

Welcome to This Week's Asia on the Horizon

(22 SEPTEMBER 2025)

The Indo-Pacific remains the beating heart of today's global order, and this week's Asia on the Horizon captures how deeply intertwined the region's security, economic, and diplomatic currents have become. As great powers test boundaries, regional actors assert their agency, and alliances are stretched or renewed, the region is both the epicenter of geopolitical contest and a laboratory for new forms of cooperation. This edition takes you across the region—from the security flashpoints of the Korean Peninsula and the South China Sea, to the trade corridors that connect Asia to Europe and the Middle East—to make sense of the forces shaping tomorrow's horizon.

We begin in Northeast Asia, where North Korea's declaration of its nuclear status as “irreversible” cements what was already de facto reality into the language of permanence. This move, hailed by Pyongyang as a matter of sovereignty and deterrence, has jolted both Seoul and Washington, raising urgent questions about how deterrence and diplomacy can coexist in an environment of hardening positions. At the same time, South Korea's trade envoy heads to Washington in a bid to unfreeze stalled negotiations — a reminder that even amid sharp security concerns, economic diplomacy remains a lifeline of resilience and opportunity.

Further south, the Taiwan Strait once again took center stage, with China issuing strong condemnation after U.S. and British warships sailed through the contested waters. These passages are now part of the choreography of strategic signaling, with each transit magnified by Beijing as a provocation and by Western powers as proof of commitment. Against this tense backdrop, Poland's Foreign Minister hosted his Chinese counterpart in Warsaw, urging Beijing to use its influence over Moscow to help bring an end to the war in Ukraine. The talks revealed both the promise of economic deepening between China and Europe, and the limits of what Beijing is prepared to do in balancing partnership with Moscow against European outreach.

Meanwhile, the Freedom Edge trilateral military exercise off Jeju Island — bringing together U.S., Japanese, and South Korean forces — showcased a level of operational integration that would have been unthinkable only a few years ago. While the exercise demonstrated impressive multilateral capacity across sea, air, and subsurface domains, it also provoked fiery rhetoric from Pyongyang, with Kim Yo-jong warning of “bad results.” Yet what stands out most is how such trilateralism is becoming institutionalized, with the First Island Chain serving as a geographic fulcrum of deterrence.

Beyond security flashpoints, economic diplomacy took notable turns. The U.S. and China moved closer to a framework deal on TikTok, with Trump and Xi using their long-awaited call to signal cautious willingness to avoid an outright rupture over the app's U.S. operations. Analysts see this as a potential icebreaker ahead of the APEC summit in South Korea, where a long-anticipated Xi–Trump meeting could set the tone for

bilateral ties heading into 2026. In parallel, India's dialogue with Washington on trade has been described as "positive and forward-looking," a striking shift after years of friction over tariffs, digital rules, and supply chains.

Elsewhere in mainland Southeast Asia, the Lancang-Mekong ministerial meeting in Beijing underscored the growing salience of law enforcement cooperation, with commitments to deepen intelligence-sharing, conduct joint patrols, and combat cross-border crimes from telecom fraud to narcotics. Meanwhile, on the South China Sea front, China intercepted Philippine vessels near Scarborough Shoal, yet another reminder that maritime sovereignty disputes remain on a slow boil. And to the south, Australia unveiled an ambitious plan to boost exports to China, leveraging the gradual removal of trade barriers to recalibrate one of Asia's most important bilateral economic relationships.

The Middle East, too, reverberates through this edition. The Saudi-Pakistan Strategic Mutual Defense Agreement stands out as one of the most consequential shifts in regional security architecture this year. While officials in Islamabad downplay nuclear dimensions, the pact has nonetheless been read widely as Riyadh hedging its bets in an era of uncertainty — with ripple effects extending to India, Israel, Iran, and beyond. At the same time, the Philippines and the United Kingdom are exploring a Visiting Forces Agreement, a move that would anchor Western presence more firmly in Southeast Asia amid rising tension with Beijing.

Rounding out the regional canvas, Japanese PM Shigeru Ishiba's meeting with Croatian PM Andrej Plenković highlighted Tokyo's expanding diplomatic profile in Europe, India and Greece conducted their first bilateral maritime drills in the Mediterranean, and South Korea extended a formal invitation to President Xi Jinping to attend the APEC summit, signaling its ambition to act as a diplomatic bridge in turbulent times.

Finally, our special features bring the week into sharper focus. The Infographic of the Week unpacks China-Poland relations against the backdrop of the Ukraine conflict. The Map of the Week highlights the Freedom Edge exercise and the strategic significance of the First Island Chain. And the Statistics of the Week draws on survey data showing Southeast Asia's overwhelming perception of China as the region's most influential economic actor — with implications for how ASEAN balances reliance and resilience.

Taken together, this week's issue paints a picture of a region in motion: alliances tightening, rivalries sharpening, and new avenues of cooperation being tested. Asia on the Horizon remains your guide through this fast-changing landscape — bringing together the week's most consequential developments, analyzed with clarity, context, and foresight.

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1. KEY DEVELOPMENTS

North Korea's Nuclear Status Legislated as “Irreversible”

North Korea has officially declared that its identity as a nuclear weapons state is now codified in its “supreme and basic law,” making its nuclear status irreversible, state media KCNA reported via the DPRK permanent mission to the UN. The announcement strongly rejected U.S. demands for denuclearization, labeling such calls as “anachronistic” and an interference in North Korea’s sovereign affairs. In its statement, Pyongyang defended its nuclear arsenal as an “inevitable option” to counter perceived U.S. nuclear threats.

This move has several important implications for regional security and diplomatic efforts. By embedding its nuclear status in law, North Korea is sending a clear signal that future negotiations cannot aim at denuclearization under current conditions—it has changed the baseline. This step may further complicate diplomacy, particularly with countries like the U.S., South Korea, and Japan, which have long insisted on complete disarmament. Moreover, this assertion raises the stakes for the international community’s response: sanctions, pressure campaigns, or attempts at negotiations may need to be rethought in light of Pyongyang’s new legal and ideological commitment. Analysts may also see this as an effort to legitimize its nuclear posture domestically and to reinforce deterrence messaging externally.

South Korea Pushes to Break Impasse in U.S. Trade Talks Over FX and Investment Fund

South Korea’s chief trade envoy, Yeo Han-koo, is headed to Washington as negotiations with the U.S. over a trade deal agreed in July have hit a snag. The core of the dispute lies in a proposed \$350 billion investment fund tied to reduced U.S. tariffs: Seoul has flagged concerns that the terms mirror those in the U.S.–Japan deal, which could put undue pressure on the won and drain foreign currency reserves. Finance Ministry officials in Seoul are reportedly in talks with Washington to explore mechanisms—such as a possible foreign exchange swap line—to buffer against currency-market disruption, though nothing has been confirmed.

At the same time, diplomatic tensions have added to the urgency. A recent U.S. immigration raid at a Hyundai battery plant in Georgia arrested hundreds of Korean workers, sparking public outrage in Seoul and underscoring how trade, labor, and visa/immigration issues are becoming intertwined in bilateral relations. President Lee Jae Myung has made clear that South Korea will not accept a deal that undermines national interests—saying any agreement must protect its economic stability. Yeo Han-koo’s mission to the U.S. will thus test whether negotiators can reconcile Washington’s terms with Seoul’s risk sensitivities, especially around foreign exchange and investment controls.

China Denounces U.S.-UK Naval Transit Through Taiwan Strait

China's military, specifically the People's Liberation Army (PLA) Eastern Theatre Command, has condemned the recent transit of the U.S. destroyer USS Higgins and British frigate HMS Richmond through the Taiwan Strait as an act of provocation. Beijing claims it ordered both naval and air forces to closely monitor, warn, and follow the warships during their passage—accusing the two nations of “trouble-making” that undermines peace and stability in the sensitive waterway. Meanwhile, the UK's Defense Ministry has defended the voyage as a “routine passage,” invoking customary rights of navigation through international waters.

The incident underscores growing tensions over freedom of navigation operations (FONOPs) in contested maritime zones tied to Taiwan. China increasingly views such transits by the U.S. and its allies not as benign gestures, but as direct challenges to its sovereign claims and regional posture. For the U.S. and UK, these operations reaffirm their stance that the Taiwan Strait is international waters and that peaceful passage is both legal and important for preserving the rules-based order. But for Beijing, such moves are not easily tolerated, adding another layer of military friction to an already volatile cross-strait environment.

Poland Presses China for More Active Role on Ukraine during High-Level Bilateral Engagement

Poland's Deputy Prime Minister and Foreign Minister, Radosław Sikorski, held a high-profile meeting with Chinese Foreign Minister Wang Yi in Warsaw on September 15, 2025, marking the first visit by a Chinese foreign minister to Poland in six years. The talks—under the Poland-China Intergovernmental Committee, part of their Comprehensive Strategic Partnership—addressed trade (including regionalization of poultry exports and dual-use goods licensing), economic cooperation (notably rare-earth related exports and electromobility), transport corridors (China-Europe Railway Express), and political issues, such as Poland's aspirations to join the G20.

On Ukraine, Sikorski urged China to do more to facilitate a resolution, denouncing what he termed Beijing's “indirect support” of Moscow through trade, especially of dual-use goods, and pointing to increased Russian drone intrusions into Polish airspace as evidence of Russia's destabilizing actions. China defended its role as a promoter of peace talks and expressed readiness to work toward a “comprehensive, lasting, and binding peace agreement.” Both sides voiced concern over growing border tensions (including along the Poland-Belarus frontier) and emphasized respect for sovereignty, international law, and UN Charter norms.

Trilateral “Freedom Edge” Drills Trigger Strong Reactions from Pyongyang

From September 15-19, the United States, South Korea, and Japan launched a major trilateral military exercise, Freedom Edge, off South Korea’s Jeju Island. The exercises include naval, air, missile-defence, and cyber components and represent one of the most advanced trilateral drills among the three nations to date. Concurrently, the U.S. and South Korea are conducting a tabletop exercise named Iron Mace, which aims to integrate U.S. nuclear capabilities with South Korean conventional forces. The allied partners frame these drills as defensive and deterrent, citing North Korea’s enhanced missile and nuclear threats.

North Korea responded strongly, with public warnings from Kim Yo Jong—sister of leader Kim Jong Un—and military official Pak Jong Chon. Kim condemned the exercises as a “reckless show of strength” in areas close to the DPRK, suggesting they signal a continuation of confrontational policy by Seoul, Washington, and Tokyo. Pak warned of “serious counteractions” if what North Korea views as hostile demonstrations persist. Pyongyang perceives the drills, especially those integrating nuclear and conventional postures, as rehearsal for possible aggression, and has threatened to respond more forcefully.

U.S. & China Reach Framework Agreement on TikTok Ownership

The United States and China have agreed in principle to a framework deal in Madrid that would allow TikTok to continue operating in the U.S. under a structure that shifts ownership toward American control—while preserving certain “Chinese characteristics” of the app, according to U.S. Treasury Secretary Scott Bessent. Under the deal, the U.S. is pushing for national security safeguards, especially regarding data, algorithms, and content moderation; Chinese side negotiators are expected to secure protections for intellectual property licensing and algorithm export rights.

President Donald Trump and Chinese President Xi Jinping are slated to speak on Friday to formalize or clarify aspects of the agreement. This framework represents a notable thaw in U.S.–China tensions, offering a rare diplomatic breakthrough in otherwise fraught bilateral relations. It aims to resolve a contentious standoff that included threats to ban TikTok in the U.S. unless its Chinese parent company, ByteDance, divested its ownership or separated operations. The U.S. gains potential leverage over algorithmic and data control—key national security concerns—while China attempts to retain soft power influence through cultural features and tech licensing. However, significant details remain open: how much ByteDance retains ownership or control, how the algorithm will be licensed or where the liabilities lie, what oversight mechanisms will ensure compliance, and whether Congress will accept the deal under existing laws requiring divestiture. The timeline for completion—amid a new extended deadline for divestiture—suggests a rushed closing of these technical, legal, and political gaps.

India-U.S. Trade Talks Resume Amid Tariff Escalation, Hopes for Reset

India and the United States are set to hold high-stakes trade talks in New Delhi this week, signaling a possible thaw after escalating tensions over U.S. punitive tariffs. Washington has imposed a 25% tariff, increased to 50%, on many Indian exports—justified by President Trump and U.S. officials as a response to New Delhi’s continued purchases of Russian oil. The moves have sharply curtailed India’s exports to the U.S., which dropped from about \$8.01 billion in July to \$6.86 billion in August, contributing to a broader decline to a nine-month low of \$35.10 billion in overall exports.

Despite the strain, Indian negotiators led by Chief Trade Negotiator Rajesh Agarwal and U.S. envoy Brendan Lynch described the recent discussions as “positive” and “forward-looking,” with both sides agreeing to intensify efforts toward an early, mutually acceptable trade deal. Key sticking points remain, however: India’s reluctance to reduce its Russian oil imports and its resistance to opening up its agriculture and dairy markets to U.S. competition. Market watchers are watching closely: not only for potential tariff relief but also to see whether the tone and content of U.S.-India trade diplomacy are shifting toward a more stable, predictable partnership.

Lancang-Mekong States Deepen Law Enforcement and Security Cooperation

The 10th anniversary of the Lancang-Mekong Cooperation (LMC) mechanism was marked in Beijing on September 15 with a ministerial-level meeting on law enforcement and security chaired by Chinese State Councilor and Public Security Minister Wang Xiaohong. Delegates from Cambodia, Laos, Myanmar, Vietnam, and China agreed to intensify regional collaboration on combating transnational crimes, particularly telecom and online fraud, and to strengthen frameworks for joint patrols and security governance. The meeting also adopted two major documents: the Joint Statement on Deepening Cooperation in Combating Transnational Crimes and the Joint Statement on Deepening Joint Patrol and Law Enforcement Cooperation along the Mekong River.

Wang highlighted the LMC’s progress in safeguarding stability and delivering tangible benefits to member states over the past decade, calling for implementation of China’s Global Security Initiative and Global Governance Initiative as guiding frameworks. He emphasized that enhanced law enforcement capacity should underpin both security and development in the region, while pledging support for the Lancang-Mekong Integrated Law Enforcement and Security Cooperation Center. Member states affirmed their commitment to advancing these outcomes, signaling stronger coordination in addressing security challenges that directly affect economic growth, regional stability, and people-to-people ties across the Mekong subregion.

Escalation at Scarborough Shoal as China Fires Water Cannon and Intercepts Philippine Vessels

China's Coast Guard announced on September 16, 2025, that it fired water cannon at a group of more than 10 Philippine vessels near the disputed Scarborough Shoal (known in China as Huangyan Island). The Chinese side claimed the Philippine ships had "illegally invaded" Chinese territorial waters from several directions, particularly criticizing one vessel (designated 3014) for deliberately ramming a Chinese coast guard ship. In response, Beijing says it issued verbal warnings, instituted route restrictions, and deployed water cannons as part of "control measures" under its laws.

The Philippines countered the narrative, stating that its vessels were engaged in a humanitarian mission, resupplying over 35 fishing boats in the area, when Chinese vessels used water cannon aggressively—causing damage and injuries. Manila denies deliberately provoked the Chinese side. The incident comes shortly after China announced plans to designate much of Scarborough Shoal as a national nature reserve, a move Manila has protested. Analysts say the clash underscores North-South friction over fishing rights, sovereignty, and China's use of environmental protection as a possible mechanism to reinforce its claims.

Australia Launches Initiative to Capitalize on Fading Trade Barriers with China

Australia has unveiled a two-year funding measure, the Accessing New Markets Initiative, committing A\$50 million to help its exporters seize opportunities as Beijing lifts long-standing trade impediments. The government claims that over A\$20 billion worth of export barriers have already been removed, benefiting sectors like red meat, lobsters, wine, fish, and agriculture. These industries, which suffered under restrictions rooted in heightened diplomatic tension and biosecurity concerns since 2020, are now reported to be entering the Chinese market "at higher volumes than ever before."

The initiative will give exporters "fast, flexible and targeted" support — for example via trade advisers and participation in offshore trade events — aiming not just to restore old trade flows but also to diversify into new ones. Australia's ambition is to 'build on' the improved trade relations, especially under Prime Minister Albanese's government, which has quietly made repairing ties with China a priority. As trade barriers ease, the policy signal is clear: Canberra wants to ensure domestic exporters are ready to scale, compete, and take full advantage of China reopening its doors to goods that were previously restricted.

Philippines and UK Explore Visiting Forces Agreement amid Rising South China Sea Tensions

The Philippines and the United Kingdom are in early discussions over a proposed Visiting Forces Agreement (VFA), as Manila deepens its defense partnerships in response to escalating tension in the South China Sea. Britain's Minister of State for Defence, Lord Vernon Coaker, delivered a letter from UK Defence Secretary John Healey to Philippine Defense Secretary Gilberto Teodoro Jr., expressing formal interest in establishing an agreement facilitating joint military operations, troop deployments, and mutual access.

Simultaneously, the Philippines plans to significantly ramp up its naval capacity in 2026, driven by the country's largest budget increase for the Navy among all military services—a proposed ₱8.3 billion (≈ US\$140 million) uplift. The funds are earmarked for acquiring eight new frigates and building up shipyard infrastructure. Observers see this move as Manila aligning its defense posture with both external pressures in the region and the enhanced military cooperation that the UK VFA would enable.

U.S. and China Reach Framework Deal Over TikTok Ownership

On September 15, 2025, after intense negotiations in Madrid, U.S. and Chinese officials announced a framework agreement intended to transfer control of TikTok's U.S. operations to U.S.-based ownership while addressing Chinese concerns over preserving some cultural or “soft power” features of the app. U.S. Treasury Secretary Scott Bessent noted that the deal would allow TikTok to continue operating in the U.S., satisfying national security demands, but still retain certain “Chinese characteristics” that Beijing values. The divestiture, expected to satisfy a 2024 law requiring ByteDance to sell its American business or face a ban, would see the U.S. entity owned by U.S. investors, though the precise structure—how much control ByteDance might retain, if any—is still in negotiation. (Reuters)

The deal, although a rare breakthrough in U.S.–China trade tensions, raises a host of unanswered questions that could make or break its durability. Key among them is how much control ByteDance will retain over core technology—especially the algorithm—and whether U.S. entities will fully own the entity's board and decision-making processes. Congressional approval is also required under U.S. law, and it remains unclear whether the arrangement will fully meet the criteria laid down in the law mandating divestiture. The timeline is tight: the deal must be finalized over the coming weeks or face extended deadlines. Failure to resolve these details could undermine confidence in the agreement, reopen legal and political controversies, and strain U.S. domestic politics—especially among those wary of China's influence or skeptical of supervised but not fully independent ownership.

India-U.S. Trade Talks Labeled “Positive and Forward-Looking”

India and the United States senior trade officials met in New Delhi on September 16, 2025—Brendan Lynch (Assistant U.S. Trade Representative for South & Central Asia) for the U.S., and Rajesh Agrawal leading India’s side—to engage in renewed negotiations after a period of escalation in trade tensions. India’s Commerce Ministry afterward described the discussions as “positive” and “forward-looking,” saying both sides agreed to intensify efforts toward an early conclusion of a bilateral trade agreement that would be mutually beneficial.

However, major points of contention remain unresolved. The U.S. has pressed India to reduce or eliminate its purchases of Russian oil and to open up key sectors like agriculture and dairy to U.S. access—asks that India has so far resisted. Meanwhile, Indian exports to the U.S. dropped significantly in August, from about US\$8.01 billion in July to US\$6.86 billion, a decline attributed to U.S. tariff measures that doubled certain duties to 50%. Both countries are expected to enter a formal sixth round of negotiations soon.

China’s Strong Rhetoric and Global Vision at Xiangshan Security Forum

At the opening of the 2025 Beijing Xiangshan Forum, China’s Defence Minister Dong Jun delivered a robust address warning of a world slipping toward a “law of the jungle” — marked by Cold War thinking, spheres of influence, coercion, and external military interference. Dong portrayed China’s growing military strength as a stabilizing force, especially in safeguarding its core interests like Taiwan, which he reaffirmed as an inseparable part of the post-World War II international order. He urged global unity under frameworks like China’s Global Security Initiative, calling instead for dialogue over confrontation and rejecting hegemonism.

The forum itself, expected to draw around 1,800 participants from over 100 countries — including military officials, scholars, and diplomats — comes at a time of heightened regional tensions, particularly over Taiwan and the South China Sea. China appears to be using this security forum to project a strategic narrative: that it seeks a revised global order where its growing power is both normalized and respected, and that opposition — including from the U.S. and its allies — is equated with destabilization. For many outside observers, the forum offers a window into China’s military modernization trajectory and its evolving foreign policy posture.

Seoul Extends State-Level Invitation to Xi for APEC; Details Emerging

During his diplomatic visit to Beijing on September 17–18, 2025, South Korean Foreign Minister Cho Hyun formally invited Chinese President Xi Jinping to attend the Asia-Pacific Economic Cooperation (APEC) summit, to be held in late October in Gyeongju, South Korea. Cho suggested upgrading Xi's visit to a state visit, not merely a working appearance tied to multilateral proceedings. In their talks, Cho and Chinese Foreign Minister Wang Yi discussed not only Xi's potential attendance but also broader ambitions to deepen the Korea-China strategic cooperative partnership following President Lee Jae Myung's inauguration.

Seoul appears to be positioning itself as a diplomatic bridge between China and other major powers, especially given other leaders' expected appearance at APEC— notably U.S. President Donald Trump, who has confirmed plans to attend. For South Korea, securing Xi's attendance carries symbolic weight: it would be his first visit to Korea in some eleven years, and Seoul seems keen to leverage that visibility into a reset in bilateral ties balanced between its security alliance with the U.S. and economic/geopolitical ties with China.

Japan and Croatia Deepen Strategic and People-to-People Ties at Tokyo Summit

Japanese Prime Minister Shigeru Ishiba hosted Croatian Prime Minister Andrej Plenković in Tokyo on September 19, 2025, marking Plenković's first ever state summit visit to Japan. The two leaders emphasized shared values and pledged to expand cooperation not only bilaterally but on global issues like Ukraine and security in East Asia, including North Korea's nuclear and missile programs as well as the abductions issue. The summit also celebrated the recent entry into force of the Japan-Croatia Air Services Agreement (in March 2025), and they agreed in principle on a Working Holiday Program to promote youth and cultural exchanges.

On the economic front, both sides underscored their commitment to strengthening investment, trade, and infrastructure linkages. Croatia expressed strong interest in attracting Japanese investment in key sectors like automotive, green energy, digital tech, and transport infrastructure, with Japanese firms already active in Croatia's automotive design and component industries. Cooperation under the Three Seas Initiative and Croatia's aspirations to join the OECD were also discussed, revealing Japan's growing strategic engagement in Eastern Europe as part of its broader Indo-Pacific diplomacy.

Saudi-Pakistan Mutual Defense Pact Signals Shift in Regional Deterrence Equation

Saudi Arabia and Pakistan formalized a Strategic Mutual Defense Agreement (SMDA) on September 17, 2025, asserting that any aggression against one nation will be considered aggression against both. The deal, signed during Pakistani Prime Minister Shehbaz Sharif's visit to Riyadh, codifies decades of military, financial, and strategic cooperation between the two countries. While Pakistan's Defense Minister, Khawaja Muhammad Asif, stated that nuclear weapons are "not on the radar" of the pact, he also said Pakistan's nuclear program "will be made available" to Saudi Arabia under the terms of the agreement if needed. The agreement aims to enhance joint deterrence capabilities and formalize defense cooperation amid rising security uncertainties in the Middle East.

The new pact has stirred concern in India, which shares long-standing adversarial ties with Pakistan. Indian officials have called on Saudi Arabia to "mind sensitivities" in the region, emphasizing the deepening strategic relationship between New Delhi and Riyadh and warning that this development could affect regional stability. Analysts suggest the agreement represents Riyadh hedging against perceived erosion in U.S. security guarantees and growing discomfort among Gulf states over Israel's growing assertiveness. For India, balancing its expanding partnership with Saudi Arabia—especially on energy and infrastructure—alongside its security concerns will require diplomatic recalibration.

Trump-Xi Call Focuses on TikTok as a Path Out of U.S.-China Deadlock

On September 19, 2025, Presidents Donald Trump and Xi Jinping held their first phone call in about three months, with TikTok at the center of their agenda. U.S. officials say the two leaders are seeking a deal that would keep TikTok operational in the United States under a framework that shifts its U.S. assets away from ByteDance, its Chinese parent, toward U.S. ownership—while concerns remain over how much control China retains over key elements like the algorithm. The call came amid broader U.S.-China tensions over trade, technology, and security, and Trump framed TikTok as a political and public interest issue, touting its "tremendous value" and its role in his electoral base.

While both sides appear eager to use the TikTok deal as a symbolic breakthrough—one that could reset strained bilateral relations—the situation remains fluid with several critical details still unresolved. These include the precise ownership split, who controls content moderation and algorithmic functions, and whether the U.S. Congress will accept the terms (especially given existing law mandating divestiture of foreign-controlled apps). China's government has emphasized that any deal must comply with Chinese laws and market rules, and that Beijing expects fair treatment for Chinese firms in the U.S. trade environment.

India and Greece Hold Maiden Bilateral Maritime Exercise in Mediterranean

India and Greece recently concluded their first-ever bilateral maritime exercise, a milestone in their evolving defence partnership. The exercise, conducted from 13-18 September 2025, consisted of a harbour phase at Salamis Naval Base (13-17 Sept) and a sea phase in the Mediterranean (17-18 Sept). The Indian Navy was represented by the guided missile stealth frigate INS Trikanḁ, while the Hellenic Navy deployed its frigate HS Themistokles, a submarine SV Pipinos, and support units. Key activities included cross-deck visits, professional exchanges, a pre-sail conference, and cultural engagements during the harbour phase. The sea phase featured night VBSS (Visit, Board, Search, and Seizure) operations, replenishment at sea, coordinated gunfire, anti-submarine warfare (ASW) drills, and cross-deck helicopter operations — all aimed at refining interoperability and operational rapport between the two navies.

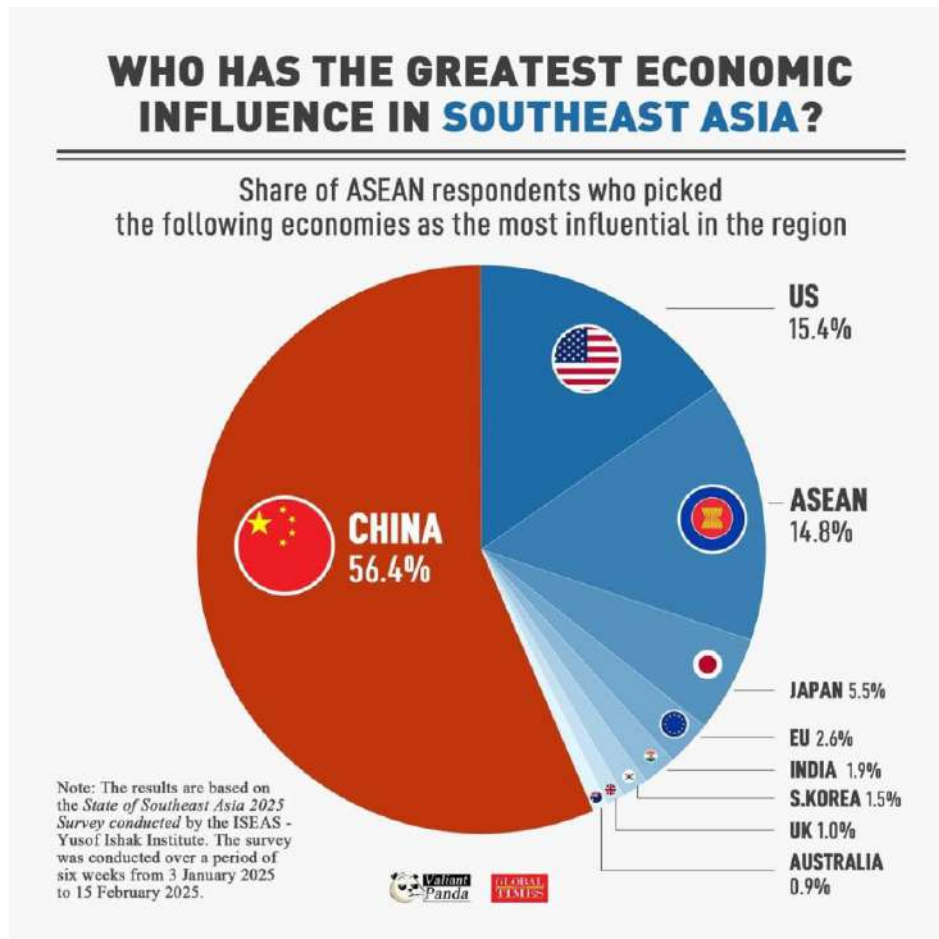
This exercise signals a deepening of naval cooperation between India and Greece, reflecting broader strategic convergence in maritime security in the Indo-Pacific and Mediterranean regions. By engaging in complex joint drills, both navies have demonstrated capacity to collaborate in both conventional naval warfare domains and more modern asymmetric or non-traditional operations (such as VBSS). The exercise also serves diplomatic purposes: reinforcing people-to-people ties through cultural exchanges, enhancing trust, and showcasing shared commitment to freedom of navigation and safety in international waters. For India, deploying INS Trikanḁ to Europe and executing such bilateral exercises underscores its vision of operating globally; for Greece, the exercise reinforces its strategic relevance amid shifting European and regional security dynamics.

2. STATISTICS OF THE WEEK

China's Economic Weight Dominates Southeast Asia

According to the State of Southeast Asia 2025 Survey by the ISEAS–Yusof Ishak Institute, a clear majority of ASEAN respondents — 56.4% — identified China as the most economically influential actor in Southeast Asia. This figure underscores Beijing's entrenched role as the region's largest trading partner, a top investor, and a central player in regional infrastructure initiatives, particularly through the Belt and Road Initiative (BRI).

The United States ranked a distant second at 15.4%, followed closely by ASEAN itself at 14.8%, reflecting growing recognition of intra-regional economic integration. Other major players lagged far behind: Japan (5.5%), the EU (2.6%), India (1.9%), South Korea (1.5%), the UK (1.0%), and Australia (0.9%). The data illustrates Southeast Asia's heavy reliance on China for trade and investment, while also revealing the relative limitations of alternative economic actors in shaping regional priorities.



<https://www.globaltimes.cn/page/202509/1343547.shtml>

3. MAP OF THE WEEK

Freedom Edge Exercise: Strengthening Trilateral Security in the First Island Chain

From September 15 to 19, 2025, South Korea, the United States, and Japan conducted the Freedom Edge exercise off the coast of Jeju Island, a strategically significant location inside the First Island Chain. The drill involved coordinated operations near the Jeju Naval Base and linked to U.S. fleet activities in Okinawa and Sasebo, Japan. The choice of location underscores the intent to enhance interoperability among the three allies while sending a strong deterrence message to regional rivals, particularly China and North Korea.

The exercise featured multi-domain operations — including anti-submarine warfare, air and missile defense coordination, maritime patrols, and live-fire drills — to bolster readiness against both conventional and asymmetric threats. Beyond operational training, the Freedom Edge exercise highlights a deepening trilateral alliance aimed at preserving stability and freedom of navigation within contested waters. As the map illustrates, staging the exercise inside the First Island Chain carries clear geopolitical weight, signaling unified resolve at a time of heightened regional tension.



<https://understandingwar.org/map/the-freedom-edge-exercise-off-the-coast-of-jeju-island-south-korea-from-september-15-to-19-2025/>

4. PHOTO OF THE WEEK

Trilateral Freedom Edge Exercise Wraps Off South Korea

The U.S., Japan, and South Korea concluded Freedom Edge 25 on Sept. 20, marking the end of a five-day trilateral multi-domain exercise off Jeju Island, South Korea. This third iteration of the drill expanded on earlier efforts, incorporating air, maritime, cyber, and special operations training. Key missions included ballistic missile defense, counter-air, anti-surface warfare, maritime interdiction, VBSS, counter-piracy, medical evacuation, and replenishment-at-sea operations.

According to U.S. Indo-Pacific Command, the exercises reaffirm the three nations' shared commitment to security, freedom, and prosperity on the Korean Peninsula and across the Indo-Pacific. Unlike previous iterations, this year's exercise did not include a U.S. carrier strike group. Instead, the USS Blue Ridge and USS Curtis Wilbur led participation, alongside Japan's JS Hyuga and JS Haguro, and South Korea's ROKS Wang Geon and ROKS Yulgok Yi I. Following the exercise, USS Blue Ridge made a port visit to Pyeongtaek, South Korea, its first in more than a decade, underscoring the strength of the U.S.–ROK alliance.



<https://news.usni.org/2025/09/19/trilateral-freedom-edge-exercise-wraps-off-south-korea>

5. INFOGRAPHIC OF THE WEEK

Poland–China: Strategic Talks Amid Rising Tensions

At a high-profile meeting in Warsaw on September 15, 2025, Polish Foreign Minister Radosław Sikorski and Chinese Foreign Minister Wang Yi highlighted the dual nature of their relationship: promising economic cooperation, overshadowed by urgent security challenges. China praised Poland's pivotal role in Eurasian transport and connectivity, noting its importance in Belt and Road trade corridors as well as cooperation in agriculture, electromobility, and logistics. Both sides reaffirmed their commitment to deepen trade and infrastructure links, underscoring Poland's status as a Eurasian hub.

Yet the dialogue also carried a hard geopolitical edge. Poland raised alarm over instability at its eastern border, where Russian-Belarusian military drills and migration pressures pose persistent threats. Sikorski urged Beijing to leverage its influence over Moscow to curb hybrid operations and ease tensions. The meeting revealed a delicate balancing act: while Warsaw and Beijing seek stronger trade ties, the geopolitical backdrop—Ukraine, border security, and Russia's shadow—dominates the agenda.



https://www.linkedin.com/posts/eurohub4sino_polandchina-meeting-in-warsaw-activity-7373579206020087808-YRn4?utm_source=share&utm

6. REGIONAL ALLIANCES

The Strategic Fallout of the Pakistan-Saudi Pact

The Pakistan-Saudi “Strategic Mutual Defense Agreement,” signed on September 17, 2025, marks a sharp upgrade in the formal security architecture between the two countries. Under the pact, any aggression against one is to be considered aggression against both. While the wording is broad and does not explicitly cite which threats or actors are covered, the context — rising regional tensions, Israeli strikes in Qatar, questions over the U.S. as a reliable guarantor — gives this alliance outsized significance. The agreement signals not just bilateral alignment but a recalibration of strategic alliances across the Middle East and South Asia.

Mutual Deterrence and Nuclear Implications

While Pakistani officials, including Defense Minister Khawaja Mohammad Asif, have stated that nuclear weapons are “not on the radar” of the agreement, Saudi sources view the pact as encompassing all military means and potentially a de facto nuclear umbrella for Riyadh. This raises questions about how Pakistan’s existing nuclear doctrine — historically focused on India — may implicitly stretch to cover Saudi Arabia, particularly under threat scenarios involving Israel or Iran. Yet, analysts caution that nothing in the public text mandates automatic nuclear sharing, and Islamabad is likely to retain control over its strategic assets.

Strategic Signaling to Regional Actors

The pact delivers significant diplomatic signals. For Gulf states, especially Saudi Arabia, it underscores a desire to reduce over-reliance on U.S. security guarantees amid perceptions of Washington’s uneven response to threats (e.g., Qatar’s airspace violation). For India, the deal is being watched closely: Indian officials have called on Riyadh to “mind sensitivities” with respect to bilateral ties. Meanwhile, Israel is likely to view this as another layer of deterrence forming around its strategic calculus. Iran may perceive it as both threat and opportunity — threat in more aligned opposition against its adversaries; opportunity in leveraging Saudi inward concerns. Among external powers (e.g., the U.S., China), there is recognition that this is part of a trend — Gulf states diversifying security partners as the U.S. recalibrates its Middle East posture.

Constraints and Ambiguities

Despite its boldness, the agreement is shrouded in ambiguity. The “comprehensive” defense commitment lacks detail on triggers (what counts as “aggression”), command structures, or how joint defense operations would unfold in practice. Pakistan’s prior instances of conditional or limited military engagement (e.g., choosing neutrality in Yemen) suggest that actual implementation will likely be cautious and weighed against national interest. Moreover, Saudi Arabia must balance this pact with its still-robust engagement with India and its desire to maintain multiple strategic options.

Conclusion

The Pakistan-Saudi pact represents more than a bilateral agreement: it is a signal to the Middle East and South Asia that traditional security hierarchies are shifting. While the deal does not definitively place Saudi Arabia under a formal nuclear umbrella, it brings Pakistan's nuclear deterrence into the regional environment in a more visible way. For allies and rivals alike, this pact forces a rethink of alliance calculations — India calling for sensitivity, Gulf states hedging their bets, and external powers watching how implementation unfolds. Ultimately, its impact will depend not only on the words of the agreement, but on how credibly and swiftly both parties can act in face of real security threats.

7. ANALYSIS

Implications of the Trump-Xi Call & Prospects of an APEC Meeting

The phone call between U.S. President Donald Trump and Chinese President Xi Jinping on September 19, 2025, has been characterized by both sides as a step forward—particularly around resolving the TikTok impasse, alleviating trade tensions, and paving the way for an in-person meeting in South Korea during the upcoming APEC summit in late October. While the dialogue offers potential for de-escalation, it also lays bare deep fault lines in U.S.–China strategic competition, with unresolved issues that could throttle hoped-for breakthroughs.

What the Call Signals: Thaw, Not Breakthrough

The Trump-Xi conversation marked the first direct exchange in approximately three months—an implicit acknowledgement that previous tensions had reached a level needing intervention. Among the key takeaways:

- **Progress on TikTok:** Trump declared that Xi had "approved" the framework deal over TikTok, which includes a structure for U.S. control over TikTok's operations in America while seeking to preserve some of ByteDance's soft power, algorithmic or "Chinese characteristics." However, analysts warn that the claim of approval remains ambiguous: while U.S. readouts are confident, China has been more circumspect, saying only that it supports negotiation under market rules and balance of interests.
- **Trade and Other Frictions:** The call also touched upon broader issues—trade measures, fentanyl flows, and even the war in Ukraine. But here, agreement is far less firm. Differences persist over tariffs, export controls, regulatory burdens on Chinese firms, and how China might respond to U.S. pressure without undermining its own political or economic sovereignty.

The Stakes & Constraints Ahead of APEC

A face-to-face meeting at APEC in Gyeongju could serve as the platform where many of these tensions are tested in reality. Key stakes include:

- **Symbolism vs Substance:** APEC offers both leaders the optics of cooperation. For Trump, it's a chance to show progress at home on contentious campaign issues like China, trade, and national security (especially TikTok). For Xi, it's an opportunity to project stability and China's willingness to engage, even under pressure. But symbolism only carries weight if paired with credible action. Experts caution that while the groundwork for a TikTok deal seems laid, many essential elements (e.g. ownership structure, algorithm control, IP licensing, regulatory oversight) remain under negotiation.
- **Domestic and Political Constraints:** In the U.S., Congress has already passed laws mandating divestment or regulation of TikTok. Any deal not satisfying those legal requirements will face severe political backlash. On China's side, yielding too much control (of algorithm or data) threatens internal policy

consistency and the CCP's concerns about information control. There is a narrow margin for compromise.

- **Collateral Agenda Items:** The call's agenda didn't just focus on TikTok. Wider trade, critical minerals, and issues such as fentanyl and Ukraine were also on the table. Progress on TikTok could serve as a confidence-builder for moving forward on those fronts, but failure could harden positions, especially given both countries' recent history of tariff escalations and export control measures.

Conclusion

In sum, the Trump-Xi call represents a thaw more than a resolution—a delicate opening in a relationship that has grown increasingly transactional and tension-laden. The prospects of a meeting at APEC heighten both opportunity and risk: success could reset relations in key areas, especially trade and digital economy norms; failure would likely reinforce mistrust and push both sides back into defensive postures. The key measure will be whether the leaders can move beyond favorable press statements toward binding implementation, especially on TikTok, trade barriers, and technology controls. The months ahead will test whether this moment is the start of a sustained diplomatic reset, or a fleeting pause in broader strategic rivalry.