

## Welcome to This Week's Asia on the Horizon

(19 MAY 2025)

As the Indo-Pacific finds itself at the intersection of renewed geopolitical realignments, strategic overtures, and fragile ceasefires, this week's developments spotlight the enduring volatility—and emerging opportunities—across Asia and beyond. From the tentative calm along the India–Pakistan border to China's deepening economic entanglements in Latin America, the contours of global influence are shifting with both speed and complexity.

Our latest issue unpacks a spectrum of pivotal dynamics. We begin with the fragile but significant ceasefire between India and Pakistan—brokered through quiet diplomacy and high-stakes backchannels—marking a rare moment of de-escalation in a historically combustible relationship. Meanwhile, the United States and China have reached a limited trade truce, temporarily reversing tariff escalations that have rattled global markets, while signaling the potential for renewed dialogue in an era of strategic rivalry.

Equally transformative is China's 2025 National Security White Paper, a sweeping declaration of “all-domain” defense that redefines how the Party-state conceives of threats and resilience—spanning ideology, AI, cyberspace, and global governance. Our infographic and deep-dive analysis break down this doctrine's implications for China's internal logic and external posture.

In South Korea, a snap presidential election has turned into a battleground of competing economic visions. Elsewhere, regional alliances are gaining fresh momentum. The China–CELAC Forum in Beijing showcased Beijing's accelerating engagement with Latin America, as Colombia officially joined the Belt and Road Initiative, Chile celebrated 55 years of diplomatic ties, and Brazil secured new trade and financial agreements—solidifying a south-south architecture of influence.

We also cover Australia's diplomatic recalibration, with Prime Minister Anthony Albanese prioritizing Jakarta in his post-election tour, while Japan advances a landmark cybersecurity law amid rising digital threats. Meanwhile, major disruptions continue in the auto industry, as Japanese firms like Honda and Nissan reel from U.S. tariffs and a turbulent electric vehicle market.

This issue closes with a snapshot of shifting global perceptions: a new international survey finds the U.S. falling behind China in net favorability—a signal of the broader narrative battles now shaping global legitimacy.

From diplomatic summits and defense agreements to cross-border commerce and popular opinion, Asia on the Horizon continues to trace the throughlines of transformation in a region that remains central to the 21st century. Whether you're a policy observer, academic, or business strategist, this edition offers insight into how Asia's choices—and its challengers—are rewriting the rules of global engagement.

Let's dive in.

## 1. KEY DEVELOPMENTS

### India–Pakistan Ceasefire Holds, But Shadow of Conflict Persists

After weeks of intensifying hostilities and cross-border violence that left more than 50 dead, India and Pakistan have entered a fragile but sustained ceasefire, defusing what many feared could spiral into the most dangerous South Asian crisis since 2019. As of mid-May, both militaries are holding to the informal truce, with quiet diplomatic and military-to-military channels reportedly active to prevent renewed escalation.

The immediate calm follows the covertly brokered success of what U.S. officials dubbed a "controlled de-escalation framework"—a backchannel mechanism spearheaded by the Biden-Trump transition team, Gulf intermediaries, and mid-level national security envoys. According to Reuters reporting, U.S. officials facilitated several rounds of undisclosed talks in Geneva and Abu Dhabi, during which both sides agreed to halt kinetic operations, re-establish hotlines, and allow limited International Red Cross access to impacted border areas.

Indian Prime Minister Narendra Modi, in a rare national address on May 12, described the military actions carried out under "Operation Sindoor" as a "preemptive and proportionate" response to what he called "unacceptable provocations" from Pakistan-based militants. Modi emphasized the operation's limited scope, claiming that it degraded cross-border insurgent infrastructure without expanding into full-scale conflict. He also framed the episode as a demonstration of India's new doctrine: strategic patience reinforced by calibrated deterrence.

Pakistan, for its part, reported over 50 casualties and accused India of violating the Line of Control with airstrikes and drone incursions. Islamabad called the Indian actions "aggression," while reaffirming its own "measured defensive response." Pakistani officials also criticized what they see as growing Indian weaponization of water resources—pointing to India's newly unveiled Indus River project, which aims to divert significant water flows from Pakistan-controlled areas. While New Delhi insists the project remains within the parameters of the Indus Waters Treaty, Pakistani officials warn of a "hydrological warfront" emerging in tandem with conventional and proxy threats.

Despite high-level rhetoric, signs of restraint are emerging. A meeting between Indian and Pakistani Directors General of Military Operations (DGMOs) was held via secure link on May 14—the first such exchange in over a year. Both sides reportedly agreed to maintain current ceasefire arrangements and reengage in risk-reduction dialogues. Notably, former U.S. President Donald Trump, speaking at a rally in Ohio on May 15, declared that the "India-Pakistan dispute is now settled," further underscoring Washington's desire to frame the ceasefire as a diplomatic victory.

Yet beneath the quiet, the drivers of volatility remain intact: unresolved territorial claims in Kashmir, entrenched proxy networks, nationalist political narratives, and shifting doctrines of deterrence.

## **U.S.–China Trade Truce: Tariff Reductions Signal Tentative De-escalation**

In a significant development, the United States and China have agreed to a 90-day reduction in tariffs, marking a potential de-escalation in their ongoing trade conflict. This agreement follows intensive negotiations held in Geneva, where both nations sought to mitigate the economic fallout from escalating tariffs that had disrupted global markets and supply chains.

Under the terms of the truce, the U.S. will reduce its tariffs on Chinese goods from 145% to 30%, while China will lower its tariffs on U.S. imports from 125% to 10%. This temporary relief is expected to ease tensions and provide a window for further negotiations aimed at achieving a more comprehensive trade agreement.

The announcement had an immediate positive impact on global financial markets. Investors reacted favorably, with stock markets rallying and the U.S. dollar strengthening, reflecting optimism about a potential resolution to the trade dispute. However, analysts caution that while the tariff reductions are a step in the right direction, significant challenges remain in addressing the underlying issues that have fueled the trade war.

U.S. Treasury Secretary Scott Bessent and Trade Representative Jamieson Greer described the Geneva talks as "constructive," emphasizing that substantial progress was made in bridging differences between the two countries. Chinese Vice Premier He Lifeng echoed this sentiment, noting that the discussions led to an "important consensus" and the establishment of a new economic dialogue forum to facilitate ongoing communication.

Despite the positive developments, the truce is temporary, and both sides acknowledge that more work is needed to resolve longstanding trade imbalances and structural issues. The 90-day period provides an opportunity for continued dialogue, but the outcome will depend on the willingness of both nations to make concessions and find common ground.

As the world's two largest economies navigate this complex relationship, the international community will be closely monitoring the situation, hopeful that this truce will lead to a more stable and mutually beneficial trade partnership.

## **China Unveils National Security White Paper, Signaling Shift to All-Domain Strategy**

On May 12, 2025, the State Council Information Office of China released a landmark white paper titled "China's National Security in the New Era," outlining Beijing's evolving doctrine in an increasingly volatile world. The document emphasizes a shift toward "holistic security," expanding the definition of national security well beyond

traditional military boundaries. It integrates political, economic, technological, cultural, ecological, societal, and space domains under a unified framework—underscoring the Communist Party’s role as both architect and guarantor of security. Officials described the white paper as a “strategic blueprint for national rejuvenation,” rooted in Xi Jinping’s Global Security Initiative and underpinned by the principle of “coordinating development and security at every stage of governance.”

A notable feature of the paper is its dual focus: domestic consolidation and international positioning. On the internal front, it stresses ideological control, cybersecurity, anti-terrorism, and public opinion management, aligning closely with the Party’s priorities for regime stability and risk prevention. Externally, China reaffirms its opposition to “hegemonism and bloc confrontation,” while promoting multipolarity, equitable global governance, and regional security arrangements outside the U.S.-led alliance system. The document highlights China’s efforts to secure critical infrastructure, protect overseas interests, and navigate emerging threats in space and AI. Analysts interpret the paper as a response to mounting geopolitical pressure from the U.S., Japan, and India—recasting national security as the central axis around which all aspects of Chinese statecraft now revolve.

## **South Korea’s Snap Election Opens with Economic Stakes at Center Stage**

South Korea has officially launched its presidential campaign season ahead of the June 3 snap election, prompted by the impeachment of President Yoon Suk Yeol following a controversial martial law decree. The two leading contenders—liberal opposition figure Lee Jae-myung and conservative Kim Moon-soo—are staking their campaigns on competing visions to revive South Korea’s slowing economy. Lee, who narrowly lost the 2022 election, leads in polls and has promised sweeping investments in artificial intelligence and cultural exports. He also seeks constitutional reform to allow two presidential terms and limit the use of emergency powers.

Kim, a former labor minister with hardline credentials, is running on a platform of economic deregulation, support for small businesses, and a tougher national security stance—including calls to redeploy U.S. tactical nuclear weapons. He has pledged to negotiate tariff exemptions directly with former President Donald Trump. Both candidates are navigating a fragile economic climate marked by export contraction, consumer weakness, and mounting pressure from U.S. tariffs. Their first televised debate is expected to draw wide public attention as voters weigh continuity, accountability, and crisis management.

## **U.S. Global Image Falls Below China in New Survey**

A recent global survey by the Alliance of Democracies Foundation reveals a significant decline in the United States’ international standing, with its net perception rating dropping from +22% in 2024 to -5% in 2025. Only 45% of countries surveyed view the U.S. positively, a sharp decrease from 76% the previous year. In contrast, China’s net perception improved from +5% to +14%. The survey, encompassing over 111,000

respondents across 100 countries, indicates that President Trump's policies—such as initiating a trade war, straining alliances, and controversial diplomatic actions—have contributed to this shift in global opinion.

Notably, President Trump's global image is more negative than that of Russian President Vladimir Putin and Chinese President Xi Jinping, with unfavorable views in 82 countries. The findings precede the Copenhagen Democracy Summit scheduled for May 13–14, highlighting concerns about the U.S.'s diminishing influence and the potential implications for its role in promoting democratic values worldwide.

### **China Deepens Ties with Latin America at China-CELAC Forum**

At the fourth ministerial meeting of the China-CELAC Forum in Beijing on May 13, 2025, President Xi Jinping announced a \$10 billion credit line to Latin American and Caribbean nations, aiming to bolster development and promote the international use of the yuan. He emphasized China's commitment to multilateralism and criticized unilateral actions, stating that "bullying and hegemony will only result in self-isolation." Xi also introduced visa-free travel policies for five unspecified countries in the region, signaling a move towards stronger diplomatic and economic ties under the Belt and Road Initiative.

The forum, attended by leaders from Brazil, Colombia, and Chile, highlighted China's growing influence in Latin America amid ongoing trade tensions with the United States. Trade between China and Latin America reached \$515 billion in 2024, a significant increase from \$12 billion in 2000. While countries like Brazil have welcomed Chinese investments, President Luiz Inácio Lula da Silva cautioned against overdependence on any single global power, advocating for regional autonomy in economic decisions.

### **China Grants Visa-Free Entry to Five Latin American Nations**

In a significant move to bolster diplomatic and economic ties, China announced on May 15, 2025, that it will implement a one-year visa-free policy for nationals of Brazil, Argentina, Chile, Peru, and Uruguay. Effective from June 1, 2025, this policy allows citizens from these countries to enter China without a visa for stays of up to 30 days. Chinese Foreign Ministry spokesperson Lin Jian stated that this initiative aims to facilitate travel and promote closer economic and diplomatic relationships between China and Latin American countries.

This development follows a high-profile forum in Beijing between Chinese and Latin American and Caribbean officials, where President Xi Jinping pledged increased engagement with the region, including a new \$9 billion credit line and expanded infrastructure investment. The visa-free policy is expected to enhance people-to-people exchanges and strengthen China's presence in Latin America, aligning with its broader strategy to deepen ties with the Global South.

## China and Chile Mark 55 Years of Diplomatic Ties with Strategic Expansion

At the sidelines of the fourth China–CELAC ministerial forum in Beijing, President Xi Jinping met with Chilean President Gabriel Boric to commemorate 55 years of diplomatic relations and outline an ambitious future for bilateral cooperation. Xi emphasized China’s intent to deepen its comprehensive strategic partnership with Chile, calling it a model of South-South cooperation and common development. Key focus areas include the Belt and Road Initiative, green minerals, polar science, artificial intelligence, biomedicine, and digital infrastructure. The two sides also agreed to enhance cooperation in education, media, and cultural exchange, while strengthening joint efforts to protect sovereignty, promote peace, and advance multilateral governance.

President Boric, who presented Xi with a copy of *The Governance of China* for signature, reaffirmed Chile’s commitment to the One China principle and praised the bilateral relationship as one built on “trust and mutual respect.” He highlighted new collaboration in Antarctic science, energy transition, and sustainable development, and advocated for trade to remain multilateral, inclusive, and mutually beneficial—rejecting protectionism and unilateralism. Multiple agreements were signed during the visit, including in publishing, quarantine inspection, and think tank cooperation. The leaders jointly positioned their partnership as a pillar of Latin America's engagement with China and a platform for global equity and institutional reform.

## China and Brazil Cement Strategic Ties

During a four-day state visit to Beijing, Brazilian President Luiz Inácio Lula da Silva and Chinese President Xi Jinping pledged to uphold free trade and multilateralism, opposing unilateralism and protectionism. The leaders witnessed the signing of 20 bilateral agreements, including significant deals to boost Brazilian agricultural exports to China. Lula emphasized the necessity of the countries' relationship, highlighting deepening cooperation amid global trade uncertainties.

The visit also featured a business forum where Brazil's trade and investment promotion agency reported attracting approximately 27 billion reais (\$4.8 billion) in Chinese investment. Additionally, Brazil signed protocols with China to allow exports of distillers dried grains (DDGs), challenging U.S. dominance in that market. The two nations also agreed on a currency swap deal worth up to 157 billion reais (\$27.69 billion) to enhance financial cooperation.



## Colombia Joins China's Belt and Road Initiative, Deepening Bilateral Ties

On May 14, 2025, Colombian President Gustavo Petro and Chinese President Xi Jinping signed a joint cooperation plan in Beijing, officially bringing Colombia into China's Belt and Road Initiative (BRI). This move positions Colombia among over 150 countries participating in the BRI, including more than 20 Latin American nations. China has become Colombia's second-largest trading partner, recently surpassing the United States as the primary source of imports. President Xi expressed China's readiness to import more high-quality Colombian products, support Chinese firms investing in Colombia, and collaborate on infrastructure projects .

President Petro emphasized that Colombia's participation in the BRI aims to strengthen industrial development, advance artificial intelligence initiatives, and diversify trade. He highlighted the decision as a significant step in enhancing relations between China and Latin America . However, the move has raised concerns among some economists and politicians about potential repercussions on Colombia's relationship with the United States, its largest trading partner. Critics urge transparency regarding the agreement's terms to ensure that Colombia's sovereignty and existing strategic alliances are not compromised .

## Albanese Sworn in for Second Term After Historic Labor Landslide

On May 13, 2025, Prime Minister Anthony Albanese and his cabinet were officially sworn in, marking the commencement of Labor's second term following a decisive victory in the May 3 federal election. Labor secured 93 out of 150 seats in the House of Representatives—the party's strongest performance since federation in 1901. The election outcome was widely interpreted as a repudiation of opposition leader Peter Dutton's Trump-style policies, including proposed public service cuts and rigid workplace mandates. Dutton not only led the Coalition to defeat but also lost his own seat, prompting the Liberal Party to appoint Sussan Ley as its first female leader.

Albanese's second-term cabinet retains key figures in foreign affairs, defense, and trade, while introducing new appointments such as Michelle Rowland as attorney-general and Tanya Plibersek as social services minister. The government has pledged to prioritize housing affordability, renewable energy, and economic resilience amid global uncertainty. Albanese's first international engagement post-election was a visit to Jakarta, where he met with Indonesian President Prabowo Subianto to enhance defense and economic cooperation. He is also scheduled to attend the inauguration of Pope Leo XIV in Rome, with plans to meet European Union leaders to discuss trade and regional security.

## **Albanese Prioritizes Indonesia in First Overseas Visit of Second Term**

On May 15, 2025, Australian Prime Minister Anthony Albanese embarked on his first international trip since re-election, meeting with Indonesian President Prabowo Subianto in Jakarta. The visit underscored Australia's commitment to strengthening ties with its northern neighbor, focusing on defense cooperation and economic partnerships. Albanese emphasized Indonesia's role as an "indispensable partner," highlighting the importance of collaborative efforts in regional security and trade diversification.

Discussions between the two leaders included the advancement of a defense cooperation treaty, which encompasses maritime security and counter-terrorism initiatives. Albanese also addressed concerns over regional stability, noting Indonesia's rejection of a Russian request to establish a military presence in Papua, near Australia's northern coast. Economically, the leaders explored avenues to enhance bilateral trade, with Australia aiming to reduce reliance on China by engaging more deeply with Southeast Asian markets.

## **EU and Japan Deepen Ties with Landmark Quantum Science Collaboration**

The European Union and Japan have unveiled a significant new initiative to reinforce their research and innovation cooperation in quantum science and technology. The strategic partnership aims to combine the technical expertise and forward-thinking research strategies of both regions, facilitating joint projects that promise to accelerate breakthroughs in quantum computing, communications, and related fields. This collaborative effort is designed to secure a competitive technological edge on the global stage, enable more effective funding mechanisms, and ultimately drive economic growth while addressing security and digital sovereignty challenges.

By pooling resources and aligning research agendas, the EU and Japan plan to establish a robust framework for knowledge-sharing and the development of next-generation quantum technologies. The initiative underscores both partners' commitment to fostering innovation through deep scientific cooperation and enhancing their influence in the rapidly evolving domain of quantum science. As the project advances, stakeholders expect that the breakthrough technologies emerging from this alliance will not only transform industries but also fortify the broader digital infrastructure that underpins economic and strategic priorities across both regions.



## **China Expands UN Peacekeeping Role with New Commitments**

China has announced plans to introduce new peacekeeping commitments and support the ongoing reform and transformation of the United Nations' peacekeeping operations. According to state news agency Xinhua, Chinese Defence Minister Dong Jun emphasized China's consistent role as a firm supporter and constructive participant in UN peacekeeping efforts during a meeting with UN Secretary-General António Guterres. This move underscores China's continued engagement and proactive stance in international peacekeeping initiatives.

The announcement comes as China seeks to enhance its global influence and contribute to international stability. By presenting new commitments and advocating for reforms, China aims to play a more significant role in shaping the future of UN peacekeeping missions. This development reflects China's broader strategy to position itself as a key player in global governance and multilateral cooperation.

## **Germany and Philippines Sign Defense Pact Amid South China Sea Tensions**

On May 14, 2025, Germany and the Philippines signed a comprehensive defense cooperation agreement in Berlin, marking a significant step in Manila's efforts to diversify its security partnerships beyond traditional allies. The agreement, signed by Philippine Defense Secretary Gilberto Teodoro and German Defense Minister Boris Pistorius, encompasses expanded collaboration in cybersecurity, military logistics, defense armament, and United Nations peacekeeping operations. This pact builds upon a 1974 agreement focused on training Armed Forces of the Philippines personnel in Germany, reflecting a deepening of bilateral military relations.

The new defense arrangement comes as the Philippines seeks to bolster its external defenses amid escalating tensions with China over the contested South China Sea. Germany's commitment to freedom of navigation was previously demonstrated by the deployment of two warships to the Indo-Pacific region in September 2024. In addition to the agreement with Germany, the Philippines has recently signed defense deals with New Zealand and is expected to finalize similar agreements with Canada and France, indicating a strategic shift towards broader international military cooperation.

## **Japan Seeks Third Round of U.S. Trade Talks Amid Auto Tariff Pressures**

Japan is preparing for a third round of trade negotiations with the United States, aiming to secure exemptions from impending U.S. tariffs on automobiles and auto parts. Chief trade negotiator Ryosei Akazawa may travel to Washington next week, contingent on progress in preliminary discussions. The talks are critical as Japan faces a potential 24% tariff on its automobile exports starting in July, a significant concern for its export-driven economy. Japan is considering concessions, including increased imports of U.S. corn and soy, technical cooperation in shipbuilding, and revisions to auto inspection standards, to facilitate an agreement.

The urgency is heightened by the economic impact of existing tariffs, with companies like Mazda reporting a 45.1% drop in net profit for the fiscal year ending in March. Nissan CEO Ivan Espinosa has also urged for expedited negotiations to provide clarity for the automotive industry. Additionally, Japan is considering subsidies for Tesla's Supercharger EV stations to address U.S. concerns over charging infrastructure standards, reflecting a broader strategy to resolve trade tensions.

## **Honda Forecasts 59% Profit Decline Amid U.S. Tariffs and EV Market Challenges**

Honda Motor Co. has projected a significant 59% decrease in operating profit for the fiscal year ending March 31, 2026, anticipating earnings of 500 billion yen (\$3.38 billion), down from 1.21 trillion yen the previous year. The company attributes this decline primarily to the impact of U.S. President Donald Trump's tariffs on foreign-made automobiles, which are expected to cost Honda approximately 650 billion yen in fiscal 2026. Of this amount, 300 billion yen is linked to tariffs on imports of around 550,000 finished vehicles. Honda estimates it can offset about 200 billion yen through various mitigation efforts.

In response to the current slowdown in electric vehicle (EV) demand and economic uncertainties, Honda has announced a two-year postponement of its plan to build an EV supply chain in Ontario, Canada. This decision reflects broader challenges in the automotive industry, including increased competition from Chinese EV manufacturers. Additionally, merger talks between Honda and Nissan ended earlier this year, though both companies continue to collaborate on technology initiatives. Honda's CEO, Toshihiro Mibe, emphasized the company's commitment to exploring new growth avenues through strategic partnerships, particularly in the face of evolving market dynamics.

## **Nissan Announces 20,000 Global Job Cuts Amid Record Losses**

Nissan Motor Co. is set to eliminate over 10,000 additional jobs worldwide, bringing total layoffs to approximately 20,000—about 15% of its global workforce—as part of a sweeping restructuring plan under new CEO Ivan Espinosa. The automaker reported a record net loss of up to ¥750 billion (\$5.08 billion) for the fiscal year ending March 2025, driven by impairment charges, declining sales in key markets like the U.S. and China, and intensified competition from Chinese electric vehicle manufacturers. The restructuring includes shutting down seven of its 17 manufacturing plants and reducing its global production capacity by 20%.

Espinosa's turnaround strategy aims to cut costs by ¥500 billion (\$3.39 billion) over two years, streamline operations by reducing idle production capacity from 30% to nearly zero, and simplify the parts lineup by 70%. Despite these aggressive measures, Nissan faces significant challenges, including a lack of compelling new models, weak performance in electric vehicles, and the impact of new U.S. tariffs on imported vehicles. The company plans to launch around ten new vehicles in China over the coming years to counter declining sales in the world's largest auto market.

## Malaysia's Anwar Ibrahim Confronts Putin Over MH17 Downing

During a three-day diplomatic visit to Moscow, Malaysian Prime Minister Anwar Ibrahim met with Russian President Vladimir Putin to address the 2014 downing of Malaysia Airlines Flight MH17. The meeting followed a recent ruling by the International Civil Aviation Organization (ICAO) holding Russia responsible for the tragedy that claimed 298 lives, including 43 Malaysians. Anwar emphasized Malaysia's commitment to seeking justice for the victims and their families, underscoring the importance of accountability in the wake of the ICAO's findings.

In response, President Putin expressed condolences to the bereaved families and advocated for a thorough, unbiased investigation. He reiterated Russia's stance, rejecting the ICAO's conclusions as biased, yet indicated a willingness to cooperate further to enhance the credibility of the investigation. Anwar's visit also aimed to strengthen bilateral ties in sectors such as trade, agriculture, education, aerospace, and energy, reflecting Malaysia's broader strategy to engage with global partners while addressing critical issues of international concern.

## India Offers Zero-Tariff Deal to U.S. Amid Looming Trade Deadlines

On May 15, 2025, U.S. President Donald Trump announced that India has proposed a trade agreement eliminating tariffs on American goods. This offer comes as New Delhi seeks to finalize a deal within a 90-day window established by Trump's April 9 tariff pause. The pause was intended to delay tariff increases for major U.S. trading partners, including a proposed 26% tariff on Indian imports. Trump acknowledged the challenges of accessing the Indian market but highlighted the significance of India's zero-tariff proposal.

India's proposal includes reducing duties to zero on 60% of tariff lines in the initial phase and offering preferential access to nearly 90% of U.S. merchandise imports. In return, India seeks to avoid the impending tariffs and secure favorable terms for its exports. The announcement positively impacted Indian financial markets, with the BSE Sensex and NSE Nifty 50 both gaining approximately 1.5%. However, the Indian rupee experienced a slight decline, closing at 85.55 against the U.S. dollar, influenced by increased dollar demand from banks and corporations.

Further discussions are anticipated as India's Trade Minister Piyush Goyal leads a delegation to the U.S. starting May 16 to advance negotiations. Both nations aim to double their bilateral trade to \$500 billion by 2030, building on the \$129 billion recorded in 2024.

## **China Hosts First SCO Trade Union Summit to Advance Global Labor Governance**

On May 15, 2025, China hosted the first multilateral meeting of trade union federations under the Shanghai Cooperation Organization (SCO) framework in Beijing. The gathering brought together representatives from SCO member countries, including Belarus, India, and Kazakhstan, to discuss enhancing workers' benefits and fostering a fairer working environment. This initiative aligns with China's current role as the rotating president of the SCO for 2024–25, aiming to promote the "Shanghai Spirit," which emphasizes mutual trust, mutual benefit, equality, consultation, respect for cultural diversity, and the pursuit of common development.

Xu Liuping, vice-president of the All-China Federation of Trade Unions (ACFTU), highlighted the federation's century-long commitment to protecting workers' rights, enhancing skills, and resolving labor issues. He emphasized the ACFTU's active role in promoting harmonious labor relations and improving services in the modern era. Xu also expressed the federation's dedication to upholding the Shanghai Spirit and collaborating with SCO trade union federations to advance global labor governance, improve workers' benefits, and create a more equitable working environment.

## **Japan Enacts Landmark Active Cyber Defense Law Amid Rising Digital Threats**

On May 16, 2025, Japan's parliament passed the Active Cyber Defense (ACD) Law, marking a significant shift in the nation's cybersecurity strategy. The legislation empowers the government to take proactive measures against cyber threats, including monitoring international communications and neutralizing malicious servers. This move comes in response to a surge in cyberattacks targeting Japan's critical infrastructure, often attributed to foreign state-sponsored actors. The law aims to bolster Japan's cyber defense capabilities to levels comparable with major Western nations.

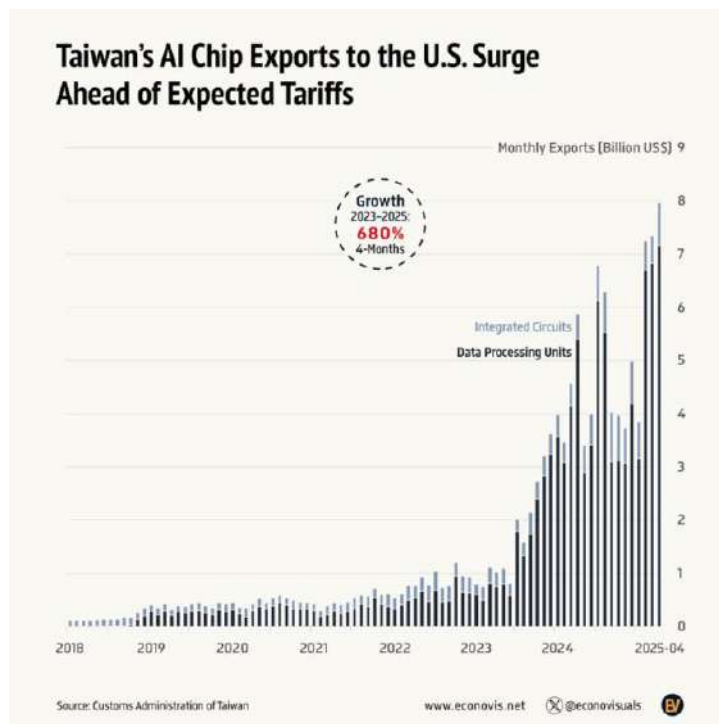
To address privacy concerns, the ACD Law includes provisions for oversight by an independent body and limits surveillance to technical data, such as IP addresses, excluding the content of communications. The legislation also mandates that operators of critical infrastructure report cyber incidents to authorities. Despite these measures, Japan faces a significant shortage of cybersecurity professionals, with an estimated deficit of 110,000 experts, highlighting the need for continued investment in cyber defense resources.

## 2. STATISTICS OF THE WEEK

### Taiwan's AI Chip Exports to the U.S. Hit Record High Ahead of Tariffs

Taiwan's AI chip exports to the United States surged to an all-time high of \$8.0 billion in April 2025, reflecting a sharp 680% increase over the past four months and a 62% year-on-year rise. According to the Customs Administration of Taiwan, the spike is largely driven by accelerated shipments of integrated circuits and data processing units, as suppliers rush to preemptively front-load exports ahead of impending U.S. tariffs on advanced semiconductor components.

This surge underscores Taiwan's pivotal role in the global AI hardware supply chain and illustrates how trade policy uncertainty continues to reshape export behavior. With the Biden-Trump tariff transition stoking fears of expanded duties on Taiwanese tech goods, chipmakers are racing to secure access to U.S. markets. The data reveals both the vulnerability of just-in-time supply networks to geopolitical pressures and the extent to which Taiwan's semiconductor sector is intertwined with U.S. innovation and industrial strategy.



<https://x.com/econovisuals/status/1922293156046901343?s=46>

### 3. MAP OF THE WEEK

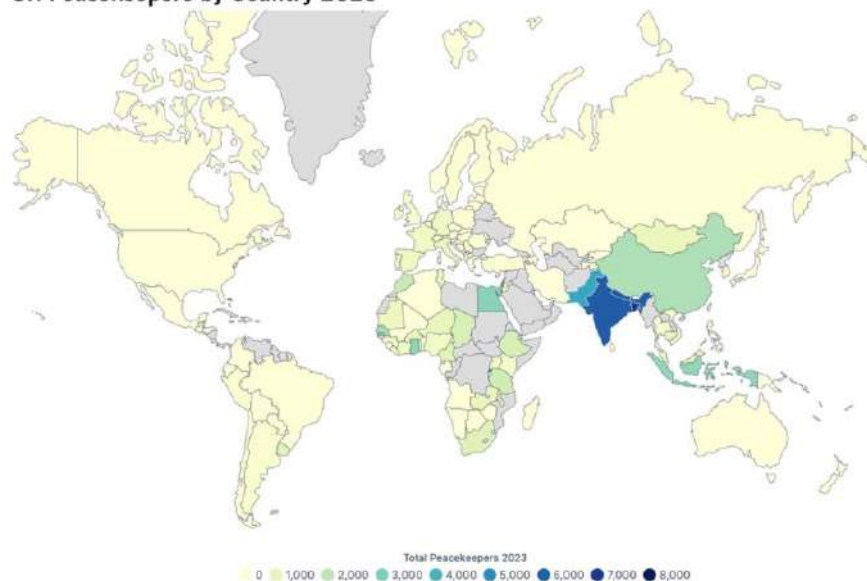
#### UN Peacekeeping in 2025: South Asia Leads, China Expands Its Footprint

This week's map visualizes the distribution of UN peacekeepers by contributing country in 2025, revealing both continuity and subtle shifts in global peacekeeping dynamics. South Asia remains the undisputed epicenter of personnel contributions, with Nepal (6,114), Rwanda (5,904), Bangladesh (5,859), and India (5,466) leading the ranks. These countries continue to view peacekeeping as a source of diplomatic leverage, military training, and international prestige.

While the map is dominated by lighter tones reflecting minimal troop contributions from most of the Global North, one notable trend is the sustained—albeit relatively modest—increase in China's peacekeeping deployment. With 1,802 peacekeepers in 2024, China has narrowed the gap with traditional contributors like Pakistan and Ghana. This marks a steady rise from previous years and aligns with Beijing's broader push to present itself as a stabilizing force in global governance. Recent announcements from China's Ministry of Defense about new peacekeeping commitments reinforce this trajectory.

China's growing role, however, remains quantitatively limited when compared to its political ambitions and economic heft. Its peacekeeping strategy is best understood as part of a broader diplomatic posture: supporting multilateralism, showcasing soft power, and bolstering its image as a responsible great power under the Global Security Initiative (GSI). Unlike top contributors who often provide infantry and logistics battalions, China's deployments frequently focus on specialized units—engineers, medical teams, and transport detachments—which enhance operational capacity while minimizing political risk.

UN Peacekeepers by Country 2025



<https://worldpopulationreview.com/country-rankings/un-peacekeepers-by-country>



## 4. PHOTO OF THE WEEK

### China-CELAC Forum Convenes in Beijing Amid Expanding Interregional Dialogue

This week's photo shows leaders and senior officials from China and the Community of Latin American and Caribbean States (CELAC) posing for a group photo at the Fourth Ministerial Meeting of the China-CELAC Forum, held at the China National Convention Center in Beijing. Among those pictured are Chinese President Xi Jinping, Colombian President Gustavo Petro (representing the CELAC presidency), Brazilian President Luiz Inácio Lula da Silva, and Chilean President Gabriel Boric, alongside foreign ministers and delegates from across the LAC region.

The forum focused on strengthening China-LAC cooperation through initiatives in trade, infrastructure, sustainable development, and multilateral coordination. Against the backdrop of the Forbidden City, the photo underscores growing institutional ties between China and Latin American countries at a time of shifting global dynamics. Key areas discussed included Belt and Road cooperation, climate adaptation, digital technology, and support for UN-centered multilateralism. The image reflects a moment of diplomatic engagement between the two regions as they explore new frameworks for political and economic collaboration.



[http://www.chinacelacforum.org/eng/zyxw\\_1/202505/W020250515387129614669.jpg](http://www.chinacelacforum.org/eng/zyxw_1/202505/W020250515387129614669.jpg)

## 5. INFOGRAPHIC OF THE WEEK

### China's National Security White Paper Outlines Strategic Vision for a Turbulent Era

This week's infographic breaks down the key highlights of China's 2025 white paper on national security, titled "China's National Security in the New Era." The document introduces a broad, multidimensional approach to security that merges traditional state-centric concerns with emerging domains such as cyberspace, maritime access, and global health resilience. At its foundation are seven core pillars, including a "holistic national security concept," sustainable modernization, and the integration of development with security capacity-building.

The paper outlines China's five global commitments, including support for emerging economies, promotion of shared growth, and adherence to multilateralism. Key domains span political, territorial, and technological sovereignty, along with a stated focus on overseas interests. The infographic also highlights notable achievements—ranging from a drop in PM2.5 air pollution and grain output gains, to an improved innovation ranking and large-scale citizen evacuations abroad. As global security challenges grow more complex, the white paper positions China's evolving doctrine as both reactive and aspirational in shaping the international order.



## 6. REGIONAL ALLIANCES

### China-CELAC Forum 2025: Strengthening South-South Cooperation in a Shifting Global Order

As geopolitical competition intensifies and global institutions face mounting strain, regional forums have re-emerged as key platforms for diplomatic consensus-building. The Fourth Ministerial Meeting of the China-CELAC Forum, held in Beijing from May 13–14, 2025, brought together leaders and senior officials from over 30 Latin American and Caribbean nations in a prominent display of interregional coordination. Launched in 2015, the China-CELAC Forum has grown into a cornerstone of Beijing’s diplomatic engagement with the Global South, providing an institutionalized setting for political dialogue, economic cooperation, and multilateral positioning.

#### China’s Message: Unity in Uncertainty

Chinese President Xi Jinping used the occasion to reinforce China’s long-standing message of “shared development, mutual respect, and multilateralism.” His keynote speech explicitly warned against “bullying and bloc confrontation”—a clear reference to U.S. policy—and called for nations to “stand united” amid economic volatility and global transformation. Xi pledged a \$9.2 billion line of credit for development projects in the region and reaffirmed support for expanded cooperation under the Belt and Road Initiative (BRI). Emphasizing China’s commitment to Latin American development, Xi framed the forum as a “strong, flourishing tree” rooted in trust, trade, and historical friendship.

Several leaders, including Brazil’s Luiz Inácio Lula da Silva, Colombia’s Gustavo Petro, and Chile’s Gabriel Boric, echoed themes of equity, sovereignty, and non-alignment. Petro formally signed a cooperation plan for Colombia to join the BRI, further aligning the country with the majority of CELAC members who have already signed on. Meanwhile, Boric called for reforming global governance institutions and deepening collaboration in science, energy, and culture. Lula reaffirmed Brazil’s interest in a multipolar global order—one that enables strategic autonomy while strengthening economic resilience.

#### CELAC’s Growing Role in Geoeconomics

The CELAC bloc’s presence in Beijing signals the growing strategic relevance of Latin America and the Caribbean in global affairs. With two-thirds of the region’s countries now integrated into China’s BRI and China having surpassed the U.S. as the leading trading partner of Brazil, Chile, and Peru, the China-CELAC Forum has moved from symbolic dialogue to substantial policy coordination. Issues on the agenda included digital transformation, agricultural trade, health infrastructure, and climate finance. In parallel, CELAC members have increasingly voiced interest in rebalancing external partnerships without becoming arenas of great power rivalry.

The forum also highlighted regional aspirations for increased investment, technology transfer, and diversified trade. While no collective declaration was issued, multiple

bilateral and multilateral agreements were signed during the summit, ranging from infrastructure development to educational and media collaboration.

### **Outlook: Constructive Engagement or Competitive Bloc?**

As the China-CELAC Forum matures, it is poised to play a more prominent role in shaping South-South cooperation frameworks. However, questions remain over how member states will navigate tensions between strategic diversification and longstanding ties to Western institutions. While the 2025 summit reaffirmed commitment to multilateralism and development, the forum's longer-term impact will depend on the delivery of concrete outcomes and the ability to avoid zero-sum alignments in an increasingly fragmented world.

In the current geopolitical climate, China-CELAC cooperation offers an alternative vision—one that emphasizes economic pragmatism, political non-interference, and inclusive diplomacy. Whether this vision can be translated into a stable and equitable interregional partnership remains a central question for the post-pandemic international order.

## 7. ANALYSIS

### Xi Jinping's Security Doctrine: Between Strategic Confidence and Systemic Anxiety

China's newly released national security white paper, "China's National Security in the New Era", represents a defining statement of how the Chinese Communist Party (CCP) under Xi Jinping conceives of power, vulnerability, and global responsibility in 2025. At once sweeping and granular, the white paper reveals a country deeply attuned to its internal fragilities and external pressures—yet equally determined to assert a uniquely Chinese path to modernization, order, and leadership on the world stage.

At the center of this vision is Xi's "overall national security concept" (总体国家安全), an all-encompassing doctrine first unveiled in 2014 but now elevated to doctrinal prominence. Under this framework, national security is no longer confined to military strength or border protection. It extends to economics, technology, ecology, ideology, data, culture, and even public morality. The Party declares that security must "serve the people" while simultaneously safeguarding its own leadership, portraying internal stability as inseparable from national prosperity.

#### From Development-First to Security-First

The 2025 white paper marks a decisive departure from the Deng Xiaoping-era ethos of "development as the hard truth." Where earlier leadership prioritized economic growth with security as a supportive condition, Xi's approach reverses the hierarchy: development is still essential, but only as long as it enhances security and political control. This shift is reflected in the slogan featured in the white paper—"reinforcing security in development and pursuing development in security"—a message with powerful implications for policymaking across sectors.

The consequences are visible in both domestic and foreign policy. The paper emphasizes China's "security modernization" as integral to its broader modernization agenda. It commits to strengthening legal frameworks, consolidating Party control over state institutions, and investing in cutting-edge surveillance and cyber capabilities. At the same time, the emphasis on ideological security—guarding against foreign cultural influence, liberal values, and perceived separatism—has been codified in increasingly assertive laws and tightened media oversight. Security, in Xi's formulation, is as much about controlling narratives as it is about defending borders.

## Security and Sovereignty: Twin Anchors

Externally, the white paper presents China as a nation under growing strategic pressure—citing “containment” and “coercion” by Western powers, particularly the United States. It warns of intensifying risks in maritime zones, cyberspace, and economic networks, all while reiterating that China will “never sacrifice its core interests.” The message is clear: Taiwan, Hong Kong, the South China Sea, and key tech sectors like semiconductors are no longer just policy challenges—they are red lines woven into China’s existential self-conception.

Yet Beijing’s international message remains dual-tracked. Alongside this hardening of sovereignty claims, the white paper reiterates China’s commitment to “true multilateralism” and Xi’s Global Security Initiative (GSI), which calls for cooperative, non-hegemonic global governance. The document’s language repeatedly frames China as a responsible power seeking mutual benefit and win-win outcomes—even as it fortifies its strategic position. This balancing act—between assertive sovereignty and cooperative rhetoric—has become a defining feature of China’s diplomacy under Xi.

## Internal Cohesion, External Projection

One of the white paper’s most telling elements is its linkage of domestic governance with global ambition. By prioritizing “political security” and social cohesion as the foundation of national rejuvenation, the Party underscores its belief that global strength begins with domestic control. That belief is reflected in the extensive securitization of society: from counterespionage laws and internet controls to ethnic policy and pandemic preparedness, nearly every policy domain now falls under a security umbrella.

This internal focus does not preclude external projection. In fact, it enables it. The paper frames national security as the precondition for China’s emergence as a global leader in peace, development, and innovation. Security, in other words, is not merely defensive—it is developmental and aspirational. Under this logic, protecting the Party and preserving order are not just domestic goals but essential steps in realizing the “Chinese path to modernization” and contributing to what Xi calls “a community with a shared future for mankind.”

## A New Paradigm, or a Reactive Strategy?

The white paper offers an ambitious, self-assured blueprint—but it also betrays a degree of systemic anxiety. The sheer breadth of the security domains identified (now reportedly exceeding 16) reveals a leadership preoccupied with unpredictability, vulnerability, and resistance—both at home and abroad. This securitized worldview reflects a China that feels encircled, surveilled, and challenged, even as it boasts of global influence and domestic accomplishments.



This duality—strategic confidence tempered by systemic fear—defines China’s current trajectory. Whether this new security doctrine proves adaptive or overreaching will depend on the Party’s ability to manage internal discontent, maintain external credibility, and deliver on the promise of a secure yet open development path.

In sum, China’s national security white paper is not just a policy document—it is a lens through which to understand the logic of Xi Jinping’s governance. It articulates a China that is highly attuned to risk, deeply committed to Party authority, and increasingly ambitious in reshaping both its domestic systems and global positioning. For observers of Asia-Pacific dynamics, this text signals a new chapter in which security is not only a shield—but a compass for China’s future.