governance.

From China's record-breaking \$1 trillion trade surplus to new export restrictions on AI technology by the U.S., the stories in this edition illuminate the interconnected nature of Asia's economic and strategic landscapes. We invite you to explore these critical narratives and their broader implications for the region and the world.



1. KEY DEVELOPMENTS

South Korean President Yoon Suk Yeol Detained Amid National Crisis

South Korea's political landscape took a historic and turbulent turn as President Yoon Suk Yeol became the first sitting leader to be detained in a criminal investigation. His arrest, which followed his December 3 declaration of martial law, marked the culmination of weeks of political turmoil and public outrage. The declaration, widely criticized as an affront to the nation's hard-won democracy, triggered his impeachment on December 14. Yoon's detention comes after the Seoul court granted an arrest warrant over allegations of insurrection, with concerns that he might attempt to destroy evidence. His declaration of martial law had deepened South Korea's political divisions, sparking violent protests and further polarizing a nation already grappling with entrenched political differences.

The fallout from Yoon's detention has led to widespread unrest, as hundreds of his supporters stormed a court building in Seoul following the announcement that his detention would be extended for up to 20 days. This unprecedented crisis has exposed deep fractures within South Korea's political system, with his conservative People Power Party calling the detention a "great pity," while the opposition Democratic Party hailed it as a step toward restoring democratic order. As investigations into his alleged rebellion charges progress, Yoon's lawyers have vowed to fight the detention, claiming the criminal probe is invalid. The political turmoil surrounding Yoon's presidency highlights the challenges of maintaining democratic stability in a deeply polarized nation.

EU Considers Action Against China's Discrimination in Medical Devices Market

The European Commission has published a report highlighting systematic discrimination against EU medical device producers in China's public procurement market. The findings stem from the Commission's first investigation under the International Procurement Instrument (IPI), which was launched in April 2024. The report presents clear evidence of China's unfair practices that limit EU suppliers' access to government contracts across all categories of medical devices. These discriminatory measures severely impair the ability of EU companies to compete on equal terms in the Chinese market. In response, the Commission is evaluating potential IPI measures, which could include restricting or excluding Chinese bidders from EU government contracts, provided such actions align with EU interests.

The EU remains committed to resolving these issues through constructive dialogue with China but has emphasized that it will not hesitate to act if a fair resolution cannot be achieved. The report underscores the stark contrast between the openness of the EU's public procurement market—one of the largest and most accessible globally—and China's restrictive practices. While Chinese medical device exports to the EU surged by over 100% between 2015 and 2023, the same openness has not been reciprocated.

The IPI, in force since August 2022, aims to promote fair and reciprocal access to public procurement markets for EU companies. Any measures the EU adopts will be proportional, efficient, and consider potential supply chain impacts.

Russian Vessel Raises Alarm Over Undersea Cables Near Taiwan

A Russian cargo vessel, Vasily Shukshin, flagged under Belize but connected to Russia, loitered near Taiwan's Fangshan undersea cable landing station for over three weeks, triggering concerns about potential sabotage of critical infrastructure. The ship's erratic movements near the cables were first flagged by Ray Powell, director of the Stanford-affiliated maritime analysis group SeaLight, who highlighted its unexplained presence and unusual behavior. Taiwan's Coast Guard confirmed the vessel did not damage nearby cables but maintained close monitoring of its activities. Following Powell's public report, the vessel departed abruptly on January 9, heading directly back to Russia's Vostochnyy port, raising further suspicions about its intent.

This incident underscores growing fears of Russian threats to global undersea communication infrastructure, which plays a vital role in connecting global internet and communication systems. Reports have indicated similar suspicious activities by Russian and Chinese vessels near critical undersea cables in the Baltic Sea and off Norway. Experts have pointed to Russia's long-standing development of seabed warfare capabilities under its Main Directorate of Deep-Sea Research (GUGI), which could enable espionage or infrastructure sabotage. NATO Secretary-General Mark Rutte has announced a new mission in the Baltic to safeguard these essential assets, signaling an intensified focus by Western nations on countering potential underwater threats.

TikTok Faces Looming Ban Amidst Legal and Political Uncertainty

TikTok has announced it will suspend operations for its 170 million U.S. users starting Sunday, January 19, unless the Biden administration provides immediate assurances that it will not face penalties under the looming ban. The app's future hangs in the balance after the U.S. Supreme Court upheld the controversial law requiring TikTok's Chinese parent company, ByteDance, to sell its U.S. assets by the deadline or face a nationwide ban. While the Biden administration has deferred enforcement to President-elect Donald Trump, TikTok has expressed concerns over the lack of clarity from government officials, leaving service providers vulnerable to steep fines for maintaining access to the app post-ban.

The ban has intensified concerns about national security and data privacy, with the Supreme Court emphasizing the government's interest in preventing foreign adversaries from exploiting TikTok's extensive data collection. TikTok CEO Shou Chew has pledged to fight for users' rights and continues to press for a resolution that ensures the app remains accessible. Trump, who takes office on January 20, has hinted at exploring a deal to keep TikTok operational but has not confirmed his plans. As the deadline nears, TikTok users and stakeholders are left in uncertainty, with the app's

suspension potentially becoming a flashpoint in the ongoing U.S.-China technology and security tensions.

TikTok Creators Flock to RedNote Amid Ban Concerns

As TikTok faces an imminent ban in the United States due to national security concerns, China's social media platform RedNote, or Xiaohongshu, has surged in popularity, topping the Apple App Store in the U.S. Dubbed "TikTok refugees," many creators are migrating to RedNote, a platform with a layout similar to Instagram and Pinterest, rather than turning to TikTok's rival, Meta. Boasting 300 million monthly active users—80% of whom are women—RedNote offers diverse topics, including fashion and books, alongside social shopping features that rival China's e-commerce giant Alibaba. Creators have expressed their reluctance to return to Meta's platforms, citing concerns over its reduced content moderation and issues with misinformation.

The looming TikTok ban, set for January 19, has pushed creators to seek new platforms as the U.S. Supreme Court prepares to decide on the legality of the Biden administration's law requiring ByteDance to divest TikTok's U.S. assets. RedNote's rise reflects a growing appetite for alternatives to Western social media platforms, with creators embracing its features and even joking about learning Mandarin to adapt. Meanwhile, concerns linger over other Chinese-owned apps, such as Lemon8, which may also face restrictions under the same security framework. The decision on TikTok's fate could mark a significant shift in the U.S. social media landscape.

U.S.-India ICT Partnership Advances Digital Cooperation

The United States and India reaffirmed their commitment to building secure, interoperable, and reliable digital ecosystems during the 2024 Information and Communications Technology (ICT) Working Group meeting in New Delhi on October 17, 2024. Key discussions focused on fostering resilient 5G and 6G networks, promoting Open Radio Access Networks (Open RAN), enhancing collaboration in artificial intelligence (AI), and expanding opportunities for IT, telecommunications, and semiconductor sectors in both nations. Both sides also emphasized the importance of securing ICT supply chains, protecting data privacy, and promoting cross-border data flows, with an eye toward bolstering global digital resilience and innovation.

The meeting marked progress on critical initiatives, including plans to establish an Open RAN Academy in India, develop standards for 6G networks, and collaborate on secure undersea cables and satellite systems. The two governments also highlighted the cross-border movement of professionals as a key driver of economic and technological ties, reiterating the need for efficient visa processing. Additionally, the U.S. and India pledged to support global digital development, particularly in Asia and Africa, through joint initiatives such as the Social Impact Fund for digital public infrastructure. This partnership underscores the strategic importance of leveraging cutting-edge technologies to foster an inclusive and interconnected digital future.

Trump and Xi Reaffirm Cooperation in Pre-Inauguration Call

In a significant diplomatic exchange, U.S. President-elect Donald Trump held a phone call with Chinese President Xi Jinping just days before Trump's inauguration. Describing the discussion as "very good," Trump stated on his social media platform that they addressed pressing issues such as trade imbalances, fentanyl trafficking, the future of TikTok, and broader geopolitical concerns. Trump emphasized his commitment to solving global challenges collaboratively, adding that both leaders will "do everything possible to make the world more peaceful and safe." Xi, in a readout from China's Foreign Ministry, expressed hope for a "good start" in U.S.-China relations during Trump's second term, underscoring the importance of dialogue and cooperation between the two nations.

The call comes amid heightened tensions in U.S.-China relations, particularly on contentious issues like Taiwan, trade, and national security. While Xi declined Trump's invitation to attend the inauguration, Vice President Han Zheng will represent China at the ceremony. Notably, the conversation followed the U.S. Supreme Court's decision to uphold a ban on TikTok unless its Chinese-owned parent company divests its U.S. assets, an issue both leaders acknowledged. Trump's cabinet picks, featuring China hawks like Marco Rubio and Pete Hegseth, signal a potential recalibration of U.S. policy toward Beijing, even as Trump aims to establish a framework for constructive engagement.

U.S. Sanctions PRC-Linked Cyber Actors for Treasury Hack and Espionage Campaign

The United States has imposed sanctions on Yin Kecheng, a Shanghai-based cyber actor linked to China's Ministry of State Security (MSS), and Sichuan Juxinhe Network Technology Co., a cybersecurity firm in Sichuan province. Both entities have been implicated in significant cyber intrusions targeting U.S. government networks and critical infrastructure. Yin Kecheng was directly tied to the breach of the Department of Treasury's network, while Sichuan Juxinhe was involved in the Salt Typhoon cyber-espionage campaign, which has targeted U.S. telecommunications and internet service providers as part of a broader intelligence operation. These actions underscore growing U.S. concerns over the persistent and reckless cyber threats posed by PRC-affiliated actors.

In addition to sanctions, the U.S. Department of State's Rewards for Justice (RFJ) program has announced a reward of up to \$10 million for information leading to the identification or location of individuals involved in malicious cyber activities on behalf of foreign governments. The U.S. is actively sharing intelligence with international partners to help identify and counter PRC-linked cyber intrusions while reinforcing best practices to secure global networks. These measures are part of a broader strategy to impose costs on malicious actors and deter future cyber threats to U.S. national security, critical infrastructure, and allied systems.

Nigeria Joins BRICS as Partner Country

Nigeria has been officially admitted as a partner country of the BRICS bloc, joining nations like Belarus, Bolivia, and Malaysia under the partnership framework established in October 2024. This inclusion marks a significant milestone for Nigeria, Africa's largest economy and most populous nation, and underscores its growing role in South-South cooperation and global governance reform. Brazil's Foreign Ministry highlighted Nigeria's alignment with BRICS priorities during Brazil's presidency, particularly in strengthening economic ties among developing nations and advocating for a more equitable international system.

As one of the world's leading oil producers, Nigeria's partnership with BRICS adds substantial economic weight to the bloc, which now represents over half of the global population and more than 45% of global GDP. However, its partner status does not include full membership privileges, such as voting rights, though it allows Nigeria to participate in BRICS meetings and initiatives. The expansion comes amid the bloc's plans to introduce an alternative payment system to reduce reliance on the U.S. dollar, a move that has drawn criticism and tariff threats from U.S. President-elect Donald Trump. Nigeria's growing influence in BRICS signals the increasing prominence of developing economies in reshaping global governance.

Biden Imposes Final AI Chip Export Restrictions on China and Russia

In a significant move to limit access to advanced artificial intelligence (AI) technology by adversarial states, the Biden administration announced a final round of restrictions targeting exports of U.S.-developed AI chips to China and Russia. These measures, which introduce a global framework categorizing countries into three tiers for AI chip exports, aim to secure U.S. technological leadership and prevent misuse in military or industrial espionage. While allies like Japan, South Korea, and Taiwan remain unaffected, China and Russia face new bans on acquiring the most powerful "closed" AI models, with further measures aimed at blocking indirect access through third-party countries.

The restrictions have drawn sharp criticism from U.S. tech giants, including Nvidia and Oracle, which argue that such policies risk stifling innovation and damaging American competitiveness in the global market. Industry leaders have expressed concerns over the scope and potential unintended consequences of these rules, suggesting they may hinder U.S. technology leadership rather than enhance national security. This announcement comes just days before President-elect Donald Trump's inauguration, leaving open the possibility for revisions during the 120-day public comment period. Senior Biden officials noted the urgency of implementing these restrictions to address China's rapid advancements in AI and semiconductors, a core pillar of Xi Jinping's self-reliance strategy. As the global demand for AI chips soars, these measures highlight escalating tensions in U.S.-China technological rivalry.

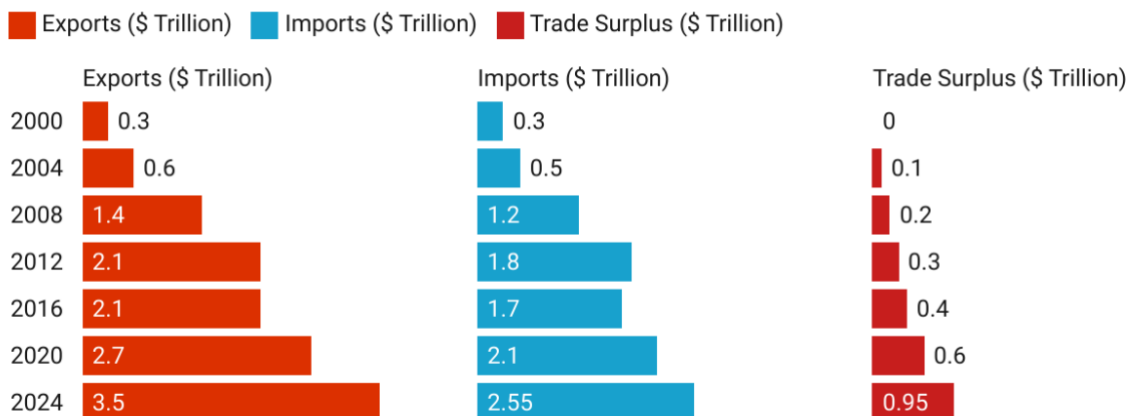
2. STATISTICS OF THE WEEK

China's Trade Surplus Soars to Record \$1 Trillion

China's trade surplus reached an unprecedented \$0.95 trillion in 2024, marking a record-breaking milestone in global trade history. This vast surplus underscores the dominance of Chinese exports, fueled by industries such as electric vehicles and solar panels, which have transformed the nation into a manufacturing and export powerhouse. Adjusted for inflation, this surplus exceeds any recorded in the past century, including those of historically export-driven nations like Germany and Japan, positioning China as a global economic leader on a scale not seen since post-World War II United States.

The surplus also highlights a sharp contrast between China's booming export sector and its cautious domestic consumption of imports. The overwhelming outflow of goods has triggered trade tensions with partners worldwide, as countries implement tariffs and countermeasures to address imbalances. These measures have led to retaliatory actions from China, raising concerns about a potential global trade war. The implications of this trade surplus extend beyond economic statistics, reflecting China's growing influence in the global economy and the challenges of navigating an increasingly complex international trade environment.

China's Trade Surplus



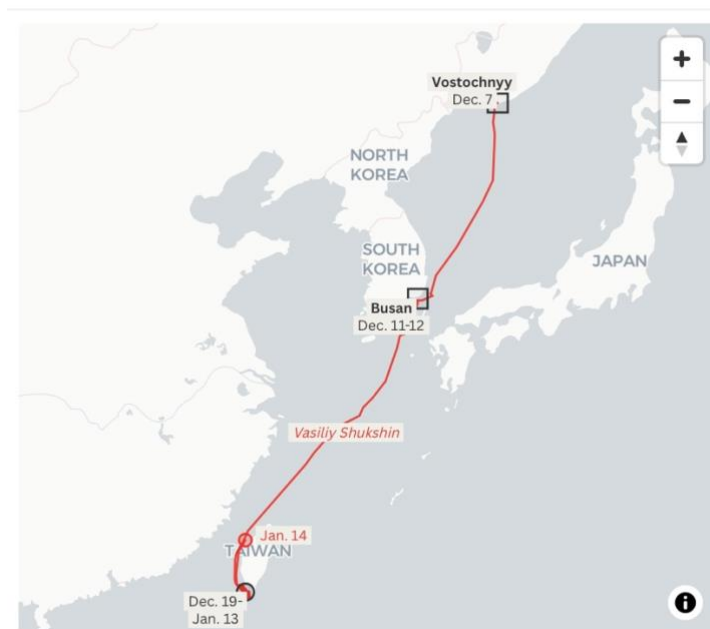
Created with Datawrapper

3. MAP OF THE WEEK

Russian Vessel's Suspicious Movements Near Taiwan's Undersea Cables

This week's map tracks the movements of the Russian cargo vessel Vasily Shukshin, which exhibited concerning behavior near undersea communication cables off Taiwan's coast. After departing from Vostochnyy, Russia, on December 7, and briefly stopping in Busan, South Korea, on December 11–12, the vessel loitered aimlessly near Taiwan's Fangshan undersea cable landing station from December 19 to January 13. The ship's unexplained presence in this critical area raised alarms about potential threats to vital undersea infrastructure, which supports global internet and communication systems.

Under growing scrutiny from maritime analysts and public exposure of its activities, the vessel abruptly departed Taiwan's waters on January 14, heading directly back to Russia. This incident highlights increasing Western concerns over potential sabotage of undersea cables, with NATO warning of threats to critical infrastructure posed by Russian and Chinese maritime activities. The map underscores the strategic significance of these undersea assets and the heightened vigilance necessary to protect them from potential disruptions.



Source: [MarineTraffic](#), [Global Fishing Watch](#)

Newsweek

<https://www.newsweek.com/map-russian-ship-taiwan-pacific-undersea-cables-2014606>

4. PHOTO OF THE WEEK

Historic Detention of South Korean President

This week's photo captures a vehicle carrying South Korean President Yoon Suk Yeol as it departs the Corruption Investigation Office for High-ranking Officials in Gwacheon on Wednesday. This moment marks a historic and dramatic turning point in South Korean politics, as Yoon becomes the first sitting president in the country's history to be detained in a criminal investigation. His detention follows a weeks-long standoff over his declaration of martial law, which plunged the nation into its most severe political crisis since democratization in the 1980s.

Yoon's arrest has polarized the country, with his supporters vehemently protesting the decision while the opposition views it as a step toward restoring political stability. The fallout of this unprecedented event underscores the growing fractures in South Korea's political landscape and raises critical questions about accountability, governance, and the future of democracy in the nation.



(Photo: Jung Yeon-Je / AFP - Getty Images)

<https://www.nbcnews.com/news/world/detained-south-korean-president-yoon-refuses-second-day-questioning-rcna187910>

5. INFOGRAPHIC OF THE WEEK

China's Record Trade Surplus in 2024

The featured infographic highlights China’s remarkable economic milestone in 2024, as the nation recorded a nearly \$1 trillion trade surplus—the largest globally in a century when adjusted for inflation. This achievement reflects a significant export boom, driven by the global demand for Chinese goods like electric cars, solar panels, and other manufactured products. Meanwhile, cautious domestic spending on imports further widened the trade gap, underscoring China’s dominance in international trade.

The global impact of this surplus is profound, with China’s manufacturing sector now likened to the dominance of the United States after World War II. However, this growth has exacerbated tensions with trade partners. Numerous countries, both industrialized and developing, have imposed tariffs to curtail China’s export surge, prompting countermeasures that risk escalating into a full-scale trade war. The infographic provides a comprehensive view of China's exports, imports, and trade surplus trends over the last two decades, illustrating the scale of its economic ascent.

CHINA'S RECORD TRADE SURPLUS IN 2024: NEARLY \$1 TRILLION

KEY HIGHLIGHTS

TRADE SURPLUS MILESTONE
China's trade surplus reached a record **\$1 TRILLION**, the largest globally in a century, adjusted for inflation.

EXPORT BOOM
Chinese exports, including electric cars, solar panels, and other goods, swamped global markets.

LOW IMPORT SPENDING
Domestic businesses and households showed caution in spending on imports.

GLOBAL IMPACT

MANUFACTURING DOMINANCE
Chinese factories now dominate global manufacturing like the U.S. post-WWII.

RISING TENSIONS
Increasing tariffs imposed by industrialized and developing countries to curb China's export surge.

China's countermeasures heighten risks of a global trade war.

China's Trade Surplus



6. REGIONAL ALLIANCES

Nigeria's Inclusion as a BRICS Partner Country

Nigeria's recent admission as a partner country in the BRICS bloc, a grouping originally formed by Brazil, Russia, India, China, and later joined by South Africa, marks a significant geopolitical and economic milestone. Established as a counterweight to the dominance of the G7 industrialized nations, BRICS has steadily expanded its influence, now representing over half the world's population and more than 45% of global GDP. The inclusion of Nigeria, announced during Brazil's pro tempore presidency, highlights the bloc's ongoing efforts to strengthen South-South cooperation, diversify global governance structures, and provide an alternative to the Western-centric global economic order. Nigeria joins eight other partner countries in this tiered membership model, reflecting the bloc's strategy of widening its influence while maintaining operational flexibility.

Nigeria's Strategic Role in BRICS

As Africa's largest economy and most populous country, Nigeria brings considerable weight to BRICS' initiatives. Its status as one of the world's leading oil producers aligns well with the bloc's aim to counterbalance the global economic hegemony of the U.S. and other Western nations. Nigeria's admission underscores its growing importance as a voice for Africa in global affairs, particularly in areas such as energy security, financial inclusion, and industrialization. Furthermore, Nigeria's robust participation in South-South cooperation aligns with BRICS' objectives of promoting economic growth and development within the Global South. The partnership strengthens BRICS' legitimacy as a platform for emerging and developing economies to reshape the rules of international trade and finance.

Despite its immense potential, Nigeria's role is currently limited to that of a partner country, a status introduced at the 16th BRICS Summit in Kazan in 2024. This allows Nigeria to participate in BRICS meetings and events but does not grant it full membership privileges such as voting rights. Nevertheless, this partnership opens the door for Nigeria to influence BRICS' broader agenda, particularly in the areas of alternative payment systems and reduced dependency on the U.S. dollar. The bloc's leaders are actively working on an alternative financial infrastructure, which could benefit Nigeria by diversifying its economic partnerships and reducing vulnerabilities to Western monetary policies.

Global Implications

Nigeria's inclusion in BRICS as a partner country adds a new layer of complexity to the evolving global power dynamics. The move comes at a time when the bloc is expanding rapidly, having recently added Iran, Egypt, Ethiopia, and the UAE as full members, while countries such as Turkey and Saudi Arabia have expressed interest in joining. BRICS' ability to challenge the Western-dominated financial system is becoming increasingly evident, with its commitment to introducing a non-dollar-based payment system

sparking debate in global financial circles. Nigeria's participation further strengthens BRICS' claim to represent the interests of the Global South, enhancing its legitimacy in advocating for a more equitable global governance structure.

However, Nigeria's alignment with BRICS may also carry risks. The U.S. has already voiced its opposition to BRICS' growing influence, with President-elect Donald Trump threatening 100% tariffs against the bloc if it undermines the U.S. dollar. This introduces a potential economic and geopolitical challenge for Nigeria, which has traditionally maintained strong ties with Western economies. Balancing its engagement with BRICS while preserving its relationship with the U.S. and other Western nations will be critical for Nigeria's long-term strategic interests.

Conclusion

Nigeria's admission as a BRICS partner country reflects its growing prominence as a leader in Africa and a key player in global economic affairs. While the partnership allows Nigeria to contribute to BRICS' initiatives and leverage its economic and demographic strengths, it also underscores the bloc's strategic intent to challenge the global economic order dominated by the West. For Nigeria, this partnership presents both opportunities and risks, offering a platform to amplify its voice in international governance while navigating the potential fallout from Western opposition. As BRICS continues to evolve, Nigeria's role within the bloc could serve as a bellwether for the future of South-South cooperation and the reshaping of global alliances.

7. ANALYSIS

Trump's Second Term Begins with Xi Call: A Precursor to U.S.-China Dynamics

President-elect Donald Trump's return to the White House on January 20, 2025, heralds a new chapter in the intricate and often contentious relationship between the United States and China. Against a backdrop of rising geopolitical and economic tensions, recent high-level exchanges between Trump and Chinese President Xi Jinping have set a cautiously optimistic tone for bilateral engagement. However, given the strategic rivalries that have defined their interactions in the past, the coming term is expected to witness a nuanced balance of dialogue and confrontation. This analysis examines the broader implications of Trump's second term for U.S.-China relations and the wider Asian region, with a focus on trade, technology, and strategic competition in the Indo-Pacific.

Re-engagement with China: Constructive Dialogue or Strategic Posturing?

The Trump-Xi phone call, described by both sides as "very good," signals an effort to recalibrate relations amid mounting bilateral tensions. Trump expressed his optimism for solving pressing issues "immediately," including trade imbalances, fentanyl trafficking, and the status of TikTok, a highly contentious matter following the U.S. Supreme Court's decision to uphold a ban unless the app's ownership is transferred to an American entity. Xi Jinping, for his part, emphasized the importance of stable U.S.-China ties, framing cooperation as mutually beneficial. While these exchanges reflect an intent to restore dialogue, they also highlight the stark realities of unresolved disputes and growing mistrust.

Despite the promising rhetoric, the underlying dynamics remain fraught. Trump's Cabinet picks include prominent China hawks, such as Marco Rubio for Secretary of State and Pete Hegseth for Defense Secretary, indicating a potential hardening of U.S. policy toward Beijing. Similarly, Trump's campaign trail promises of additional tariffs on Chinese goods underscore his administration's commitment to recalibrating trade relations, a move likely to provoke countermeasures from Beijing. These conflicting signals suggest that while dialogue may be emphasized publicly, strategic posturing will persist behind closed doors.

Economic Competition: Trade, Technology, and the Dollar's Dominance

Trade and technology are expected to be the two key battlegrounds of U.S.-China relations during Trump's second term. The president-elect has reiterated his stance on using tariffs as leverage, pledging to raise duties on Chinese imports until Beijing addresses perceived unfair trade practices and the flow of illicit fentanyl into the U.S. At the same time, Trump's rhetoric around decoupling U.S. supply chains from China suggests that American corporations will face mounting pressure to shift production to allied countries or domestic facilities.

The broader economic implications of these policies could be significant. China's record-breaking trade surplus of nearly \$1 trillion in 2024 underscores its global economic clout, particularly in the export of advanced technologies such as electric vehicles and solar panels. For its part, Beijing has indicated its commitment to counteracting U.S. economic measures, including by advancing its plans for a dollar-independent payment system with other BRICS members. This move could escalate a global economic divide, with trade and financial flows increasingly bifurcated between U.S.-aligned and China-aligned blocs.

Technology and National Security: The AI and TikTok Dilemmas

A critical element of the U.S.-China competition lies in the realm of technology. Trump's return to office coincides with heightened U.S. efforts to restrict Chinese access to advanced semiconductors and AI technology. The Biden administration's final wave of export curbs on AI chips and semiconductor equipment is now in effect, and it remains to be seen whether Trump will build upon or modify these measures. While the restrictions aim to safeguard U.S. technological leadership, they have faced criticism from American tech giants for potentially undermining their global competitiveness.

TikTok represents another flashpoint. Trump has promised to "save" the app from a complete ban, signaling a potential compromise that could allow its continued operation under stricter U.S. oversight. However, Beijing's reaction to such a deal could complicate matters, particularly if the terms are perceived as infringing on China's sovereignty or tech ambitions. The broader question of technological decoupling—encompassing 5G networks, AI, and quantum computing—will remain central to the bilateral agenda.

Indo-Pacific Strategy: Consolidating Alliances and Countering Beijing

Trump's second term is also likely to reinforce the United States' Indo-Pacific strategy, with an emphasis on countering China's growing influence in the region. Key pillars of this strategy include strengthening alliances with Japan, South Korea, and Australia, while encouraging greater burden-sharing among regional partners. Trump's previous efforts to reshape the Quad—a security dialogue involving the U.S., India, Japan, and Australia—could gain renewed momentum as Washington seeks to build a united front against Beijing's assertive policies in the South China Sea and Taiwan Strait.

Taiwan, in particular, is poised to become a focal point of U.S.-China tensions. While Trump supported Taiwan during his first term, his rhetoric has recently shifted, with demands for the self-ruled island to contribute more to its own defense. This hardening stance could exacerbate tensions with Beijing, which has consistently emphasized its intent to "reunify" Taiwan with the mainland, by force if necessary. How Trump navigates this delicate issue will be closely watched by regional stakeholders.

Conclusion

President-elect Donald Trump's impending return to the White House marks a pivotal moment for U.S.-China relations and the broader Asian region. While recent diplomatic overtures suggest a willingness to engage constructively, the structural challenges underlying the bilateral relationship—ranging from trade disputes to technological rivalry and Indo-Pacific security concerns—remain profound. Trump's mix of conciliatory rhetoric and confrontational policies reflects a complex strategy aimed at asserting U.S. leadership while managing an increasingly assertive China. The coming term promises to reshape the geopolitical and economic landscape of Asia, with implications that will resonate far beyond the region. Whether Trump's administration can strike a balance between cooperation and competition will ultimately determine the trajectory of one of the 21st century's most consequential relationships.

