

# PERSPECTIVE

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## **The Trump Administration and Southeast Asia: Enhanced Engagement**

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### **EXECUTIVE SUMMARY**

- Over the past six months, the Trump administration’s engagement with Southeast Asia and ASEAN has increased significantly.
- However, as highlighted by Trump’s 12-day, five-nation visit to Asia in November 2017, Southeast Asia is of secondary importance after Northeast Asia to the Trump administration’s core economic and security concerns in Asia.
- Reflecting the current downturn in tensions in the South China Sea, the disputes between China and the Southeast Asian claimants in the South China Sea received little attention.
- In contrast to the Obama administration’s Asia-Pacific rebalance, the Trump administration’s “free and open Indo-Pacific” framework gives little prominence to Southeast Asia or ASEAN.

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## INTRODUCTION

The first anniversary of Donald Trump's election as President of the United States took place during the China leg of his first trip to Asia in November. For Southeast Asia, President Trump's visit to Vietnam for the Asia-Pacific Economic Cooperation (APEC) Leaders Meeting and the Philippines for the US-ASEAN Summit and East Asia Summit (EAS) highlighted both enduring features of President Trump's world view and approach to foreign policy since he took office in January, and his administration's much greater engagement with Southeast Asia over the past six months. His administration is developing a distinct approach to Asia that differs significantly from the Obama administration's Asian pivot/rebalance strategy.

The ambitious itinerary, the President's conduct during the trip, and his key messages were in line with Trump's first overseas trip in May. As with this first trip that covered the Middle East and Europe where he attended a North Atlantic Treaty Organization (NATO) summit, his first Asia trip was long, covered two sub-regions (Northeast and Southeast Asia), started with bilateral state visits heavy on pomp and pageantry and ended with multilateral summitry. President Trump's 12-day, five-country journey was the longest to Asia by a sitting president since George H.W. Bush in 1991. While the APEC and ASEAN summits in Southeast Asia may have been the scheduling focus of the trip, the bilateral meetings in Northeast Asia were more substantial. President Trump again placed a great premium on establishing or enhancing his personal relationships with the leaders he met. This was reciprocated in each case.

As with his first overseas visit, Trump again showed himself prone to awkward, attention-grabbing protocol moments from feeding fish in Japan to ASEAN-style group hand grasping in Manila. As with his speech at the NATO Summit in May, his presentation at the APEC CEO Summit in Danang featured fiery rhetoric and barbed criticism of the policies of his fellow summit participants.

## ENHANCED ENAGEMENT WITH SOUTHEAST ASIA

Since late April, the Trump administration has significantly increased its political and security engagement with Southeast Asia.<sup>1</sup> President Trump has met with four Southeast Asian leaders at the White House: Vietnamese Prime Minister Nguyễn Xuân Phúc in May; Malaysian Prime Minister Najib Razak in September; and Thai Prime Minister Prayuth Chan-o-Chia and Singapore Prime Minister Lee Hsien Loong separately in October.

Secretary of Defense James Mattis and Secretary of State Rex Tillerson each have visited the region twice: Mattis to Singapore in June (for the Shangri-La Dialogue) and in October the Philippines (for the ASEAN Defence Ministers' Meeting Plus) and Thailand (for King Bhumipol's funeral); Tillerson visited the Philippines (for the ASEAN Regional

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<sup>1</sup> This is the third in a series of ISEAS Perspective articles on the Trump administration and Southeast Asia. See the authors' "The Impending Trump Presidency and Southeast Asia", *ISEAS Perspective*, #63/2016 (21 November 2016) and "The Trump Administration and Southeast Asia: Limited Engagement Thus Far", *ISEAS Perspective* #27/2017 (27 April 2017)

Forum and the East Asia Summit ministerial meeting), Thailand and Malaysia in August, and accompanied President Trump on his Asian tour in November, which included Vietnam and the Philippines, before going on to Myanmar.

The Trump administration's Asia team is almost in place—Randall Shriver has been nominated Assistant Secretary for Asian and Pacific Affairs at the Department of Defense—with the notable exception of Assistant Secretary for East Asian and Pacific in the State Department. Although many US ambassadorial positions remain unfilled, in Southeast Asia, America has ambassadors in nine of the ten ASEAN members with the ambassador for Singapore awaiting confirmation. Only the position of US ambassador to ASEAN is vacant.

## **SECONDARY CONSIDERATION**

Yet despite this enhanced engagement with Southeast Asia, the Trump administration places much greater emphasis on US relations with Northeast Asia. This is unsurprising given that America's most important bilateral relationship in the twenty-first century is with China, and the US alliance relationships with Japan and South Korea are much deeper and broader than those with the Philippines and Thailand. The Trump administration's primary focus on Northeast Asia is the post-Cold War norm in American foreign policy in East Asia; the attention President Obama and his administration paid to Southeast Asia being something of an aberration.

It is unclear whether President Trump would have travelled to Southeast Asia had the APEC Summit not been held in Vietnam. Trump's lack of enthusiasm for ASEAN-led forums was apparent. In April, Vice President Pence announced that Trump would attend the EAS in Manila. However, several weeks before Trump's departure, it was announced that the President would depart Manila the day before the EAS. This decision was quickly reversed, presumably because Trump's advisers warned that the optics of his absence would look poor at a time when Asian countries were looking to be reassured that the US was committed to the regional security architecture. In the end, Trump's attendance at the EAS was partial: he skipped the delayed plenary session and delivered his remarks over lunch before departing for Washington. Despite Trump's acceptance of Prime Minister Lee's invitation to visit the city-state, it is left to be seen if he attends the EAS next year in Singapore. Papua New Guinea, the host of the 2018 APEC Summit, is unlikely to be a major pull for Trump either.

## **TRADE**

The economic focus of Trump's trip to Asia was again the US bilateral trade in goods' deficits, and increased US military exports to these countries as a means of reducing them. Yet, a cursory look at US trade in goods' deficits in East Asia underlines in bold that Southeast Asia is of secondary consideration, after Northeast Asia. The total US trade in goods' deficit with Northeast Asia is over five times larger than with Southeast Asia. The US deficit with China alone is over four times larger than with Southeast Asia as a whole.

**Table 1**  
**US Trade in Goods with Northeast Asia, 2016 (\$ millions)**

	Exports	Imports	Balance
<b>China</b>	115,602.1	462,618.1	-347,016.0
<b>Japan</b>	63,236.3	132,046.3	-68,810.0
<b>S. Korea</b>	42,309.4	69,881.2	-27,571.8
<b>Hong Kong</b>	34,894.7	7,407.3	27,487.4
<b>Taiwan</b>	26,037.3	39,248.2	-13,210.8
<b>Mongolia</b>	55.4	11.2	44.2
<b>N. Korea</b>	0.1	0.0	0.1
<b>Total</b>	<b>282,135.3</b>	<b>711,212.3</b>	<b>-429,077.0</b>

Source: U.S. Census Bureau <https://www.census.gov/foreign-trade/balance/index.html>

**Table 2**  
**US Trade in Goods with Southeast Asia, 2016 (\$ millions)**

	Exports	Imports	Balance
<b>Singapore</b>	26,724.9	17,833.4	8,891.5
<b>Malaysia</b>	11,831.9	36,630.0	-24,798.1
<b>Thailand</b>	10,444.9	29,477.0	-19,032.1
<b>Vietnam</b>	10,100.4	42,098.8	-31,998.3
<b>Philippines</b>	8,199.8	10,044.0	-1,844.2
<b>Indonesia</b>	6,023.7	19,194.4	-13,170.7
<b>Brunei</b>	614.7	13.8	600.9
<b>Cambodia</b>	360.7	2,814.3	-2,453.6
<b>Myanmar</b>	192.9	244.7	-51.9
<b>Laos</b>	30.9	55.1	-24.2
<b>Total</b>	<b>74,524.8</b>	<b>158,405.5</b>	<b>-83,880.7</b>

Source: U.S. Census Bureau <https://www.census.gov/foreign-trade/balance/index.html>

Vietnam has the largest trade in goods' surplus with the United States in Southeast Asia, accounting for 38 per cent of the total Southeast Asian surplus. Accordingly, Vietnamese leaders were pressured by President Trump on this point and encouraged strongly to buy US-manufactured military equipment. As suggested in the joint statement produced for the visit, a review of the existing bilateral Trade and Investment Framework Agreement focussed on reducing the US trade in goods' deficit with Vietnam is in the offing.<sup>2</sup> The Philippine leg offered one of the very few signs of success for this muscular American approach to trade. President Duterte has offered to consider negotiating a bilateral free trade agreement with the United States.<sup>3</sup>

<sup>2</sup> **Joint Statement between the United States of America and the Socialist Republic of Vietnam, The White House, 12 November 2017**, <https://www.whitehouse.gov/the-press-office/2017/11/12/joint-statement-between-united-states-america-and-socialist-republic>

<sup>3</sup> **Joint Statement between the United States of America and the Republic of the Philippines, The White House, 13 November 2017**, <https://www.whitehouse.gov/the-press-office/2017/11/13/joint-statement-between-united-states-america-and-republic-philippines>

## THE SOUTH CHINA SEA DISPUTE

The territorial and maritime jurisdictional disputes in the South China between China and several Southeast Asian countries featured much less prominently during this presidential trip to Southeast Asia, despite Vietnam and the Philippines both being claimants. Since mid-2016, the dispute has been displaced from the top of Asia's security agenda for two reasons. First, in Northeast Asia the crisis on the Korean peninsula has worsened, while in Southeast Asia the threat from Islamic extremism has increased as demonstrated by the five-month conflict in Marawi City in the Southern Philippines. Second, Philippine President Rodrigo Duterte's decision to put aside the July 2016 Arbitral Tribunal ruling on the South China Sea in favour of bilateral talks with China has led to a significant reduction in tensions. Warmer Sino-Philippine ties have also had a positive impact on ASEAN-China ties, and in August 2017 the two sides agreed to a draft framework on a Code of Conduct (CoC).<sup>4</sup>

However, while tensions have abated, the central drivers of the dispute—nationalism, competition over resources and geopolitical rivalry—remain unchanged, and none of the claimants have compromised their territorial or maritime jurisdictional claims. As evidence of this, there have been several tiffs in the South China Sea over the past few months: the Trump administration has irked China by conducting four freedom of navigation operations (FONOPs) in the Spratlys and Paracels; in August, Beijing put pressure on Hanoi to suspend drilling operations in a contested area of the sea; and in October the presence of Chinese naval and coast guard vessels forced the Philippines to abandon an attempt to build bamboo huts on a sandbar near Thitu Island.

On the Northeast Asia leg of Trump's visit, North Korea dominated and the South China Sea barely rated a mention. In the joint statement between Trump and Abe, both sides reiterated the need for a peaceful resolution of the dispute, respect for international law and freedom of navigation and overflight, and shared concerns over the "militarization of South China Sea outposts", i.e. China's seven artificial islands in the Spratlys.<sup>5</sup> According to the joint statement issued after Trump met with Chinese President Xi Jinping, the two leaders did not discuss the dispute at all, although later the White House said the two leaders had exchanged views on "maritime issues", and the code for the South China Sea.<sup>6</sup>

During Trump's swing through Vietnam, the South China Sea figured more prominently, although at no time did the President criticize China by name. In a joint statement

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<sup>4</sup> Ian Storey, "Assessing the ASEAN-China Framework for the Code of Conduct for the South China Sea", *ISEAS Perspective* #62/2017 (8 August 2017).

<sup>5</sup> President Donald J. Trump's Summit Meeting with Prime Minister Shinzo Abe of Japan, The White House, 6 November 2017, <https://www.whitehouse.gov/the-press-office/2017/11/06/president-donald-j-trumps-summit-meeting-prime-minister-shinzo-abe-japan>.

<sup>6</sup> Remarks by President Trump and President Xi of China in Joint Press Statement, The White House, 9 November 2017, <https://www.whitehouse.gov/the-press-office/2017/11/09/remarks-president-trump-and-president-xi-china-joint-press-statement>; President Donald J. Trump's Visit to Asia Advanced America First Priorities, The White House, 15 November 2017, <https://www.whitehouse.gov/the-press-office/2017/11/15/president-donald-j-trumps-visit-asia-advanced-america-first-priorities>.

following Trump's meeting with President Trần Đại Quang, the two sides emphasized the strategic importance of "free and open access to the South China Sea, the importance of unimpeded lawful commerce" and the need for all parties to "refrain from escalatory actions, the militarization of disputed features, and unlawful restrictions on freedom of the seas".<sup>7</sup> Interestingly the statement called on all claimants to clarify and bring their claims into line with the United Nations Convention on the Law of the Sea (UNCLOS). While this statement was clearly aimed at China's ambiguous "nine-dash line" claim, Vietnam too has yet to fully clarify its South China Sea claims and bring them into line with UNCLOS. As China has become assertive in the maritime domain, Vietnam has gradually established closer defence links with the US. The joint statement pledged to deepen bilateral defence, security and intelligence cooperation, including a visit by a US aircraft carrier next year to the former US-base at Cam Ranh Bay, the first such visit since the end of the Vietnam War.

In Hanoi, Trump made an off the cuff comment that he was willing to mediate the dispute. The Philippines responded politely but said it would have to consult with its ASEAN partners; Vietnam ignored it; and China firmly rejected it on the grounds that it does not see the US as a neutral party and that the dispute should be resolved by the parties directly concerned. In Manila, the last stop on Trump's itinerary, discussion of the South China Sea appears to have been minimal.

## **INDO-PACIFIC**

Led by the State Department and the Department of Defense, the Trump administration is beginning to enunciate a strategic framework for US Asia policy that is notably different in scope, focus and key partnerships than the Asia-Pacific rebalance framework of the Obama administration. This latter framework adopted the prevailing Asia-Pacific view of the region and gave particular prominence to Southeast Asia and ASEAN. The US signing of the ASEAN Treaty of Amity and Cooperation in 2009, the US becoming the first dialogue partner to establish a dedicated ASEAN Mission in 2010, and the US president being invited (and attending) the EAS from 2011 were all presented as diplomatic hallmarks of the rebalance.

The Trump administration used the first presidential trip to Asia to enunciate the "free and open Indo-Pacific" framework. This broader Indo-Pacific conceptualization of the region is not new. The term has been used by the US military for over a decade, especially by the Hawaii-based Pacific Command which is responsible for US military engagement with 36 countries stretching from the west coast of America to the India-Pakistan border, including China, Japan, South Korea, Southeast Asia, Oceania and the South Pacific. While the 2009 Australian Defence White Paper produced by the Rudd administration was entitled *Defending Australia in the Asia Pacific Century: Force 2030*, the 2013 successor released by the Gillard administration and the 2016 Defence White Paper released by the Turnbull administration both replaced the term Asia-Pacific with Indo-Pacific. In

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<sup>7</sup> **Joint Statement between the United States of America and the Socialist Republic of Vietnam, The White House, 12 November 2017**, <https://www.whitehouse.gov/the-press-office/2017/11/12/joint-statement-between-united-states-america-and-socialist-republic> .

September 2017, the Abe administration in Japan released a new two-ocean, two-continent ‘free and open Indo-Pacific’ foreign policy strategy that appears to have largely been adopted by the Trump administration as well.<sup>8</sup> On the economic front, on 7 November, the Overseas Private Investment Corporation, a US government agency, signed Memoranda of Understanding with Japanese partners to “offer high-quality United States-Japan infrastructure investment alternatives in the Indo-Pacific region.”

This new regional vision has continuities with the Obama era rebalance, e.g. a stronger US military presence in Asia, but also major changes including America’s withdrawal from the multilateral free trade agreement, the Trans-Pacific Partnership, and much less emphasis on promoting democracy and human rights, issues which Trump barely mentioned during his trip. In the run-up to the Asia trip, Secretary of State Tillerson provided a more comprehensive articulation of the concept in a speech delivered at a Washington-based think tank on US-India relations.<sup>9</sup> Tillerson asserted that the US-India strategic partnership was built on a “shared commitment upholding the rule of law, freedom of navigation, universal values, and free trade”. While praising India, Tillerson accused China of subverting the international rules-based order, “provocative actions” in the South China Sea and undermining the sovereignty of its neighbours. In his speech at the APEC CEO Summit, Trump, while discussing the ‘free and open Indo-Pacific’ framework, urged countries to “uphold principles that have benefitted all of us, like respect for the rule of law, individual rights, and freedom of navigation and overflight, including open shipping lanes. Three principles and these principles create stability and build trust, security, and prosperity among like-minded nations.”<sup>10</sup>

At the heart of the ‘free and open Indo-Pacific’ are strengthened strategic ties among four maritime democracies: US, India, Japan and Australia—the so-called Quad. This quadrilateral construct was first advocated by the first Abe administration and given some support by the respective US, Japanese and Indian administrations a decade ago. On the margins of the 2007 ASEAN Regional Forum, senior foreign affairs officials from the four countries convened the first exploratory ‘Quad meeting’ that led to Chinese diplomatic demarches to their respective capitals. The change of government in Australia in 2009 from the Howard administration to the Rudd Labor one led Canberra to withdraw support for the Quad. On the margins of the ASEAN Summit in Manila this month, senior foreign affairs officials from the four maritime democracies convened the second ‘Quad meeting’ under the theme of the ‘free and open Indo-Pacific’ with all four governments releasing very similar statements outlining the outcomes of the meeting.

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<sup>8</sup> For more details, see <http://www.sydney.au.emb-japan.go.jp/document/english/Indo-PacificStrategy.PDF>

<sup>9</sup> “Defining Our Relationship with India for the Next Century: An Address by U.S. Secretary of State Rex Tillerson”, Center for Strategic and International Affairs, Washington D.C., 8 October 2017, <https://www.csis.org/events/defining-our-relationship-india-next-century-address-us-secretary-state-rex-tillerson>.

<sup>10</sup> Remarks by President Trump at APEC CEO Summit, Da Nang, Vietnam, 10 November 2017, <https://www.whitehouse.gov/the-press-office/2017/11/10/remarks-president-trump-apec-ceo-summit-da-nang-vietnam>.

## OUTLOOK

So far, APEC and ASEAN-related meetings have provided the platforms for the Trump administration's Asia visits, highlighting the benefits of APEC and particularly ASEAN for Southeast Asian states' engagement with the United States. This appears particularly useful given Southeast Asia's secondary importance after Northeast Asia for the Trump administration's core economic and security interests in Asia and the unclear and potentially more peripheral position of Southeast Asia and ASEAN within the 'free and open Indo-Pacific' framework adopted by the US, Japan, India and Australia.

The last six months of the Trump administration have seen a filling in of key Asia positions, increased US military activity and cooperation in the region and the development of a strategic framework for US Asia policy. Yet, many quickfire analyses of President Trump's first Asia trip derided it as 'Trump losing the Vietnam War to China'<sup>11</sup>; 'American superpower suicide'<sup>12</sup>; and worse for the US position in Asia than if Trump had stayed home.<sup>13</sup> These caustic opinions of the current US position in Asia each suffers from the analytical traps of premature prediction and the reduction of US policy and strategic position in Asia to the actions and statements of President Trump alone. As reflected by the three-day trilateral naval exercises by the US, Japan, and India in the Sea of Japan during Trump's Asia visit, the US, in collaboration with the most advanced navies in Northeast Asia, Oceania and South Asia, is continuing to reinforce its strategic presence and partnerships in the region. US foreign and security policy is much more than presidential utterings and the bases of US strategic influence in the region are not being threatened with imminent death.

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<sup>11</sup> Nayan Chanda, "Trump passes baton of global leadership to China's Xi", *Yael Global Online*, 16 November 2017 [https://yaleglobal.yale.edu/content/trump-passes-baton-global-leadership-chinas-xi?utm\\_source=YaleGlobal+Newsletter&utm\\_campaign=d9b2fdad03-EMAIL\\_CAMPAIGN\\_2017\\_01\\_30&utm\\_medium=email&utm\\_term=0\\_2c91bd5e92-d9b2fdad03-181644993](https://yaleglobal.yale.edu/content/trump-passes-baton-global-leadership-chinas-xi?utm_source=YaleGlobal+Newsletter&utm_campaign=d9b2fdad03-EMAIL_CAMPAIGN_2017_01_30&utm_medium=email&utm_term=0_2c91bd5e92-d9b2fdad03-181644993),

<sup>12</sup> Richard Javad Heydarian, "This is how a superpower commits suicide", *The Washington Post*, 13 November 2017 [https://www.washingtonpost.com/news/theworldpost/wp/2017/11/13/trump-china/?utm\\_term=.f28ac71b0a27](https://www.washingtonpost.com/news/theworldpost/wp/2017/11/13/trump-china/?utm_term=.f28ac71b0a27)

<sup>13</sup> Hugh White, "Why the US is no match for China in Asia, and Trump should have stayed at home and played golf", *South China Morning Post*, 15 November 2017 <http://www.scmp.com/comment/insight-opinion/article/2120010/why-us-no-match-china-asia-and-trump-should-have-stayed-home>

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