

# PERSPECTIVE

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## **The Trump Administration and Southeast Asia: Limited Engagement Thus Far**

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### **EXECUTIVE SUMMARY**

- President Trump's engagement with Southeast Asia has been very limited compared to his focus on Europe, the Middle East, Latin America and Northeast Asia.
- As yet, there are no signs of a Trump doctrine or a Trump Asia policy.
- Initial fears that a Trump administration would radically alter Washington's foreign policy, its engagement with East Asia, US-China relations, and its approach to the South China Sea are receding.
- ASEAN forums, APEC and the IISS Shangri-La Dialogue provide multiple opportunities for Southeast Asian leaders and senior officials to engage with President Trump and key US officials in their first months in office.

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## EARLY DAYS

The transition from one presidential administration to the next in America is a huge, months-long endeavour where confusion, delay, and missteps are normal. Three months after the inauguration of Donald Trump as President, the current transition is far from complete. For those with an interest in the US role in Southeast Asia, it is advisable to guard against excessive or faulty interpretation of what this situation means.

Five elements aggravate the situation and the analytical risks:

- 1) It is widely held that East Asia is in the midst of a historic and potential destabilizing power transition between the US and China.<sup>1</sup>
- 2) This presidential transition is from a Democratic to a Republican administration after a particularly divisive election campaign and during a period of deep partisan polarization in America.<sup>2</sup>
- 3) Donald Trump was a surprise maverick candidate not beholden to the Republican Party or traditional Republican foreign policy tenets including support for alliances, free trade, and the “One China” policy.
- 4) The nomination by the President of senior officials is moving particularly slowly. The State Department, Department of Defense, and US Trade Representative office still do not have their “Asia teams” nominated, much less in place.
- 5) Donald Trump himself. He is a unique President with no prior political experience and an avowed preference for flexibility and deal making.

This Perspective will cover four themes of the early Trump administration which are of particular interest to Southeast Asia: indications of the administration’s foreign policy priorities; the limited engagement with Southeast Asia; the South China Sea dispute; and trade policy.<sup>3</sup> Fortunately, the worst fears about US foreign and security policy under a Trump administration generated during the presidential campaign and president-elect periods are being partially assuaged.

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<sup>1</sup> A recent opinion poll of Southeast Asian academics, journalists, and government officials on the early Trump administration provides a telling insight into this power transition assumption. “Southeast Asians’ Views of the Trump Administration”, *ASEANFocus*, Issue 14, March/April 2017 (forthcoming).

<sup>2</sup> “Partisanship and political animosity in 2016”, *Pew Research Center*, 22 June 2016.

<sup>3</sup> This Perspective follows on from a November 2016 issue on, “The Impending Trump Presidency and Southeast Asia”, available at

[https://www.iseas.edu.sg/images/pdf/ISEAS\\_Perspective\\_2016\\_63.pdf](https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2016_63.pdf)

## EARLY SIGNS

By late April, the Trump administration, despite expectations, had yet to articulate a clear, overarching vision for the Asia-Pacific or for US foreign and security policy in general. Be that as it may, the choices of which foreign leaders President Trump communicates with, the choices for Secretary of State, Secretary of Defense and National Security Adviser and their travel schedules, and early foreign policy actions do provide indications of his priorities.

*Table 1: President Trump’s Telephone Calls and Meetings with World Leaders (20 January-21 April 2017)*

<i>Phone Calls with Foreign Leaders</i>	<i>Meetings with Foreign Leaders (all in US)</i>
15 with Middle Eastern leaders	6 with European leaders
14 with European leaders	5 with Middle Eastern leaders
7 with Latin American leaders	2 with Northeast Asian leaders
6 with Northeast Asian leaders	1 with Latin American leaders
3 with African leaders	1 with Canadian leader
2 with North American leaders	
2 with Oceania leaders	
1 with Indian leader	
<b>Total: 50 phone calls</b>	<b>Total: 15 meetings</b>

Source: The White House, available at <https://www.whitehouse.gov/briefing-room/statements-and-releases>

On foreign policy issues, the new administration has mainly focused on the perennial crises in the Middle East, and relations with Europe (see Table 1). Syria was the first country to be the subject of a US military strike; Vice President Mike Pence’s first overseas trip was to the Middle East and Europe; President Trump’s first overseas trip will be to Europe to attend NATO and G7 meetings in May; and Theresa May, the Prime Minister of the United Kingdom, was the first foreign leader to have an official meeting with President Trump.

Where Asia is concerned, so far, the Trump administration has prioritized relations with countries in Northeast Asia—China, Japan and South Korea—and been dealing with the threat posed by North Korea’s nuclear weapons’ programme. Soon after Trump’s inauguration, in an effort to assuage concerns raised by his campaign rhetoric, senior officials were dispatched to key Northeast Asian countries with messages of reassurance regarding existing US security commitments and its adherence to the “One China” policy. In February, Defense Secretary Mattis visited Japan and South Korea, and in March, Secretary of State Tillerson travelled to China, Japan and South Korea. Prime Minister Shinzo Abe of Japan was the second leader to have an official meeting with President Trump.

Trump's senior appointments reinforce this focus on the Middle East and Europe. Defense Secretary General James Mattis spent most of his military career in the Middle East and Europe; before retiring from the Marines in 2013, Mattis was Commander of Central Command—the combatant command responsible for US military operations in the Middle East and Central Asia—and before that had served as a NATO military commander. Trump's National Security Adviser, Lieutenant-General H.R. McMaster served in the 1991 Gulf War and in Afghanistan and Iraq post-9/11. The National Security Council's Senior Director for Asia, Matt Pottinger was formerly a China correspondent for the *Wall Street Journal*, who joined the Marines after 9/11 and served in Iraq and Afghanistan. Only Secretary of State Rex Tillerson, the former CEO of Exxon Mobil, has direct experience of Southeast Asia as he oversaw the energy giant's operations in Vietnam—including in disputed waters in the South China Sea—and in Malaysia and Indonesia. Singapore is home to Exxon Mobile's largest integrated refining and petrochemical complex in the world.

### **LIMITED ENGAGEMENT WITH SOUTHEAST ASIA**

Engagement with Southeast Asia is noticeable by its absence in Table 1. President Trump has yet to meet any Southeast Asian leaders or, according to White House public records, have phone contact with any of them. In the first two months, the only visit of note took place in February when Admiral Harry Harris, the Commander of Pacific Command (PACOM), attended the opening ceremony of the US-Thai Cobra Gold military exercises—thus becoming the highest ranking US military official to visit Thailand since the 2014 coup—and stressed America's strategic commitment to the region.

In the last month, two-way engagement has started to improve. On the Southeast Asian side, Singapore Defence Minister Ng Eng Hen made a special trip to Washington D.C. in early April to meet with his US counterpart. Ng, who described Mattis as the “Secretary of Reassurance”, declared himself satisfied with US commitment to regional security.<sup>4</sup> Later in April, Vietnam's Deputy Prime Minister and Foreign Minister Pham Binh Minh visited Washington. During this visit, Pham received a letter from President Trump inviting Vietnam's prime minister to visit the United States.<sup>5</sup>

On the American side, on 20 April, Vice President Mike Pence visited Indonesia on a stopover from Northeast Asia to Australia. Pence met with President Joko Widodo, and, in a nod to the important role played by ASEAN, visited the ASEAN Secretariat. In remarks that were widely welcomed in Southeast Asia, Pence stated that America was “taking steps to strengthen our partnership with ASEAN and deepen our friendship”.<sup>6</sup> The Vice President also announced that President Trump would attend a summit meeting with ASEAN leaders prior to the East Asia Summit in the Philippines in November, before travelling on to

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<sup>4</sup> “US reaffirmed commitment to Asia-Pacific region and bilateral defence ties with Singapore: Ng Eng Hen”, *Straits Times*, 6 April 2017.

<sup>5</sup> “Trump invites Vietnam's prime minister to visit US”, *Reuters*, 21 April 2017.

<sup>6</sup> “Nervous about China, Southeast Asia gets Trump's attention”, *Philippine Daily Inquirer*, 21 April 2017.

Vietnam which will host the APEC Summit. While Pence was in Indonesia, the State Department announced that Tillerson would meet with the ten ASEAN foreign ministers on 4 May in Washington.

## THE SOUTH CHINA SEA DISPUTE

Initially, the new Trump administration's seemingly hawkish posture on the South China Sea dispute created some alarm in Southeast Asia (and beyond). Once officials had walked back their comments and reverted to existing policy positions the nervousness dissipated, at least for the time being.

The proximate cause of regional dismay were the remarks made by Tillerson during his Senate confirmation hearings on 11 January 2017. When questioned over the South China Sea, Tillerson likened China's artificial-island building in the Spratlys to Russia's annexation of the Crimea, blamed the Obama administration's lack of resolve for allowing China to "push the envelope", warned that if Beijing tried to gain control of the waterway it would pose a threat to the global economy, and, most explosively, that "We're going to have to send China a clear signal that first, the island-building stops, and second, your access to those islands also is not going to be allowed."<sup>7</sup> Tillerson's latter comment suggested that the United States had reversed its neutral position on competing sovereignty claims, and, more worryingly, raised the prospect of a US naval blockade of China's man-made islands resulting in a military confrontation between the two countries. The White House added fuel to the fire when Trump's communications director, Sean Spicer, stated that if China's artificial islands were in international waters and "not in China proper", the United States would "defend international interests from being taken over by one country", and when it was revealed that in a March 2016 radio interview, Trump's chief strategist Steve Bannon had forecast a US-China war in the South China Sea within a decade.<sup>8</sup>

Tough talk from Trump administration officials was dismissed by former US defence official Amy Searight as "stray voltage" rather than strategy,<sup>9</sup> and indeed within a short space of time the rhetoric had been dialled down. When in Japan, Defense Secretary Mattis criticized China's "confrontational" actions in the South China Sea, but cautioned that the United States would not be making any "dramatic military moves" and that all parties should pursue diplomacy to resolve the dispute.<sup>10</sup> Tillerson himself subsequently added a caveat to his oral comments in a written response to questions posed by a senator during the confirmation hearings. He stated that during a "contingency", i.e. a military crisis, the

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<sup>7</sup> Senate Confirmation Hearing of Rex Tillerson, 11 January 2017, available at <<https://www.youtube.com/watch?v=VgrcD0nYeU0>>.

<sup>8</sup> "White House warns China on trade, South China Sea", Channel News Asia, 24 January 2017; Ankit Panda, "Steve Bannon and Prospects of a US-China War in the South China Sea", *The Diplomat*, 2 February 2017.

<sup>9</sup> "Tough China Sea talk just 'stray voltage'", *The Australian*, 30 January 2017.

<sup>10</sup> "James Mattis reaffirms US's Asia policy", *Financial Times*, 4 February 2017.

United States and its allies “must be capable of limiting China’s access to and use of its artificial islands”.<sup>11</sup> Tillerson went on to reiterate existing US policy on the South China Sea when he said “The United States will uphold freedom of navigation and overflight by continuing to fly, sail and operate where international law allows” – the exact same words used by officials in the Obama administration.

In his written answers Tillerson added, however, that the United States “must be willing to accept risk if it is to deter further destabilizing actions [in the South China Sea] and reassure allies and partners”. One such risk is the Freedom of Navigation Operations (FONOPs) conducted by the US Navy within 12 nautical miles of China’s artificial islands. In 2015-16, the Obama administration sanctioned four FONOPS in the Spratlys, all of which targeted Chinese-occupied features. According to a media report, PACOM has requested that the frequency of FONOPs in the South China Sea be increased.<sup>12</sup> Thus far, however, the White House has denied PACOM’s requests. This suggests that despite the hawkish rhetoric from some people on Trump’s team, the new administration has adopted—at least for the time being—a rather cautious approach to the South China Sea dispute designed to avoid aggravating tensions with Beijing. Indeed, during the summit meeting in Florida between President Trump and Chinese President Xi Jinping in April, the issue barely seems to have rated a mention, dominated as it was by trade issues, tensions on the Korean Peninsula and the US cruise missile strike on Syria.

Thus, contrary to expectations raised by comments made by Trump prior to his inauguration and by some of his officials, US policy on the South China Sea has remained consistent and the problem has not become an area of overt contention between Washington and Beijing—much to the relief of Southeast Asian countries who do not want to see the South China Sea become a theatre of rivalry between China and the United States. However, the respective positions of America and China on the South China Sea remain unchanged, and an increase in tensions over this issue cannot be ruled out. A test case will be when the White House gives PACOM the green light to conduct further FONOPs in the South China Sea, and how China decides to respond. As Graham Allison has recently speculated, an accident between a Chinese coast guard vessel and a US warship during a FONOP mission near one of China’s artificial islands has the potential to trigger a major political-military crisis between the United States and China.<sup>13</sup>

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<sup>11</sup> “Behind the scenes, Tillerson tones down rhetoric on South China Sea”, *Japan Times*, 7 February 2017.

<sup>12</sup> “The Navy is planning fresh challenges to China’s claims in the South China Sea”, *Navy Times*, 12 February 2017.

<sup>13</sup> Graham Allison, “How America and China Could Stumble into War”, *The National Interest*, May-June 2017, available at < <http://nationalinterest.org/feature/how-america-china-could-stumble-war-20150>>.

## TRADE POLICY

The Trump administration's approach to trade policy tells a similar story. The worst fears of a trade war with China (and Japan) and throttling border adjustment taxes have eased. President Trump is following through on some of his campaign pledges, and his first executive order withdrew the US from the Trans-Pacific Partnership (TPP) trade agreement that had been the economic centrepiece of the Obama administration's Asia-Pacific rebalance policy. On 31 March, he signed an executive order to probe US trading partners for unfair trading practices. Commerce Secretary Wilbur Ross mentioned 16 countries that would be part of this probe including Malaysia, Vietnam, Indonesia and Thailand in Southeast Asia and Japan and China.<sup>14</sup> During President Trump's respective meetings with Prime Minister Abe and President Xi, US trade concerns were a major agenda item. Bilateral negotiating processes were established with both Japan and China and await appropriate staffing in the US Trade Representative office. Yet, the Trump administration, despite earlier threats, has not labelled either country a currency manipulator.<sup>15</sup> The can has been kicked down the road.

While trade wars with China and Japan, which would wreak havoc with East Asian production chains that are of utmost importance for maritime Southeast Asia, look less likely and more distant, US trade policy under President Trump provides few opportunities for Southeast Asia. The withdrawal from the TPP is particularly disappointing on the trade front for Vietnam. Vietnam is a TPP signatory, and does not have a comparable bilateral free trade agreement with the US which is its largest export market. The effect on the other Southeast Asian countries involved is less: Singapore already has a wide-ranging bilateral free trade agreement with the US, while the US is a less important trading partner for Malaysia and Brunei Darussalam. Looking forward, the Trump administration's focus on bilateral trade agreements with major trading partners provides little scope for engagement with Southeast Asia. Trade talks with Japan and China will take precedence in Asia, and be very difficult.

## ENHANCING ENGAGEMENT

In 2009, the Obama administration came to power committed to signing the ASEAN Treaty of Amity and Cooperation and seeking membership in the ASEAN-led East Asia Summit. Early indications from the Trump administration suggest that more of the burden for enhancing US-Southeast Asia engagement will now rest with individual Southeast Asian leaders and ASEAN. As designed, ASEAN's numerous wider regional mechanisms, APEC, and the IISS Shangri-La Dialogue in Singapore provide sturdy platforms for this very engagement. This is particularly the case in 2017 as Vietnam is the APEC chair, the

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<sup>14</sup> Takashi Nakano, "Southeast Asian capitals bristle at Trump's trade probe", *Nikkei Asian Review*, 18 April 2017.

<sup>15</sup> In October 2015, Hillary Clinton, during the Democratic Party primaries, withdrew her support for the TPP as the agreement did not meet her criteria for addressing currency manipulation. "Hillary Clinton cites currency manipulation for rejection of TPP", Bloomberg, 14 October 2015.

Philippines, a US ally, is ASEAN chair in the Association’s golden anniversary year, and it is the 40<sup>th</sup> anniversary of US-ASEAN dialogue partner relations.

Three steps can be taken to enhance the US-Southeast Asian engagement opportunities offered by these regional meetings this year:

- Led by President Duterte of the Philippines, Southeast Asian leaders should make personal contact with President Trump prior to his planned participation in the US-ASEAN Summit, the East Asia Summit, and the APEC Leaders Meeting in November. Prime Minister Nguyen Xuan Phuc should try to visit the US before November.
- Secretary of Defense Mattis has confirmed his participation in the IISS Shangri-La Dialogue in early June. His first trip to Southeast Asia should not be limited to Singapore.

The ASEAN Regional Forum will convene in August. In a similar vein, Secretary of State Tillerson should attend as part of a larger trip to the region to follow up on the 4 May meeting in the US.

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