

Welcome to This Week's Asia on the Horizon

(14 JULY 2025)

This week's edition comes amid a crescendo of diplomatic choreography, defense realignments, and economic recalibrations sweeping across the Indo-Pacific. As Kuala Lumpur became the epicenter of high-stakes diplomacy, Southeast Asia reaffirmed its role not just as a geopolitical arena, but as a shaper of the region's trajectory.

From the 58th ASEAN Foreign Ministers' Meeting and the 26th ASEAN+3 dialogue to the unprecedented face-to-face between U.S. Secretary of State Marco Rubio and China's Foreign Minister Wang Yi, regional diplomacy moved decisively from principle to practice. ASEAN's call for unity and practical cooperation found resonance in its partnerships with China, Japan, and South Korea—while cautiously navigating U.S.–China rivalry. The Infographic of the Week distills key takeaways from the ASEAN+3 meeting, highlighting the regional consensus on macroeconomic stability, supply chain resilience, and disaster preparedness.

The Key Developments section captures a parallel reality: one of sharpening military postures and shifting economic alliances. From Taiwan's largest-ever Han Kuang war games to Japan's planned transfer of Abukuma-class destroyers to the Philippines, the Indo-Pacific's defense architecture is undergoing rapid evolution. China, meanwhile, is recalibrating both economically and institutionally—pushing back against protectionism at the BRICS Summit and initiating governance reforms at home.

Simultaneously, Washington's aggressive tariff agenda under former President Trump reverberates across the region. As detailed in Statistics of the Week, several Asia-Pacific countries face steep trade penalties unless they strike bilateral deals—raising questions about strategic alignment and economic security. These pressures set the stage for the Rubio–Wang meeting (Photo of the Week), which, though cautious, marks a thaw in a strained bilateral relationship.

Complementing the diplomatic pulse is a surge of strategic activity across the military sphere. As explored in the Analysis, the U.S. Air Force's REFORPAC 2025, deepening Russia–North Korea military ties, and calls for greater ally clarity in a Taiwan contingency reflect a region on high alert—hedging its bets amid escalating uncertainties.

In Map of the Week, we turn our gaze to maritime claims and sovereignty tensions, offering a cartographic lens into the Indo-Pacific's contested seascape. Whether it's disputes in the South China Sea or China's increasing use of hybrid tactics, sovereignty is being redrawn through both dialogue and deterrence.

Finally, in the Regional Alliances section, ASEAN's role as convener, mediator, and stabilizer is on full display. Whether engaging external powers, addressing the Myanmar crisis, or steering multilateral mechanisms like the Chiang Mai Initiative and SEANWFZ Treaty, ASEAN once again proves its centrality in crafting a balanced, rules-based Indo-Pacific order.

As the lines between economics, security, and diplomacy blur, Asia on the Horizon brings clarity to complexity—tracking the forces shaping tomorrow's Asia, today.



1. KEY DEVELOPMENTS

Japan to Transfer Six Aged Abukuma-Class Destroyers to the Philippines

Japan is reportedly preparing to transfer six used Abukuma-class destroyer escorts—older warships from its Maritime Self-Defense Force—to the Philippines as part of a broader effort to counter China’s assertive maritime behavior. These vessels, in service for over 30 years, carry anti-submarine and anti-ship weaponry, torpedoes, and guns, and typically require a crew of about 120. The Philippine Navy currently lacks destroyers and operates only frigates and corvettes, making this potential transfer a notable gap-filler in its maritime defense capabilities. An inspecting team of Philippine naval experts is scheduled to evaluate the condition of the ships this summer, with the transfer hinging on that assessment.

This move complements a growing strategic alignment between Tokyo and Manila. Following last December’s ratification of a Reciprocal Access Agreement—the first of its kind between Japan and a Southeast Asian country—both governments have stepped up military collaboration including radar gift packages and joint exercises. To navigate Japan’s strict arms export regulations, Tokyo plans to reclassify the destroyers’ onboard upgrades and communication systems as part of a joint development project with Manila. This initiative underscores the two U.S. treaty allies’ intention to reinforce deterrence, particularly amid heightened tensions in the South and East China Seas.

BRICS Summit Faces Leadership Vacuum Amid Expansion

The 17th BRICS Summit convened in Rio de Janeiro on July 6–7, 2025, under Brazil’s leadership, but was notably marked by the absence of two of its founding powerhouses—Chinese President Xi Jinping and Russian President Vladimir Putin. Xi, in a first such absence since taking office in 2012, was represented by Premier Li Qiang, while Putin attended virtually due to an ongoing ICC arrest warrant. The gathering follows the bloc’s rapid expansion from five to eleven members, yet this enlargement has sparked concerns over ideological coherence. Analysts noted that the broadened roster—including diverse regimes from the Middle East and Southeast Asia—has introduced fissures, notably between democratic and autocratic members, and underscored the difficulty of maintaining collective momentum.

Brazilian President Lula framed the summit around non-controversial topics like artificial intelligence, climate policy, and healthcare cooperation—carefully steering clear of sharper fault lines such as formal critique of U.S. hegemony. Still, the summit declaration explicitly censured rising global tariffs and regional military escalations, including tensions in the Middle East, though it stopped short of naming the United States directly. Adding another layer of complexity, former U.S. President Trump threatened a 10% tariff on nations embracing “anti-American” BRICS policies, heightening pressure on member states.

China's Li Qiang Champions Open Economy, Opposes Protectionism at BRICS Summit

Chinese Premier Li Qiang used his appearance at the 17th BRICS Summit in Rio (July 6–7, 2025) to advocate for a more open global economic system and stand firmly against unilateralism and protectionist measures. Emphasizing the importance of stable supply chains, multilateral cooperation, and adherence to WTO principles, Li underscored China's encouragement of trade and investment liberalization. He highlighted initiatives such as the newly established China Center for Cooperation on Development of Special Economic Zones within BRICS, and expressed support for expanding the New Development Bank and increasing representation of Global South countries in institutions like the IMF and World Bank.

Li's remarks came amid rising global trade tensions, especially following the U.S.'s recent tariff threats including a 25% tariff on key Asian allies. Against this backdrop, China reaffirmed its commitment to multilateralism and economic partnership, while warning against deals that exclude or disadvantage its own manufacturers—such as U.S.–Vietnam arrangements targeting trans-shipped Chinese goods. Premier Li also called for improved industrial and supply chain cooperation among BRICS members, positioning China as a stabilizing force willing to deploy both diplomatic and economic tools to safeguard global trade order.

U.S. Threatens 10% Tariffs for Countries Aligning with “Anti-American” BRICS Policies

On July 6, 2025, former U.S. President Donald Trump announced via Truth Social that any country perceived as supporting the BRICS bloc's "anti-American policies" would face an additional 10% tariff, with “no exceptions”. Trump did not clarify what specific actions would trigger this tariff, but remarks from U.S. officials later suggested it would be activated only if nations formally adopted policies deemed contrary to American economic or geopolitical interests. The announcement sent shockwaves through global markets, hitting the South African rand, which dropped about 1% amid heightened concerns over escalating U.S.–BRICS economic friction.

Leaders at the BRICS summit in Rio, including Brazil's President Lula, swiftly rejected the U.S. tariff threat, with Lula stating, "The world has changed. We don't want an emperor". The rump summit communiqué from BRICS strongly condemned rising unilateral tariffs and underscored the importance of multilateralism, specifically denouncing protectionist trade practices without naming Washington directly. Meanwhile, several BRICS and aspiring member nations—Indonesia, South Africa, Iran, and others—indicated they were cautiously pursuing economic diplomacy with the U.S., seeking to avoid immediate fallout ahead of a July 9 tariff deadline. The standoff highlights growing tensions between America's protectionist impulses and BRICS' vision for a multipolar, more inclusive global economic order.

Trump Announces 25% Tariffs on Key Asian Allies

On July 7, 2025, former U.S. President Donald Trump delivered letters via Truth Social to the leadership of Japan and South Korea, announcing a sweeping 25% tariff on all imports from both countries, effective August 1. This action marks a significant escalation of his aggressive trade agenda, targeting two of Washington's closest partners in the Asia-Pacific. Wall Street reacted immediately, with U.S. stock markets dipping on the news, though Asian shares showed relative resilience. Previous negotiations appear to have made minimal headway; Japan had even requested specific carve-outs for its automotive sector—arguably its most vulnerable industry—but failed to secure exemptions.

Both Tokyo and Seoul swiftly signaled intentions to intensify negotiations before the August deadline. Japan's officials, including top negotiator Ryosei Akazawa, are pressing for relief in automotive and steel, citing potential harm from the abrupt tariff imposition. South Korea confirmed it would ramp up engagement with U.S. trade representatives in the coming weeks, aiming to seek a "mutually beneficial result" and avoid abrupt economic consequences. The situation underscores mounting trade tensions in the region: even longtime allies are not spared from Trump's reciprocal tariff strategy, which continues reshaping the Asia-Pacific economic landscape and heightening uncertainty ahead of the August 1 deadline.

Germany Summons Chinese Ambassador After Hazardous Laser Incident

On July 8, 2025, Germany officially summoned China's ambassador following a dangerous incident in the Red Sea, where a Chinese warship allegedly directed a laser at a German reconnaissance aircraft participating in the EU-led ASPIDES mission, tasked with securing international maritime routes amid Houthi rebel activity. According to the German Defense Ministry, the laser strike occurred in early July without prior warning or communication, compelling the aircraft to abort the mission and return safely to Djibouti. Germany's Foreign Ministry termed the act "completely unacceptable," highlighting the risk it posed to crew safety and vital maritime surveillance operations.

The incident sparked collective concern within the EU, prompting its High Representative to summon China's ambassador in Brussels and officially denounce the laser targeting as "dangerous and unacceptable," noting it endangered personnel and compromised mission integrity. Despite China's denial of hostile intent, Berlin's strong diplomatic response underscores growing unease in Europe over China's military activities in sensitive maritime zones. This episode builds on previous laser targeting claims by U.S., Australian, and Philippine forces, and raises broader alarms about Beijing's use of disruptive technologies against foreign aircraft—especially in strategic waterways like the South China Sea and Red Sea.

Brazil Aims to Triple Trade Flows with India in Short Term

President Luiz Inácio Lula da Silva declared on July 8, 2025, that Brazil is targeting a threefold increase in its annual trade with India, which stood at about \$12 billion in 2024, within a short-term horizon—though no precise timeline was provided. The announcement came during Indian Prime Minister Narendra Modi's state visit to Brasilia, where Lula emphasized strategic cooperation between Brazilian aerospace firm Embraer and Indian partners to help boost bilateral commerce. A key component of this ambition lies in deepening the Mercosur–India preferential trade agreement, with Lula suggesting that the expansion of tariff and non-tariff concessions could serve as an immediate lever for accelerating commercial exchange .

This push reflects both countries' efforts to diversify economic ties amid growing volatility in global trade, particularly in light of rising U.S. protectionism under former President Trump. With BRICS membership and broader South–South diplomacy in focus, Brazil and India are cultivating economic resilience through strategic industrial partnerships—leveraging Brazil's commodities and aerospace strengths alongside India's manufacturing and digital ecosystems. A successful agenda on preferential trade could offer a pathway not only to higher trade volumes but also enhanced supply-chain linkages and geopolitical alignment that strengthens their shared multipolar vision.

Taiwan Launches Largest-Ever Han Kuang War Games with Simulated Command Attacks

Taiwan kicked off its most extensive Han Kuang military exercises on July 9, 2025, featuring unprecedented simulated assaults on its military command systems and infrastructure—designed to refine resilience amid a potential Chinese invasion. This 10-day drill involves roughly 22,000 reservists and incorporates advanced weaponry, including U.S.-supplied HIMARS rocket systems and indigenous Sky Sword missiles. By focusing on scenarios where communications are disabled or disrupted early in conflict, Taiwan aims to test decentralized command protocols and its ability to maintain operational effectiveness under duress.

The exercises also emphasize broader combat readiness, integrating live-fire segments, air-sea coordination, and civil defense mechanisms—such as emergency supply stations and air-raid shelters—to foster "whole-of-society" defensive capacity. The drills come amid heightened PLA activity; Taiwan has detected over 30 Chinese aircraft sorties and naval vessels in the vicinity, prompting Beijing to dismiss the maneuvers as mere "bluffs". Observers across the region are closely watching, assessing Taiwan's increasing military sophistication and adaptability in face of mounting cross-strait tensions.

Xi Jinping Softens Central Control, Delegates Power Amid Governance Reforms

China's Politburo, led by Xi Jinping, recently approved new regulations for "party coordinative institutes"—a class of cross-agency decision-making bodies including central commissions and leading groups. According to state media Xinhua, the rules mandate institutional roles for planning, reviewing, and coordinating major policy areas, signaling a push to standardize governance across the party's top echelons. Analysts cited by the South China Morning Post view this as a deliberate shift: Xi appears to be delegating more day-to-day authority to trusted lieutenants such as Politburo Standing Committee members Li Qiang and Cai Qi, enhancing institutional efficiency while maintaining his own overarching control.

This institutional recalibration carries dual implications. On one hand, it may serve as a practical response to China's current challenges—economic headwinds, complex global dynamics, and the need for agile mid-level coordination. On the other hand, some experts suggest this could also be an early succession strategy: by empowering a cohort of high-ranking deputies, Xi might be laying the groundwork for a managed transfer of responsibilities, even as he continues to consolidate his personal dominance. Whether this signals a step toward collective leadership or simply streamlines governance under Xi's continued strong hand remains a critical question for analysts monitoring China's opaque political future.

Japan and Canada Sign Classified Security of Information Agreement

On July 8, 2025, Japan and Canada formalized a classified Security of Information Agreement (SIA) in Tokyo, a significant step in deepening bilateral defense and intelligence cooperation. Signed by Japan's Foreign Minister Takeshi Iwaya and Canada's Anita Anand, the pact will govern how classified national-security data is shared, handled, stored, and disposed of between the two countries. While the agreement itself does not authorize any specific intelligence exchanges, it establishes a legal framework essential for facilitating two-way defense procurements and enhancing strategic alignment—particularly as Canada's Indo-Pacific focus intensifies.

Although neither Japan nor Canada is a full member of the Five Eyes intelligence alliance, this SIA represents a deliberate move toward closer integration with the Anglosphere security network. For Japan, which already has similar arrangements with the U.S., U.K., and Australia, the deal reinforces its strategy of expanding defense cooperation beyond traditional bilateral partnerships. For Canada, the agreement aligns with its Indo-Pacific strategy, offering an opportunity to strengthen Tokyo's role within like-minded security frameworks. Ratification by both parliaments is still required, but analysts suggest this signals growing momentum behind robust, rules-based cooperation in response to shared regional challenges—particularly China's assertive posture in maritime Asia.

Japanese PM Announces Steps to Regulate Foreign-Speculative Real Estate Purchases

Japanese Prime Minister Kishida signaled on July 11, 2025, that the government will swiftly implement "appropriate measures" to curb real estate speculation in central Tokyo, including purchases by foreign individuals, after conducting a thorough assessment of actual market conditions. Speaking on a BS TV programme, he underlined the importance of understanding the breadth of speculative activity—particularly foreign-led—before enacting targeted regulatory responses designed to stabilize urban property markets and protect housing affordability.

While Kishida did not immediately detail the specific policy tools—such as tighter loan restrictions, enhanced reporting obligations, or foreign investment caps—the prompt reference to foreigners highlights a sharpened focus on cross-border capital flows in Japan's overheated real estate sector. The announcement underscores growing concerns among Japanese officials about overseas investment inflating prices in key urban areas and reflects a broader effort to safeguard market integrity while balancing openness with economic security.

ASEAN Ministers Urge Unity Amid Trade Turbulence and Myanmar Unrest

At the 58th ASEAN Foreign Ministers' Meeting in Kuala Lumpur (July 9, 2025), Malaysia—holding the ASEAN chair—issued a strong call for deepened regional integration and enhanced intra-ASEAN trade to shield member states from escalating global trade shocks. Malaysian Prime Minister Anwar Ibrahim warned that the current trade war is "not a passing storm," as steep U.S. tariffs of up to 46% loom over several Southeast Asian economies. ASEAN ministers labeled such unilateral tariffs as "counterproductive" in draft communiqués and pushed for coordinated trade frameworks with key partners like the U.S.—seeking mechanisms to ensure that bilateral deals don't harm other members.

In parallel, ministers addressed regional security challenges, notably the situation in Myanmar. Malaysia's Foreign Minister Mohamad Hasan urged all Myanmar groups to foster a conducive environment for elections, emphasizing that peace should be the priority before any polling process. ASEAN also reaffirmed its commitment to centrality by preparing Timor-Leste's accession as its 11th member and advancing dialogues with external partners like China on an upgraded free trade deal ("FTA 3.0") and a South China Sea code of conduct to be presented at October's leaders' summit.

ASEAN Plus Three Ministers Deepen Regional Resilience and Integration

At the 26th ASEAN Plus Three Foreign Ministers' Meeting in Kuala Lumpur on July 10, 2025, ASEAN countries together with China, Japan, and South Korea reaffirmed their commitment to advancing regional integration through the ASEAN+3 framework. Ministers reviewed progress on the 2023–2027 APT Cooperation Work Plan and renewed focus on strengthening financial safety nets—such as the Chiang Mai Initiative Multilateralisation and Asian Bond Markets Initiative—to enhance economic stability in the face of global uncertainties. Additionally, Japan's Foreign Minister Takeshi Iwaya emphasized synergy between ASEAN+3 and the trilateral Japan-China-Korea process, underscoring shared priorities in digital economy, green transition, disaster resilience, cyber-security, and food security.

The ministers also reiterated collective support for ASEAN's 2045 Vision, highlighting the need for inclusive development, sustainable supply chains, and smart infrastructure across the region. On the security front, the meeting addressed non-traditional challenges—such as fraud, online threats, and humanitarian crises—and reinforced unified stances on North Korea's denuclearisation and maritime stability. The close coordination between ASEAN and its Plus Three partners reflects a strategic emphasis on a rules-based regional order and deeper practical cooperation in an increasingly uncertain Indo-Pacific landscape.

Historic U.S.–China Diplomatic Breakthrough at ASEAN Summit

On July 11, 2025, U.S. Secretary of State Marco Rubio and Chinese Foreign Minister Wang Yi held their first-ever face-to-face meeting in Kuala Lumpur, marking a notable diplomatic moment amid regional anxieties over escalating trade tensions and geopolitical rivalry. The meeting, positioned on the sidelines of the ASEAN Foreign Ministers' Meeting, covered a wide range of global flashpoints—from U.S. tariff strategies, technology restrictions, and Taiwan, to China's Ukraine strategy and maritime security issues. Rubio described the dialogue as “constructive and positive,” signaling a readiness to manage differences while laying grounds for deeper communication channels—a contrast to the prevailing atmosphere of friction.

Beyond tone, the encounter carried strategic messaging. Rubio emphasized America's enduring focus on the Indo-Pacific, even as Washington pursues aggressive trade policies that have stirred concern among ASEAN nations. For China, Wang leveraged the platform to denounce U.S. “unilateral bullying” over tariffs and contrast Beijing's narrative of multilateralism and economic openness. This inaugural in-person meeting not only facilitated reduced tension but also hinted at possible groundwork for a progress between Presidents Trump and Xi—a step that Rubio described as having “high probability”. In sum, the talks represent a cautious but meaningful thaw in U.S.–China relations, carried out under the watchful eyes of Southeast Asia.

China Offers to Mediate Thailand–Cambodia Border Dispute

During the ASEAN summit in Kuala Lumpur on July 10, 2025, Chinese Foreign Minister Wang Yi stepped in to offer Beijing’s “objective and fair” assistance in resolving the escalating border tensions between Thailand and Cambodia. The fresh surge in tensions, marked by a deadly exchange of gunfire on May 28 along their 820 km border, has already prompted Cambodia to seek legal recourse via the International Court of Justice. Wang emphasized China’s neutrality and urged both nations to pursue “friendly dialogue and consultation,” while advocating for increased cross-border cooperation to suppress illicit activities such as gambling, fraud, and smuggling.

The diplomatic intervention by China—traditionally a strategic partner to both Southeast Asian powers—underscores its growing role as a regional balancer amid rising intra-ASEAN friction. In addition to offering mediation, Wang also addressed external pressures, expressing Beijing’s belief in ASEAN’s capacity to withstand global economic shocks such as U.S. tariff volatility. China’s approach indicates an intent to enhance its diplomatic leverage in the region by positioning itself as a constructive intermediary and reinforcing its narrative of promoting stable, multilateral conflict resolution mechanisms.

SCO Digital Economy Forum Sparks Regional Tech Integration Push

At the SCO Digital Economy Forum held in Tianjin on July 11, 2025, government officials, industry leaders, scholars, and think tank representatives from SCO member states converged under the banner “New Bonds in the Digital Economy, New Horizons for Cooperation” to explore deeper integration of digital infrastructure and innovation ecosystems. Liu Liehong, head of China’s National Data Administration, highlighted active collaboration in constructing digital infrastructure, transforming traditional industries, and fostering industrial cooperation—efforts he said are propelling a regional digital economy boom and accelerating technological progress.

Vice Premier Ding Xuexiang expanded on this vision in a keynote address, emphasizing the need for stronger policy coordination, enhanced digital infrastructure connectivity, computing capacity, and data governance frameworks. He called for the building of a “Digital Silk Road,” underpinned by shared standards and a collective digital security governance system aligned with the UN-led Global Digital Compact. The forum—boasting over 1,500 participants across a main forum and four thematic sub-forums—also featured targeted discussions on digital talent cultivation and collaborative industrial development, reflecting an ambitious SCO agenda to transform digital cooperation into tangible economic opportunity.

Russia's Lavrov Deepens Strategic Ties with North Korea in Wonsan

Russian Foreign Minister Sergei Lavrov arrived in North Korea on July 11, 2025, flying in from Kuala Lumpur where he participated in the ASEAN Foreign Ministers' meeting—a clear signal of Moscow's intent to synchronize its diplomatic outreach to both the Asia-Pacific and the Korean Peninsula. In Wonsan, Lavrov met with North Korean counterparts, including Foreign Minister Choe Son Hui and leader Kim Jong Un, praising their relationship as an “invincible fighting brotherhood.” The visit followed Russia's 2024 Treaty on Comprehensive Strategic Partnership, with Lavrov expressing gratitude for Pyongyang's deployment of troops and munitions in support of Russia's military efforts in Ukraine, especially in the contested Kursk region.

During the three-day visit concluding around July 13, North Korea reaffirmed its commitment to further support Russia's war efforts, including pledges of additional troop deployments, the dispatch of 6,000 military engineers, and continued ammunition supplies—reportedly 12 million rounds of artillery. Lavrov and Kim also cautioned against U.S., South Korean, and Japanese trilateral exercises, with Moscow warning of the formation of an anti-North Korea alliance. This deepening military nexus—solidified through high-level visits, expanded troop support, and strategic alignment—marks a significant shift in regional security dynamics and is likely to exacerbate tensions with neighboring states and Western-led security partners.

Wang Yi Condemns “Farce” South China Sea Ruling, Accelerates ASEAN Code Negotiations

At the East Asia Summit in Kuala Lumpur on July 11, 2025, Chinese Foreign Minister Wang Yi bluntly rebuked the 2016 Hague tribunal ruling on the South China Sea, labeling it a “farce” and alleging it was orchestrated by external forces seeking to destabilize regional order. He criticized Manila for bypassing peaceful consultations mandated by the Declaration on the Conduct of Parties in the South China Sea—arguing the arbitration violated both the Declaration and prior bilateral agreements. Wang also emphasized China's legal position that questions of territorial sovereignty and maritime delimitation lie outside the tribunal's jurisdiction under UNCLOS, reaffirming Beijing's steadfast rejection of the ruling.

Against this backdrop of confrontation, Wang signaled a parallel diplomatic offer: accelerating negotiations with ASEAN on a binding Code of Conduct in the South China Sea, aimed at fostering “peace, cooperation, and friendship”. This move aligns with earlier commitments on an ASEAN–China upgraded free trade pact and broader cooperation agenda, reflecting Beijing's preference for managing disputes via bilateral frameworks and multilateral diplomacy rather than legal adjudication. The initiative is likely a calculated effort by China to pair strong rhetorical defense of its claims with pragmatic engagement, especially as the Philippines weighs another legal challenge and other claimants signal interest in institutionalized dispute mechanisms.

Massive "Resolute Force Pacific" Exercise Kicks Off to Test Indo-Pacific Airpower Surge

On July 10, 2025, the U.S. Air Force launched Resolute Force Pacific (REFORPAC) 2025, the largest contingency-response exercise in the Indo-Pacific this year, running through August 8 across locations such as Hawai'i, Guam, Japan, and international airspace. Involving over 300 aircraft and some 12,000 military personnel, the exercise is part of the broader "Department-Level Exercise" series, which includes sister drills like Resolute Space and Mobility Guardian. Key training objectives encompass rapid dispersal, air-to-air refueling, hot-pit operations, combat search-and-rescue, degraded logistics, and multi-domain coordination—all aimed at sharpening alliance readiness in contested environments.

Program commander Gen. Kevin Schneider emphasized the need to adapt to “austere conditions, degraded networks, and disruptions to sustainment chains,” underscoring the shift toward Agile Combat Employment doctrine. Japanese forces are participating in force generation and airfield repair missions, supporting an integrated allied posture. The exercise also marks a significant joint spectacle—incorporating U.S. Air Force, Space Force, joint services, and allied partners—to bolster interoperability and signal deterrence in a strategic region facing growing security challenges.

Pentagon Presses Japan and Australia to Define Their Roles in a Taiwan Conflict

The U.S. Department of Defense, led by Under-Secretary Elbridge Colby, is pressing key Indo-Pacific allies—Japan and Australia—to explicitly clarify the extent to which they would participate in a potential U.S.–China military conflict over Taiwan. This demand has reportedly taken Tokyo and Canberra by surprise, as Washington itself maintains strategic ambiguity and has not issued an unconditional defense guarantee for Taiwan. Colby, invoking a Trump-era “America First” vision of “peace through strength,” is also calling on these allies to ramp up defense spending and collaborative preparedness to bolster deterrence in the region.

Both Japan and Australia have responded cautiously. Australia’s Defence Minister, Pat Conroy, emphasized that any decision to commit troops would be made by the Australian government at an appropriate time, not through pre-committed pledges. Tokyo has similarly expressed constitutional and legal limitations, stating that responses would adhere to domestic law and case-by-case assessments. Observers note that these governments are wary of being locked into conflict scenarios due to Washington’s strategic ambiguity, and the Pentagon’s push risks unsettling carefully balanced alliance dynamics.

UK Carrier Strike Group's HMS Prince of Wales to Make First-Ever Port Call in Japan

The United Kingdom's Royal Navy will send its carrier strike group—including aircraft carrier HMS Prince of Wales—to Japan for an official port call between August and September 2025, marking the first visit by this carrier model since its commissioning in 2019. This deployment follows the 2021 port call by HMS Queen Elizabeth and is part of Operation Highmast, demonstrating London's commitment to Indo-Pacific security amid increasingly uncertain regional dynamics. The port call is planned at both the U.S. Naval Facility in Yokosuka and the Tokyo International Cruise Terminal, accompanied by the UK destroyer HMS Dauntless and Norwegian frigate HNoMS Roald Amundsen.

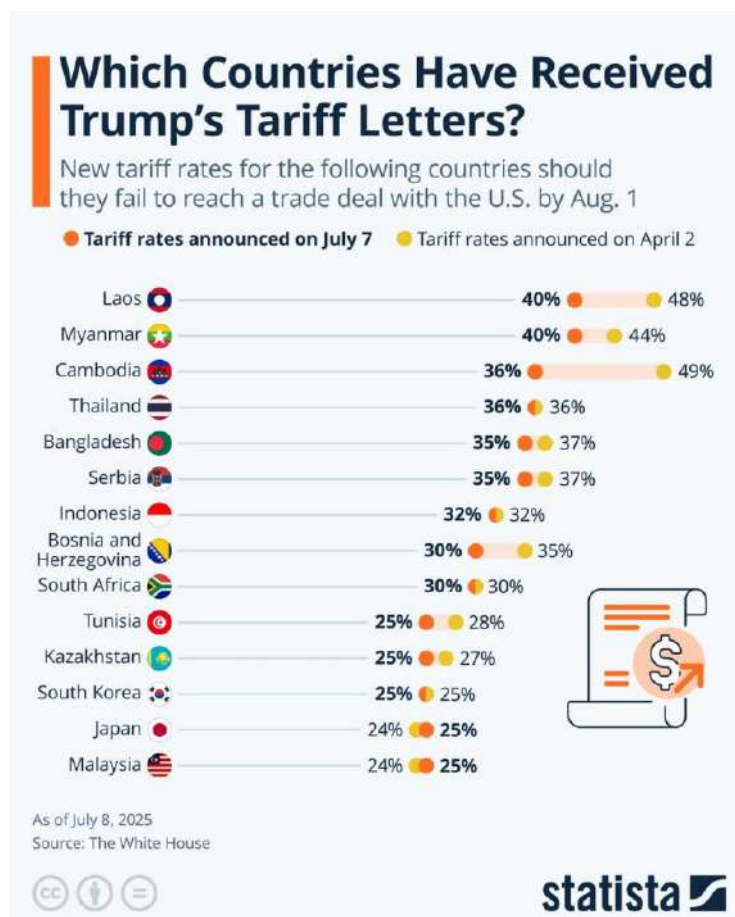
An intriguing part of the visit is the possibility of conducting “cross-deck drills,” during which British F-35B jets from Prince of Wales could operate from Japan's JS Kaga, an Izumo-class “helicopter destroyer” newly converted to support short-takeoff aircraft. Japan's Ministry of Defense indicates that final training details are still being worked out, with Japan keen to absorb Royal Navy expertise in carrier operations. Such interoperability would carry significant strategic messaging toward Beijing, highlighting deepened Japan–UK defense ties underpinned by shared access agreements and a mutual interest in preserving a rules-based order in the Indo-Pacific.

2. STATISTICS OF THE WEEK

Asia-Pacific Under Tariff Pressure

U.S. President Donald Trump has intensified trade pressure on several Asia-Pacific nations with new tariff letters issued on July 7, warning of punitive duties unless trade deals are secured by August 1. According to Statista, countries such as Laos and Myanmar now face some of the region's steepest proposed tariffs—48% and 44%, respectively—marking a sharp escalation from earlier April levels. Cambodia and Thailand follow closely at 49% and 36%, underscoring the administration's focus on Southeast Asian economies in its "reciprocal tariffs" campaign.

Even traditional U.S. allies have not been exempt: Japan, South Korea, and Malaysia are now targeted with 25% tariffs, a modest but symbolically significant increase. While some countries—like Thailand and South Korea—saw no rate change, others such as Cambodia and Bangladesh experienced considerable hikes. The White House has hinted at additional trade announcements in the coming weeks, keeping Asia-Pacific capitals on alert as Washington ties market access more explicitly to bilateral deals and strategic alignment.



<https://www.statista.com/chart/34776/new-tariff-rates-for-selected-countries/>

3. MAP OF THE WEEK

Who's Claiming What in the Indo-Pacific?

This week's featured map from the Asia Maritime Transparency Initiative (AMTI) offers a revealing look at the complex web of maritime claims across the Indo-Pacific region—from the Arabian Sea to the South China Sea and deep into the Pacific Islands. It showcases how nations such as India, China, Vietnam, Australia, Fiji, and the United States define their territorial seas, Exclusive Economic Zones (EEZs), and continental shelves, often based on domestic law, treaties, or international submissions. Notably, China's nine-dash line and Taiwan's U-shaped line remain highlighted due to their continued ambiguity and contestation in international law.

The map is built on publicly available legal documents and submissions, applying a transparent methodology that defaults to 12-nautical-mile territorial seas and 200-nautical-mile EEZs when official coordinates are absent. Where claims overlap—like those involving India or Japan—provisional median lines are used. However, regions like the Paracel and Spratly Islands remain undefined due to opaque or conflicting claims. As competition over maritime rights, seabed resources, and strategic control intensifies, this visual guide serves as a vital tool for tracking how sovereignty and strategic ambition are being redrawn on the Indo-Pacific seascape.



<https://amti.csis.org/maritime-claims-map/>

<https://x.com/visegrad24/status/1895721179329237021?s=46>

4. PHOTO OF THE WEEK

First-Ever Rubio–Wang Meeting Marks Cautious U.S.–China Reset

This week's defining image captures a pivotal moment in regional diplomacy: U.S. Secretary of State Marco Rubio and Chinese Foreign Minister Wang Yi face-to-face for the first time during the 58th ASEAN Foreign Ministers' Meeting in Kuala Lumpur. Framed by the flags of the two superpowers and the ASEAN logo, the symmetrical setting underscores the careful choreography behind this highly anticipated bilateral encounter. Taking place on July 11, 2025, the meeting focused on critical issues ranging from Taiwan and trade tariffs to maritime disputes and global conflicts like Ukraine—offering a symbolic and substantive opportunity to recalibrate dialogue amid intensifying great power rivalry.

Rubio characterized the conversation as "constructive and positive," while Wang Yi used the occasion to critique what he called Washington's "unilateral bullying" and reaffirm China's commitment to multilateralism. The optics and setting sent a clear message: while tensions persist, both nations are keenly aware of the regional stakes and the diplomatic weight of face-to-face engagement. The photo serves as a visual reminder of how Southeast Asia has become the geopolitical fulcrum in U.S.–China relations—and where cautious diplomacy may yet shape a more stable trajectory in the Indo-Pacific.



<https://apnews.com/article/us-china-russia-asean-82467600bcf2b97b5729f34676ceeb2a>

5. INFOGRAPHIC OF THE WEEK

Key Takeaways from the 26th ASEAN+3 Foreign Ministers' Meeting

Held on July 10, 2025, in Kuala Lumpur, the 26th ASEAN Plus Three (APT) Foreign Ministers' Meeting brought together ASEAN nations and dialogue partners China, Japan, and South Korea to reaffirm regional solidarity in the face of global uncertainty. ASEAN Secretary-General Dr. Kao Kim Hourn emphasized that the APT mechanism is “vital to leading the international community from division to cooperation.” Key regional priorities included strengthening financial safety nets, expanding cooperation on food security and disaster relief, and enhancing digital and security collaboration, especially in combating transnational fraud.

China’s Foreign Minister Wang Yi underscored the need to resist “building walls and barriers,” calling for open and innovative regional integration. Beijing pledged support for a South China Sea Code of Conduct, committed to signing the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) Treaty, and promoted BRI 2.0, digital partnerships, and CAMPUS Asia exchanges. Meanwhile, Japan highlighted the importance of mechanisms like the CMIM-Rapid Financing Facility and macroeconomic coordination via AMRO. The infographic neatly encapsulates how the APT grouping continues to prioritize resilience, peace, and connectivity across East Asia.



6. REGIONAL ALLIANCES

ASEAN Diplomacy in Action: Unity, Dialogue, and Strategic Balancing in Kuala Lumpur

Against the backdrop of rising geopolitical tensions and economic uncertainty, Southeast Asia played host to a flurry of high-level diplomacy this past week. From July 8–11, 2025, Kuala Lumpur welcomed foreign ministers from across the Asia-Pacific for the 58th ASEAN Foreign Ministers’ Meeting (AMM) and the 26th ASEAN+3 Foreign Ministers’ Meeting, serving as a crucial platform for promoting multilateralism, economic security, and peaceful regional integration. With the first-ever in-person meeting between U.S. Secretary of State Marco Rubio and Chinese Foreign Minister Wang Yi held on the sidelines, Malaysia became the stage for both cooperative affirmations and cautious rivalry management.

ASEAN at the Helm: Reaffirming Unity and Centrality

Chaired by Malaysia under the theme “Inclusivity and Sustainability”, the 58th AMM emphasized ASEAN’s central role in navigating a more fragmented global order. Secretary-General Dr. Kao Kim Hourn urged members to preserve ASEAN’s relevance by strengthening its internal cohesion and responsiveness. The meeting addressed a wide array of issues—from post-pandemic economic recovery and supply chain security to climate resilience and digital governance.

Ministers reiterated support for Myanmar’s peaceful resolution through the Five-Point Consensus and welcomed Timor-Leste’s gradual accession to ASEAN. ASEAN’s ongoing dialogues with key external partners were also reviewed, with particular attention to evolving relations with China, the U.S., Japan, and the European Union. The message was clear: ASEAN continues to position itself as a stabilizing force and a rules-based anchor in the Indo-Pacific.

ASEAN+3: Building Economic and Security Resilience

On July 10, the 26th ASEAN+3 Foreign Ministers’ Meeting convened, reinforcing the trilateral framework between ASEAN and its Northeast Asian partners—China, Japan, and South Korea. The focus remained firmly on macroeconomic stability, regional safety nets, food security, and digital resilience.

Japan highlighted the importance of strengthening the CMIM-Rapid Financing Facility and the ASEAN+3 Macroeconomic Research Office (AMRO) to safeguard financial stability. China, through Wang Yi, called for dismantling “walls and barriers,” promoting seamless trade and fiscal cooperation, and committing to sign the SEANWFZ Treaty. Beijing also supported finalizing the South China Sea Code of Conduct, reflecting its interest in reducing tensions through formal channels, while subtly countering U.S. influence.

Discussions also touched on cross-border initiatives including disaster response coordination, aging population strategies, and CAMPUS Asia student mobility. The

ASEAN+3 format once again demonstrated its value as a platform for long-term, practical cooperation beyond political flashpoints.

The Rubio–Wang Encounter: A Diplomatic Icebreaker

Perhaps the most anticipated bilateral of the week was the inaugural face-to-face between Rubio and Wang Yi, held on the sidelines of the ASEAN meetings. While public statements were restrained, both sides described the exchange as “constructive,” signaling a mutual desire to manage tensions. Key topics included tariff disputes, tech restrictions, Taiwan, and broader strategic competition in the Indo-Pacific.

Rubio’s participation reaffirmed Washington’s commitment to ASEAN centrality, though regional observers noted unease over the Biden–Trump transition’s continuity in regional policy. Wang Yi, by contrast, projected China’s model of open regionalism and multilateral economic integration, taking deliberate aim at Washington’s more confrontational stance. Despite divergent narratives, the meeting marked a tentative step toward rebuilding channels of high-level communication—a development welcomed by ASEAN leaders.

Conclusion: A Region Balancing Between Giants

The series of meetings in Kuala Lumpur underscored ASEAN’s indispensable role as a regional convener, diplomatic buffer, and normative anchor in an era of great power competition. Whether through intra-ASEAN initiatives, ASEAN+3 collaboration, or U.S.–China diplomatic engagement, Southeast Asia reaffirmed its position not merely as a geopolitical arena—but as an active agent shaping the future of the Indo-Pacific. While fault lines persist, the week’s outcomes suggest a renewed commitment to dialogue, cooperation, and regional ownership of peace and development.

7. ANALYSIS

Strategic Posturing Intensifies Across the Indo-Pacific

In recent weeks, the Indo-Pacific has witnessed a sharp escalation in military signaling and strategic maneuvering, underscoring the region's centrality to global security dynamics. From large-scale air and naval exercises to bilateral arms transfers and war game simulations, a new phase of active deterrence is unfolding—driven by growing uncertainties over Taiwan, North Korea, and China's regional posture. The interplay between defense buildups, alliance coordination, and geopolitical flashpoints reveals a region on edge, preparing for multiple contingencies.

Taiwan's Han Kuang Drills Signal a New Level of Preparedness

Taiwan launched its most expansive Han Kuang war games on July 9, featuring scenarios designed to simulate Chinese strikes on command systems and infrastructure. The 10-day exercise involves 22,000 reservists, advanced weaponry like HIMARS and Sky Sword missiles, and war-gaming against communications blackouts. These drills are not only about conventional defense but also about sustaining command integrity and civilian readiness under siege.

The maneuvers reflect a growing recognition in Taipei that war may begin with a "decapitation" strategy targeting leadership nodes and critical systems. By decentralizing command and integrating live-fire, civil defense, and emergency response elements, Taiwan seeks to demonstrate that it can absorb and adapt to a PLA first strike. Meanwhile, over 30 Chinese military sorties and naval activities in adjacent waters heightened the sense of urgency—though Beijing dismissed the exercises as “bluffs,” regional observers view them as a potent signal of Taiwan's evolving deterrence strategy.

Japan and the Philippines Deepen Maritime Defense Ties

In a landmark defense move, Japan plans to transfer six Abukuma-class destroyers to the Philippine Navy, bolstering Manila's ability to counter maritime threats in the South China Sea. The aging vessels, while not cutting-edge, represent a major step up for the Philippines, whose navy currently lacks any destroyers. This marks the latest in a series of defense engagements following the Japan–Philippines Reciprocal Access Agreement (RAA) signed last December.

Tokyo is working to navigate legal barriers surrounding arms exports by reclassifying some of the ships' systems as part of a joint development framework. Strategically, this is more than hardware—it is about deterrence architecture. With both nations aligned under U.S. treaty obligations, this transfer strengthens trilateral interoperability and signals growing resolve among regional partners to counterbalance Chinese naval assertiveness.

The U.S. and Allies Flex Air Power in the Pacific

Complementing these localized developments is Exercise Resolute Force-Pacific (ReForPac 2025), the largest multinational Pacific air drill ever conducted, led by the United States Indo-Pacific Command. Featuring 19 countries, over 160 aircraft, and thousands of personnel, ReForPac spans bases across Hawaii, Japan, Guam, Australia, and the Philippines. The drill tests distributed command structures, integrated air defense, and joint force projection capabilities—reflecting scenarios that mirror potential conflicts over Taiwan or the South China Sea.

The unprecedented scale of ReForPac is both deterrent and message: the U.S. and its allies are actively preparing for conflict scenarios where air dominance and coalition coordination would be critical. The British aircraft carrier HMS Prince of Wales, making its first port call in Japan, adds further symbolic weight to this message of transregional readiness and maritime presence.

Russia–North Korea Axis: An Emerging Wild Card

Amid the democratic alliance recalibrations, Russian Foreign Minister Sergei Lavrov’s visit to North Korea on July 11 added a layer of unpredictability. Celebrated by both sides as a renewal of “strategic dialogue,” Lavrov’s trip reflects deepening ties between Moscow and Pyongyang, two states increasingly isolated by Western sanctions and diplomatic pressure. The visit follows a year of Putin–Kim summits and renewed arms cooperation, particularly relevant as Russia looks to replenish its artillery stocks amid the Ukraine war.

While the immediate outcomes of Lavrov’s visit remain unclear, the strategic alignment between Russia and North Korea poses a long-term challenge to regional stability. As the U.S. seeks clarity from allies over a Taiwan conflict, and as China navigates its dual role as both economic partner and geopolitical rival, Moscow’s courtship of Pyongyang underscores the multi-vector complexity of deterrence diplomacy in Asia.

Conclusion: A Region on High Alert, Hedging for All Scenarios

The Indo-Pacific is entering an era of distributed deterrence, where frontline states like Taiwan and the Philippines rapidly enhance capabilities, while major powers shore up alliance infrastructure and test multilateral combat readiness. At the same time, autocratic counter-alignments—like Russia and North Korea—are becoming more overt. Amid these dynamics, the balance between escalation and stability hinges on coordinated messaging, credible deterrence, and diplomatic flexibility. The coming months will reveal whether this flurry of defense activity can serve as a stabilizing signal—or whether it marks a prelude to deeper confrontation.

