

Welcome to This Week's Asia on the Horizon

(15 SEPTEMBER 2025)

The Indo-Pacific has rarely felt as restless as it does today. This week's developments underscore just how quickly the political, economic, and security order of Asia can shift—and why understanding these dynamics is essential for anyone with a stake in the region's future. In this edition, we bring you a wide-ranging set of stories that together chart the contours of a region grappling with leadership uncertainty, generational upheaval, and intensifying great-power competition.

We begin in Japan, where Prime Minister Shigeru Ishiba's sudden resignation has thrown the ruling Liberal Democratic Party into disarray. Markets reacted nervously as leadership contenders launched bids to steer Japan through economic headwinds and regional challenges. This political shake-up not only unsettles Tokyo's domestic trajectory but also carries wider implications for the U.S.–Japan alliance and Asia's balance of power.

From there, we shift to the Korean Peninsula, where Washington and Seoul are navigating fresh strains over the treatment of South Korean workers in the United States. While U.S. President Donald Trump temporarily suspended deportations, Seoul has begun flying home detained workers, signaling a potentially deeper rift in labor and industrial policy cooperation. In parallel, a different storyline from Seoul offers hope: South Korea and Japan's defense ministers held rare direct talks, reaffirming trilateral defense commitments with the U.S. in the face of North Korea's escalating nuclear and missile activities.

The South China Sea and Taiwan Strait remain as contested as ever. China's decision to declare a nature reserve at Scarborough Shoal has triggered outrage from Manila, which views the move as a thinly veiled attempt at territorial consolidation. Meanwhile, Canadian and Australian warships transiting the Taiwan Strait drew sharp condemnation from Beijing, a reminder of how freedom-of-navigation missions are increasingly flashpoints for geopolitical signaling. At the same time, Taiwan is stepping up patrols of its undersea communication cables to counter suspected Chinese "grey-zone" sabotage—a stark illustration of how infrastructure has become a frontline in the competition for resilience.

Further afield, multilateral dynamics are also in flux. The United Nations' decision to strengthen cooperation with the Shanghai Cooperation Organisation (SCO) marked another milestone in China and Russia's efforts to institutionalize alternatives to Western-led forums. Meanwhile, the BRICS emergency summit, held virtually under Brazil's chairmanship, united member states in pushing back against sweeping U.S. tariffs, calling for greater intra-bloc cooperation and a stronger voice for the Global South. Our Regional Alliances section dives deeper into this moment, examining both the solidarity on display and the frictions that continue to complicate BRICS' ambitions.

Europe also looms large in this edition. Portuguese Prime Minister Luís Montenegro's official visit to Beijing underscored Europe's balancing act as it deepens trade with China while navigating transatlantic pressures over Russia. At the same time, China's Foreign Minister Wang Yi is in the middle of a three-nation European tour—visiting Austria, Slovenia, and Poland—pressing the case for multilateralism and warning against “de-risking” policies that Beijing views as protectionist. Our Analysis section explores how this tour fits into China's broader European strategy, and what it means for the EU's search for coherence in its China policy.

This week's visuals bring the stories to life. Our Infographic of the Week breaks down the recent call between U.S. Secretary of State Marco Rubio and Chinese Foreign Minister Wang Yi—a revealing moment of fragile engagement amid rising trade tensions. The Map of the Week plots Taiwan's vulnerable undersea cable networks, highlighting why they have become central to the island's national security. Our Statistics of the Week trace China's shifting export landscape: as trade with the U.S. slumps, sales to ASEAN and the EU are accelerating. Finally, the Photo of the Week offers a powerful snapshot of Nepal's Gen Z-led protests, which toppled a prime minister and left the nation confronting the possibility of generational change and deeper political turmoil.

Together, these stories paint a portrait of an Asia on edge—where domestic crises collide with regional rivalries, and global fault lines run straight through the Indo-Pacific. Whether it is contested waters, youth movements shaking political systems, or states forging new alliances to hedge against external shocks, the region's volatility is also its defining feature. Asia on the Horizon brings these developments into focus, providing you with the clarity and context to understand what comes next.



1. KEY DEVELOPMENTS

Japan at a Crossroads: Ishiba Resigns, LDP Braces for Turbulent Leadership Race

Japan's political landscape has suddenly shifted following the unexpected resignation of Prime Minister Shigeru Ishiba, who stepped down in the wake of his ruling coalition's crushing defeat in recent elections and mounting public frustration over soaring living costs. The resignation opens the door for an emergency leadership election within the Liberal Democratic Party (LDP) set for October 4. Ishiba, noted for his cautious stance on fiscal expansion, exits at a time when both domestic pressures and geopolitical risks are intensifying.

Markets reacted sharply to the uncertainty. The yen weakened while long-term government bond yields surged, driven by investor concern that one of Ishiba's likely successors—particularly Sanae Takaichi, known for her nationalist stance and calls for larger government spending—would abandon Ishiba's fiscal restraint. Analysts warn that the election could delay further interest rate hikes by the Bank of Japan and raise the risk of destabilizing policy swings. Others believe that external influences—trade pressures, U.S. monetary policy—will play as big a role as any domestic power struggle in shaping Japan's next economic path.

Raid, Repatriation, and Visa Strain: U.S.–South Korea Tensions Flare Over Detained Workers

A sweeping immigration enforcement action in early September at a \$4.3 billion Hyundai-LG battery plant under construction in Georgia led U.S. agents to detain some 475 workers, about 300 of whom were South Koreans, over alleged visa violations and unlawful employment practices. Seoul responded immediately, arranging for a chartered flight to repatriate the detained workers, signaling strong diplomatic concern over how the raid was conducted—including the public shaming via footage of workers in shackles—which many South Koreans found humiliating.

U.S. officials, meanwhile, defended the operation as a necessary enforcement of immigration laws but pledged more raids on employers employing unauthorized workers. President Trump then intervened, delaying repatriation and offering detained workers the option to stay in the U.S. to help train American workers—part of an effort to bolster domestic workforce capacity in strategic sectors. However, nearly all chose to return home; only one remained after considering Trump's proposal.

In parallel, Seoul has strongly pushed for a new visa category and clearer regulatory framework for specialist foreign workers, especially those employed by contractors in foreign-led high-tech manufacturing. The episode has added friction to U.S.–South Korea economic relations, raising the risk that future investments could cool unless legal and diplomatic clarifications are made.

Japan–South Korea Defence Ministers Cement Trilateral Deterrence Against North Korea

In a landmark meeting in Seoul on September 8, 2025, South Korea’s Defence Minister Ahn Gyu-Back and his Japanese counterpart Gen Nakatani pledged renewed cooperation with the United States to counter mounting threats from North Korea, especially its nuclear and missile capabilities. Their agreement includes annual joint drills among the three nations beginning September 15, spanning aerial, naval, and cyber domains. The ministers also committed to advancing defence ties via joint development of high-end military technologies—such as AI, unmanned systems, and aerospace platforms—underscoring that regional security now requires more than diplomatic signaling.

The visit is symbolic as well as strategic: it’s the first official trip by a Japanese defence minister to South Korea in ten years, signaling a thaw in historical tensions and strengthening of alliance architecture in Northeast Asia. Nakatani’s itinerary—visits to the Seoul National Cemetery and the Korean Navy 2nd Fleet—served not only practical military-diplomatic functions but also carried heavy symbolic weight, affirming shared memories, responsibilities, and mounting mutual threats.

Transits and Tensions: China Protests Canada-Australia Warships Through Taiwan Strait

On September 6-7, 2025, Canada’s frigate HMCS Ville de Québec and Australia’s destroyer HMAS Brisbane transited the Taiwan Strait together, in what both governments describe as a routine passage consistent with international law. China’s Eastern Theatre Command strongly condemned the move, accusing the two ships of “trouble-making and provocation,” warning that their actions sent “wrong signals” and raised regional security risks. Chinese naval and air units reportedly shadowed the vessels. Taiwan’s defense ministry responded by closely monitoring the transit, dispatching its own naval and air assets to ensure stability in the sensitive waterway.

For Australia and Canada, the operation is part of a broader effort to assert freedom of navigation through what many nations view as international waters, despite China’s claim that the strait falls under its territorial jurisdiction. Australian Defence officials emphasized that HMAS Brisbane’s transit was lawful under the United Nations Convention on the Law of the Sea. Canada, while not detailing route specifics, confirmed that Ville de Québec is deployed under “Operation Horizon,” meant to promote peace and stability in the Indo-Pacific region.

Resolution in Focus: UN–SCO Cooperation Gains Global Endorsement

On September 5, the 79th session of the UN General Assembly adopted by overwhelming support a resolution titled “Cooperation between the United Nations and the Shanghai Cooperation Organization.” Introduced by China and co-sponsored by nearly 40 states—including all current SCO members—the resolution commended the SCO’s role in advancing regional peace, mutual trust, and development, while formally recommending stronger dialogue and coordination between the UN system and the SCO. It also notably welcomed China’s hosting of the SCO “Tianjin Summit” and the issuing of the Tianjin Declaration, which had featured President Xi Jinping’s Global Governance Initiative—a proposal urging respect for sovereign equality, adherence to multilateral law, people-centered policies, and a shared future for humanity.

These steps suggest growing institutional recognition of the SCO not merely as a regional actor, but as a partner in global multilateral governance. For China and its SCO partners, this marks a win in legitimizing the organization’s expanding role on the world stage—theoretically giving it greater leverage to shape norms of regional security, development, and multilateral cooperation. For other states, especially outside the SCO orbit, the move raises questions about how growing UN-regional organization partnerships might shift diplomatic alignments, influence development priorities, and potentially offer alternate pathways in global governance beyond Western-led institutions.

Portugal-China Summit: High-Level Engagements Bolster Strategic Ties

During his official state visit to Beijing from September 8-10, 2025, Portuguese PM Luís Montenegro held a series of high-profile meetings with Chinese leadership that underline both symbolic and strategic ambitions. He was hosted by President Xi Jinping at the Great Hall of the People, where he urged China to use its close ties with Russia to push for a “just and lasting peace” in Ukraine, while also highlighting the importance of multilateralism and Portugal’s role as a bridge-builder internationally. Montenegro also met with Premier Li Qiang, during which both sides reiterated their commitment to deepen cooperation under the 20-year framework of the China-Portugal Comprehensive Strategic Partnership, working to leverage mechanisms like the Belt & Road Initiative, strategic economic and trade dialogues, and forums involving Portuguese-speaking countries. He additionally held talks with Zhao Leji, Chairman of the Standing Committee of the National People's Congress.

Beyond formal diplomacy, Montenegro’s program blended ceremonial and cultural diplomacy with policy outreach. He laid a wreath at Beijing’s Monument to the People’s Heroes, acknowledging shared history, and presided over the signing of bilateral legal instruments. Key working sectors for cooperation include energy, banking, health, water supply, and agriculture—areas in which China is being urged to increase imports of high-quality Portuguese goods.

BRICS Virtual Summit: United Pushback Against Unilateral Tariffs

On September 8, 2025, the leaders of BRICS convened an emergency virtual summit hosted by Brazil to address growing concerns about rising protectionism and unilateral trade measures—especially those attributed to recent U.S. tariff moves. Brazilian President Luiz Inácio Lula da Silva denounced what he called “tariff blackmail,” arguing that many BRICS nations have become targets of unjustified trade practices. Chinese President Xi Jinping also criticized “trade wars” and unilateralism for harming the global economy. India, represented by External Affairs Minister S. Jaishankar, emphasized the need to preserve an open, transparent, and rules-based international trade system, urging that trade policies not be complicated by non-trade issues or retaliatory moves.

The summit not only highlighted shared economic grievances, but it also sought to deepen intra-BRICS economic solidarity. Participants discussed mechanisms to enhance trade and financial integration among member states to mitigate the disruptive impact of external tariffs and trade barriers. The meeting underscored how BRICS is increasingly conceived not just as a forum for criticism, but as a bloc working to develop concrete tools—such as coordinated responses to unfair trade practices and efforts to expand internal trade networks—to reduce dependence on external powers. This marks a growing assertiveness from the Global South, seeking greater space and leverage in the global economic system.

Vanuatu Delays Nakamal Pact: Sovereignty, Financing, and Beijing’s Shadow

Vanuatu has postponed the signing of the Nakamal Agreement, a landmark AU\$500 million (\$326 million) security-and-development pact with Australia, citing concerns that certain clauses—especially those related to “critical infrastructure”—could restrict its ability to receive infrastructure funding from other nations. Prime Minister Jotham Napat disclosed that coalition partners in his government have expressed unease over wording that might curtail Vanuatu’s financial flexibility, particularly given its status as the largest external creditor from China. The deal, which was initialled in a dramatic ceremony last month on Mount Yasur in Tanna, was expected to be formally signed during Australian PM Anthony Albanese’s visit to Port Vila.

The delay underscores the delicate balancing act facing Pacific island states amid intensifying geopolitical competition. Australia has positioned the Nakamal Agreement as part of a broader strategy to counter expanding Chinese influence in the region. Meanwhile, Vanuatu’s hesitation signals how domestic politics, external debt dependencies, and sovereignty sensitivities are now key constraints on security cooperation. Australia’s Prime Minister Albanese insists the agreement will eventually be signed and affirms it is built to “respect the sovereignty of Vanuatu,” but the timing and final text remain contested.

Deepening Ties: China Offers New Strategic Communication with North Korea

Chinese President Xi Jinping, in a message marking the 77th anniversary of North Korea's founding (September 9, 2025), declared that China is “ready to enhance strategic communication” with North Korean leader Kim Jong Un. The statement—carried by state media Xinhua—emphasized China's wish to “maintain close cooperation with North Korea for regional and global peace and development.” The timing follows Kim's recent visit to Beijing, where he participated in a major parade alongside Xi and Russian President Vladimir Putin, underlining a diplomatic choreography that highlights China's renewed engagement with Pyongyang.

This outreach is significant for several reasons. First, it signals China's intent to recalibrate its North Korea policy, which had seen strains in recent years as Pyongyang cultivated deeper ties with Moscow and pursued missile and nuclear developments that draw international censure. By pledging more frequent high-level exchanges and consultation, Beijing likely hopes to reassert influence and shape how Pyongyang positions itself in regional security dynamics. Second, it may reflect China's strategic calculations amid global alignment shifts—strengthening relationships with neighbors as a hedge against U.S. pressure and global uncertainties. Observers will be watching whether this enhanced communication translates into policy coordination on issues like sanctions, denuclearization, or border stability.

India-U.S. Trade Reset: Dialogue Rekindled Amid Tariff Frictions

India's Finance Minister Nirmala Sitharaman has confirmed that India's diplomatic team is engaging with the United States in ongoing trade negotiations, as both countries seek to address a series of trade barriers that have strained relations in recent months. In particular, U.S. President Donald Trump and Indian Prime Minister Narendra Modi have expressed optimism over talks “in the coming weeks,” signaling a measurable shift from heightened tension—especially after Washington implemented substantial tariffs on Indian exports.

The discussions are part of a broader attempt to recalibrate bilateral economic ties and reduce uncertainty for industries impacted by trade disruptions. With U.S. negotiators reportedly planning new in-person meetings in September, there is hope on both sides that a resolution could be reached that lowers tariffs, clarifies trade rules, and reinforces cooperation on supply-chain and investment issues. The outcome of this reset could have significant implications not only for U.S.-India economic relations, but for regional trade balances, investor confidence, and India's role in global supply chains.

Nepal's Gen Z Revolt: Protest, Policy Reversal, and Political Shake-Up

Massive protests erupted in Nepal starting September 8, 2025, after the government imposed a sweeping ban on over two dozen social media platforms, including Facebook, Instagram, X (formerly Twitter), and WhatsApp, citing failures of compliance with new registration rules and alleging misuse via fake IDs and disinformation. The ban triggered outrage especially among young Nepalese, who had been using these platforms to voice discontent over corruption, nepotism, and lack of economic opportunities. Demonstrators attempted to storm Parliament in Kathmandu; police responded with tear gas, rubber bullets, and in some cases live rounds. By the end of the first day, at least 19 protesters had been killed in the clashes, hundreds were injured and key areas like Singha Durbar and the Prime Minister's Office saw significant unrest.

In the face of mounting unrest, political fallout was swift. The social media ban was lifted on September 9, and Prime Minister K.P. Sharma Oli resigned, naming his departure "in view of the adverse situation in the country." Protesters, who refer to themselves as part of the "Gen Z protest" movement, pushed for broader political accountability—demanding dissolution of parliament and airing grievances over inequality and entrenched corruption. A former Chief Justice, Sushila Karki, has been proposed as interim prime minister by protest leaders and is emerging as a consensus choice amid talks with the President and the army. This episode marks one of Nepal's most serious political crises in decades, with longer-term questions now raised about institutional reform, youth power, and media regulation.

Rubio-Wang Call: Caution and Communication in US-China Relations

On September 10, U.S. Secretary of State Rubio held a phone call with Chinese Foreign Minister Wang, following up on discussions they first held in July during the ASEAN Regional Forum in Malaysia. The two officials discussed a broad range of bilateral, regional, and global issues. Rubio emphasized the need for "open and constructive communication" to manage tensions, especially amid ongoing friction over trade tariffs and China's sensitive concerns. China, in turn, raised objections to what it described as negative statements and actions from the US side that have infringed on what it considers its legitimate rights, particularly in regard to Taiwan. Both sides agreed that maintaining stable channels of diplomacy is important and that the strategic direction set by their respective heads of state should guide future interactions.

The call underscores how, despite mounting disagreements the United States and China are still operating with a shared understanding: that miscommunication or escalation could lead to unintended consequences. China's insistence on U.S. caution on issues touching its core interests signals clear red lines, while the U.S. side appears willing to engage, but also leaves room for pushing back where it sees unfair policies or infringements. This exchange may help lay groundwork for upcoming negotiations or meetings (potentially between top leaders), but whether it leads to meaningful compromise remains to be seen.

Blocking the Hype: EU Opts Out of Trump's 100% Tariff Push

President Donald Trump has privately urged the European Union to impose steep, even 100 percent tariffs on imports from China and India, aiming to pressure both nations over their purchases of Russian oil. The proposal came during recent talks in Washington between U.S. and EU sanctions and trade officials. However, the EU appears unlikely to comply with the proposal. According to EU diplomats, implementing sweeping tariffs of that magnitude would require legal justifications, lengthy investigations, and risk damaging trade ties with both India and China—with which Europe is pursuing deeper trade agreements. Moreover, the EU prefers targeted sanctions rather than broad-brush tariffs that could trigger retaliation or disrupt supply chains.

In a parallel diplomatic move, Italian Prime Minister Giorgia Meloni spoke by phone with Indian Prime Minister Narendra Modi on September 10, 2025. The two leaders emphasized the strong bilateral relationship between Italy and India and reiterated commitments to expanding trade, investment, and infrastructure connectivity. Notably, Meloni did not mention Trump's call for the EU to impose punitive tariffs on India (and China), even as the U.S. ramps up pressure.

Kim Ju Ae Poised as Successor: North Korea Prepares Dynastic Transition

South Korea's National Intelligence Service has reported that North Korean leader Kim Jong Un is actively positioning his daughter, Kim Ju Ae, as his likely successor, following her recent trip to China. While she kept a low profile during the visit—staying within the North Korean embassy and avoiding public events—her presence is seen by analysts as a deliberate symbolic step. The intelligence service also notes meticulous efforts by North Korean officials to hide biological traces during travel, including transporting waste via a special plane, suggesting an awareness of international scrutiny and sensitivity about her identity and lineage. The accompanying trip, which included attending a large military parade in Beijing alongside Chinese President Xi Jinping and Russian President Vladimir Putin, is viewed as part of a broader strategy to normalize her status within both domestic and foreign audiences.

The implications of this move are substantial. If Kim Ju Ae is indeed being groomed to succeed Kim Jong Un, it would mark a departure from North Korea's historically male-succession lines—she would be the first female in the Kim dynasty to be publicly acknowledged as heir. Observers are watching for how this shift might affect internal power structures, elite loyalty, and regime stability, particularly given her youth and the opacity of the regime's formal succession procedures. At the same time, her emergence may signal to foreign powers that Pyongyang intends to reinforce both the dynastic continuity of the Kim family and its international posture, possibly making future diplomatic and security calculations more complex.

Scarborough Shoal Dispute Escalates Over China's Nature Reserve Plan

China recently approved the creation of a national nature reserve at Scarborough Shoal (which Beijing calls Huangyan Island), designating roughly 3,524 hectares of coral reef in the disputed area—within what the Philippines claims as its Exclusive Economic Zone. The reserve is divided into core and experimental zones, and China says the move is meant to “maintain the diversity, stability and sustainability of the natural ecosystem.”

Manila strongly protested the plan, calling it “illegitimate and unlawful” and a “clear pretext for occupation.” The Philippine government demanded that China respect its sovereignty over Scarborough (known locally as Bajo de Masinloc), comply with international law—including the 1982 U.N. Convention on the Law of the Sea—and withdraw the designation. Fishermen in the Philippines fear the reserve will lead to further harassment by Chinese coast-guard vessels and restrict their access to traditional fishing grounds.

Undersea Lines under Siege: Taiwan Battles Grey-Zone Threats to Communication Cables

Taiwan has ramped up coast guard patrols around vital undersea communication cables after a series of suspected sabotage incidents triggered alarm about China's emerging use of grey-zone tactics. Key cable routes like TP3—which was severed earlier this year—are now under 24-hour surveillance, with patrol crafts, radar monitoring stations, and strict alert systems that track vessels moving slowly within one kilometer of these cables. Authorities maintain a blacklist of 96 China-linked boats and monitor nearly 400 additional vessels tied to China by ownership or operation, wary that they might be used to cut cables or otherwise interfere with Taiwan's connectivity without triggering full military confrontation.

The effort reflects a broader shift in Taiwan's threat assessment: officials now view undersea cables not just as infrastructure to protect, but as strategic assets at risk in simmering tension with Beijing. Grey-zone operations—actions that fall below the threshold of war—are seen as increasingly part of China's toolbox for applying pressure while maintaining plausible deniability. To counter this, Taiwan is pushing for more international cooperation and intelligence sharing, seeing partners elsewhere as important in detecting suspicious vessels, sharing best practices, and deterring actions that might isolate Taiwan by disrupting its digital lifelines.

Sanctions Defied: China Accepts Third Arctic LNG 2 Shipment

China has now received and unloaded a third cargo of liquefied natural gas (LNG) from Russia's Arctic LNG 2 project—despite the facility being under Western sanctions tied to Moscow's war in Ukraine. The U.S.-sanctioned tanker Zarya delivered over 160,000 cubic meters of LNG to the Beihai LNG terminal in Guangxi, southern China, before departing. This brings the total LNG China has taken from Arctic LNG 2 through three shipments to more than 386,000 cubic meters. Two more sanctioned tankers, Buran and Iris, each with about 174,000 cubic meters of capacity, are expected to arrive soon.

The development has multiple strategic implications. For Russia, deploying Arctic LNG 2 cargoes successfully despite sanctions signals both strong demand from China and the efficacy of available workarounds. For China, acquiring more energy for its growing demand—even from controversial sources—underscores its willingness to maintain energy security amid international pressure. The move also raises questions about how far sanctions can constrain such exports and whether stronger diplomatic or economic responses from the U.S. or its allies will follow given the ambiguity around end-user risk and enforcement.

Hong Kong Hosts 10th BRI Summit: A Decade of Expansion and Deal-Making

The 10th Belt-and-Road Initiative (BRI) Summit opened in Hong Kong on September 10, 2025, gathering over 6,000 participants—including government officials, corporate leaders, and international organizations from Belt-and-Road countries and regions. The event celebrates a decade of BRI development, with more than 2,800 projects presented over the past ten years, and underscores Hong Kong's role as a “super-connector” and “super value-adder” for global business. Summit organizers highlighted cooperation across trade, innovation, sustainability, logistics, and professional services, even as global economic uncertainty looms.

A number of agreements were signed at the opening session: nine memorandums of understanding (MoUs) and 36 commercial deals valued at nearly US\$1 billion, covering areas such as dispute resolution, customs cooperation, anti-corruption, finance, technology, logistics, education, and professional services. Also notable is China's push to formalize a joint free trade zone between the mainland, Hong Kong, and Macau as a way to deepen integration and amplify the BRI's reach.

Fujian Pushes Through: China's Advanced Carrier Navigates Taiwan Strait in Sea Trials

China's newest aircraft carrier, Fujian — the country's third and most technologically advanced carrier — has just completed a transit through the Taiwan Strait, continuing onward into the South China Sea as part of its ongoing sea trials ahead of formal commissioning. First revealed in 2022, Fujian has been undergoing trials since May 2024. The journey included escort by missile destroyers and was declared by the Chinese navy to be a “routine” research, training and scientific mission. Though Beijing maintains that the movement was not aimed at any specific target, the carrier's route through these contested waters underscores its strategic importance and readiness for broader operational deployment.

Security observers have raised the stakes of this move. Taiwan's Defence Ministry confirmed it was monitoring the transit, noting that Fujian's capabilities — including advanced launch systems and a larger air wing — would expand China's ability to project power and extend its defense envelope. Experts believe this passage may mark the final chapter in the vessel's trial phase; commissioning could follow soon. The timing matters: it comes as neighboring states and U.S. forces are sharpening their naval and missile drills in the region, intensifying broader concerns about how quickly China's carrier force could affect the balance of power in the Western Pacific.

Diplomatic Overlap: Taiwan & China Foreign Ministers Tour Europe in Parallel

In an unusually visible diplomatic moment, both Taiwan's Foreign Minister Lin Chia-lung and China's Foreign Minister Wang Yi are visiting Europe at the same time, in what analysts say signals a growing contest for influence amid Beijing's efforts to diplomatically isolate Taipei. Lin is in Prague, attending the opening of an exhibition of imperial Chinese artefacts from Taiwan's National Palace Museum at the Czech National Museum. Also in attendance was Czech Senate Speaker Milos Vystrcil, known for his own 2020 visit to Taiwan—an act that drew Chinese ire. Taiwan frames this cultural diplomacy under its “Taiwan Culture in Europe Year,” using soft power to connect European and Taiwanese values and strengthen informal ties with European partners.

Meanwhile, Wang Yi is leading a three-nation tour through Austria, Slovenia, and Poland, moving in formal diplomatic channels as China asserts its stance against Taiwan's state-level engagements. Beijing's Taiwan Affairs Office criticized the Czech institution and Taiwan's activities in Prague, accusing Taipei of trying to exploit Chinese cultural heritage for “cultural independence” and “de-Sinification”—terms often used in its discourse to challenge Taiwanese identity efforts. The simultaneous visits underscore both sides' strategic use of diplomacy and symbolism in Europe, where questions of sovereignty, culture, soft power, and recognition are increasingly contested in bilateral and multilateral forums.

China-Serbia Extradition Pact Advances, Raises EU Oversight Questions

China's legislature has officially ratified an extradition treaty with Serbia, a move that deepens Beijing's legal reach in Europe by enabling mutual requests for the return of wanted individuals across the two countries. The treaty was part of a broader string of agreements signed during President Xi Jinping's 2024 visit to Serbia, and while China's side has now approved it, the deal still awaits ratification by Serbia's parliament. The agreement is presented as a tool to pursue fugitives, combat corruption, and recover ill-gotten assets, as framed by Chinese state media.

However, the treaty has raised concerns among human rights groups and European watchdogs. Critics warn that the agreement could be used to target dissidents, political activists, or asylum seekers, especially given past European Court of Human Rights decisions blocking extraditions to China because of risks of ill-treatment. Serbia's growing cooperation with China—such as joint patrols, agreements on police cooperation, and extensive Chinese investment—has already drawn scrutiny over transparency and democratic safeguards.

Austria Urges China to Leverage Influence on Russia After Wang-Yi Meeting

During a meeting in Vienna on September 12, 2025, Austria's Foreign Minister Beate Meinl-Reisinger met with Chinese Foreign Minister Wang Yi, emphasizing security, prosperity, and global challenges as focal points of their discussion. Austria described China as one of its most important trade and investment partners and reiterated commitments to deepening cooperation in economy, trade, green development, culture, and multilateral diplomacy. The meeting also included calls for China to use its diplomatic weight with Russia to push for meaningful peace negotiations. Austria argues that Beijing, given its ties with Moscow, has a responsibility to help reduce the risk of further sanctions and encourage an end to the conflict in Ukraine.

Meinl-Reisinger stated that while Austria supports the EU's use of sanctions to pressure Russia, it also cautioned that sanctions should be assessed for their potential to harm the EU itself. She said new restrictive measures must strike a balance—ensuring they target Russia effectively but avoid collateral damage to European economies. She reinforced that China, in becoming increasingly influential globally, bears a certain responsibility and that dialogue, multilateralism, and shared global governance must be part of the path forward.

Wang Yi's European Tour: China Pushes Peace, Multilateralism, and Choice in a Turbulent Era

During a stop in Ljubljana, Slovenia, on September 13-14, 2025, Chinese Foreign Minister Wang Yi made a pointed call for China and Europe to make “right choices amid the greatest changes in a century,” stressing that “wars cannot solve problems and sanctions will only complicate them.” Speaking alongside Slovenian FM Tanja Fajon, Wang reaffirmed that China neither seeks war nor plans aggression, arguing instead for political settlement and dialogue to address global hotspots. He also emphasized the importance of multilateralism, preserving and adapting global governance mechanisms, and upholding the principles of the UN Charter. These remarks arrive as part of China’s broader Global Governance Initiative, launched earlier in 2025, which Beijing describes as an effort to refine existing international institutions rather than replace them.

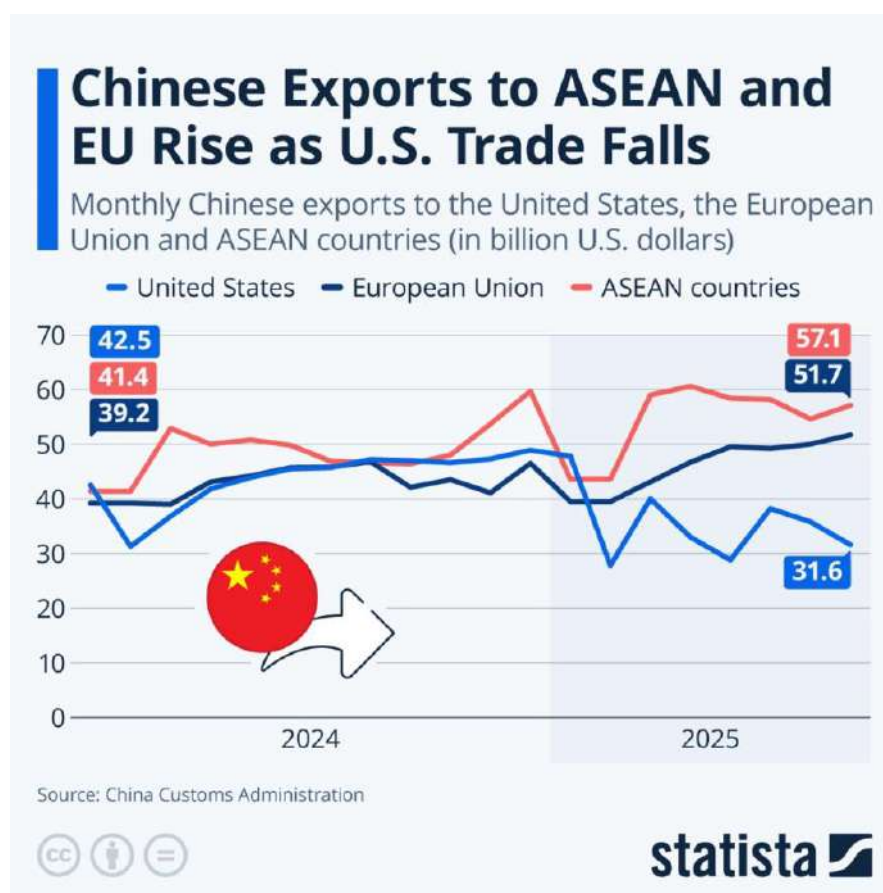
The timing of Wang Yi’s message is no accident: it comes amid escalating calls from the U.S. and its allies—particularly NATO—to impose sweeping tariffs on China in response to its economic ties with Russia and issues related to energy supply. Wang’s admonitions, framed in the context of Europe, are meant to caution both that confrontation and blanket sanctions could deepen instability rather than resolve it. By urging cooperation over rivalry and emphasizing the damage that economic reprisals can do—not only to the target but to global supply chains and diplomatic trust—China is seeking to carve out a more central, stabilizing diplomatic role in Europe’s reckoning with Russia, energy security, and geopolitical alignment.

2. STATISTICS OF THE WEEK

China Shifts Trade Focus Toward ASEAN and the EU

Fresh data from the China Customs Administration highlights a striking shift in Beijing's export patterns. While exports to the United States have fallen sharply—dropping to \$31.6 billion in August 2025, a 33% year-on-year decline—shipments to the European Union and ASEAN countries are surging. Chinese exports to the EU reached \$51.7 billion, while ASEAN topped \$57.1 billion, positioning Southeast Asia as China's fastest-growing trade partner.

The trend reflects both structural changes in China's economy and the impact of ongoing U.S.–China trade frictions, including tariff escalations. Facing slowing domestic demand, Chinese producers have increasingly turned outward, targeting markets in Europe, ASEAN, India, and Africa to offset losses in the U.S. market. While Washington remains the largest single-country destination for Chinese goods, the rapid expansion of ASEAN and EU trade links underscores Beijing's strategic diversification and the deepening of economic ties across Eurasia and the Global South.



<https://www.statista.com/chart/35098/monthly-chinese-exports-to-the-united-states-the-european-union-and-asean-countries/>

3. MAP OF THE WEEK

Undersea Cables and Taiwan's Strategic Vulnerability

This week's map illustrates the dense network of undersea communication cables that converge around Taiwan, linking the island to regional hubs in China, Japan, South Korea, Hong Kong, and Southeast Asia. These cables form the backbone of global internet traffic and financial transactions, making them vital infrastructure for Taiwan's economy and international connectivity. Their clustering in narrow corridors, however, also highlights a significant strategic vulnerability, as any disruption could severely impact digital and economic stability.

The map is particularly relevant as Taiwan has stepped up coast guard patrols and surveillance in response to suspected Chinese grey-zone threats against these cables. Incidents of damage earlier this year have raised alarm that Beijing could exploit undersea infrastructure as a pressure point short of open conflict. By visualizing how Taiwan's digital lifelines are interwoven with the broader Indo-Pacific, the map underscores why safeguarding submarine cables is now a priority not only for Taipei but also for its partners concerned with maintaining secure and resilient global networks.



<https://www.submarinecablemap.com>

4. PHOTO OF THE WEEK

Nepal's Gen Z Movement Ignites Historic Unrest

This striking image captures smoke rising above Nepal's parliament in Kathmandu, set ablaze during protests that have shaken the Himalayan nation. What began as a Gen Z-led social media movement against corruption, nepotism, and elite privilege escalated into the country's most violent unrest in years. Demonstrators, many young students, stormed key state institutions including the parliament and Supreme Court, clashing with security forces who responded with live ammunition, water cannons, and tear gas. The violence has left at least 30 dead and more than 1,000 injured, prompting the resignation of Prime Minister K.P. Sharma Oli.

The protests reflect deep frustrations among Nepal's youth, facing soaring unemployment, economic disparity, and political disillusionment. Anger was further fueled by the government's ban on social media platforms, which protesters called their lifeline to global communication and organizing. While the army has urged calm and dialogue, the political path forward remains uncertain. Protesters are calling for greater youth representation in leadership, with former Chief Justice Sushila Karki emerging as a possible figure to lead an interim government. For now, the image of Kathmandu's burning institutions stands as a stark reminder of both the fragility of governance and the power of a generation demanding change.



<https://edition.cnn.com/2025/09/10/asia/nepal-protests-gen-z-outcome-intl-hnk>

5. INFOGRAPHIC OF THE WEEK

Rubio–Wang Call Highlights Fragile Dialogue

On September 10, 2025, U.S. Secretary of State Marco Rubio and Chinese Foreign Minister Wang Yi held a phone call amid rising bilateral tensions. As the infographic shows, the conversation underscored the importance both sides attach to keeping lines of communication open, even as contentious issues loom large. Rubio emphasized the need for “open and constructive communication” to manage differences and address global challenges, while Wang stressed that China and the United States must work together for peace and prosperity—but also warned against U.S. actions undermining Beijing’s core interests, particularly on Taiwan.

The exchange reflects a fragile balance: both nations publicly endorse dialogue, yet deep disagreements continue to define their relationship. The call illustrates the duality of U.S.–China ties—simultaneous cooperation and confrontation—where maintaining channels of engagement is seen as vital to preventing escalation, but fundamental disputes remain unresolved.



https://www.linkedin.com/posts/eurohub4sino_rubiowang-call-dialogue-amid-activity-7371782870992064512-CTW8?utm_source=share&utm

6. REGIONAL ALLIANCES

BRICS Summit and the Recalibration of Global Trade Solidarity

At a virtual meeting on September 8, 2025, BRICS leaders convened under Brazil's chairmanship to address the escalating pressures of global protectionism—particularly rising tariffs from the United States—and to reaffirm their shared commitment to multilateral trade norms. Though dispersed and diverse in their national interests, the members used the summit to project a united front, decrying what Brazilian President Luiz Inácio Lula da Silva termed "tariff blackmail," and calling for mechanisms to reinforce economic cooperation among developing nations. The summit thus provided a snapshot of evolving alliance politics in a world where trade and global governance are being rapidly contested.

Critique of Unilateral Trade Measures

A core theme of the summit was rejection of coercive trade practices tied to non-trade policies. President Lula strongly criticized sweeping U.S. duties placed on BRICS exports as attempts to interfere in domestic affairs under the guise of trade policy. India, represented by Foreign Minister Subrahmanyam Jaishankar in the meeting, echoed this view: trade measures, they argued, should not be tools of political leverage or punitive overreach. Chinese President Xi Jinping similarly condemned unilateral tariffs, denouncing trade wars and emphasizing that they damage global economic stability. These critiques are more than rhetorical. They reflect real economic fallout: Brazilian and Indian exports have been hit with 50% tariffs under recent U.S. policy, while tariffs imposed on Chinese and South African goods have also raised concern over supply-chain disruptions. BRICS leaders underscored that such unilateral measures violate the spirit of WTO rules and threaten to fragment global trade regimes. The summit thus served as a platform for aligning criticism, but also a means to explore more resilient trade architecture among themselves.

Strengthening Intra-BRICS Cooperation

In response to external pressures, the summit participants laid out intent to deepen cooperative trade, financial, and investment ties within BRICS. Lula proposed steps toward enhanced economic solidarity: increasing intra-bloc trade, using local currencies for settlement, and bolstering financial linkages to reduce dependency on global institutions perceived as biased.

Jaishankar also stressed that fair, transparent, non-discriminatory trade practices, and predictable rules are critical for stable investment and development, calling for special and differential treatment for developing countries.

China, meanwhile, reiterated its Global Governance Initiative—launched earlier in 2025—as a framework to promote multilateral norms, especially for countries in the Global South. President Xi emphasized cooperation with the UN system, opposing arbitrary trade barriers, and reforming international institutions to better reflect the voices and needs of developing nations.

Strategic Restraint Amid Divergent Interests

Despite the shared critique of U.S. trade policy, the BRICS summit also exposed underlying divergences. India, wary of provoking Washington, delegated representation and avoided explicit mention of specific U.S. officials—emphasizing structural issues rather than personal or bilateral confrontation. Jaishankar’s remarks about India’s trade deficits with BRICS partners also hint at potential friction inside the bloc as members balance solidarity with national economic realities.

Additionally, while the expanded membership (now including Iran, UAE, etc.) provides greater heft, it also complicates unified action. Consensus was reached around shared values—openness, fairness, multilateralism—but no joint declaration explicitly naming all targets of discontent was released. The virtual nature of the meeting, while symbolically useful, also meant that follow-through will rely heavily on bilateral or subgroup mechanisms, rather than bloc-wide treaties or enforceable commitments.

Conclusion

The BRICS virtual summit solidified the bloc’s role as an increasingly vocal counterweight to what its members perceive as mounting economic coercion from powers like the U.S. It mapped out both the shared grievances—especially over tariffs and trade discrimination—and the tools with which members aim to defend themselves: enhanced intra-BRICS trade, use of local currencies, stronger multilateral frameworks, and institutional reforms. Yet the meeting also revealed the limits of alliance: divergent national interests, internal trade disparities, and cautious diplomatic postures ensure that unity will be imperfect. For observers, the real test lies ahead: whether BRICS can convert rhetoric into durable structural cooperation, without being hamstrung by the same complexities that afflict other international groupings.

7. ANALYSIS

China's Bolstered Relations with Europe amid Wang Yi's Ongoing Tour

China's Foreign Minister Wang Yi is currently on a three-nation tour of Austria, Slovenia, and Poland, marking another phase in Beijing's strategic outreach to Europe in 2025. This visit comes amid rising global trade tensions, concerns about supply-chain security, and pressure on European actors to align with U.S. positions. As Europe seeks both economic stability and diplomatic autonomy, China is stepping up its efforts to influence narratives, reinforce trade ties, and push back against policies it perceives as threatening its core interests.

Strategic Objectives of the Tour

One clear aim of the tour is to deepen bilateral economic and diplomatic relations with European countries seen as more open to engagement. For example, Austria's Foreign Minister Beate Meinl-Reisinger, during her talks with Wang Yi, urged China to use its influence to encourage Russia towards peace negotiations. This indicates that European partners are seeking more vis-à-vis China than just trade: they expect China to play a role in stabilizing geopolitical crises. Meanwhile, China uses these talks to promote its Global Governance Initiative, and to position itself as a stakeholder in global stability, free trade, and respect for sovereignty.

Another objective is to counterbalance growing European concerns about things like "de-risking" (i.e. reducing dependency on China), trade barriers, and export curbs. Over the tour, Wang Yi is emphasizing that cooperation—not confrontation—should define China-EU relations, and warning against unilateral sanctions or trade policies, which Beijing sees as undermining mutual trust and violating international norms. By visiting Austria, Slovenia, and Poland—countries with varying degrees of alignment with EU policy—China is testing the space for influence and support within the European bloc.

Challenges and Tensions

Despite diplomatic goodwill and symbolic outreach, the tour confronts several substantial headwinds. European governments remain divided on how to respond to China's rise: some favor engagement, others urge caution—especially on issues of human rights, technology security, and strategic dependencies. The rhetoric about respect for "core interests" (notably Taiwan, trade policy, dual-use technology) underscores areas where China signals strong warnings. These are likely to complicate cooperation if European policies are deemed too hostile.

Additionally, China must address perceptions that its engagements are transactional or serve primarily its own strategic goals. While trade and investment are appealing, deeper issues like transparency, intellectual property, environmental standards, and reciprocity are often raised in European capitals. China's public messaging in these visits—e.g., calls for multilateralism and peace—helps, but real policy alignment (or willingness to accommodate European demands) remains uneven.

Conclusion

Wang Yi's ongoing tour of Austria, Slovenia, and Poland illustrates a tactical phase in China's broader strategy to cement its ties with Europe, especially in the face of trade disruptions and rising geopolitical fault lines. The visit seeks not only to shore up economic cooperation but also to reinforce China's image as a responsible global power opposing coercive unilateralism.

However, while the tour brings short-term diplomatic gains, its longer-term success will depend on whether China can deliver on assurances of fairness and openness, and whether Europe can reconcile its internal divisions and maintain a coherent strategy. If China is able to offer stable market access and demonstrate responsiveness on contentious issues, it may expand its leverage. But if European doubts over strategic dependency and security persist, the tour risks reinforcing skepticism rather than forging lasting partnership.

