

**BUILDING BRIDGES, COUNTERING RIVALS:
STRENGTHENING U.S.-ASEAN TIES TO COMBAT
CHINESE INFLUENCE**

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BUILDING BRIDGES, COUNTERING RIVALS: STRENGTHENING U.S.-ASEAN TIES TO COMBAT CHINESE INFLUENCE

Tuesday, June 10, 2025

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EAST ASIA AND PACIFIC,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:24 p.m., in room 2172, Rayburn House Office Building, Hon. Young Kim (chair of the subcommittee) presiding.

Mrs. KIM. of California. The Subcommittee on East Asia and the Pacific will come to order. This hearing aims to explore strategies for countering China's influence within the Association of Southeast Asian Nations, ASEAN, while enhancing the United States' engagement in the region. I now recognize myself for opening statement.

OPENING STATEMENT OF CHAIRMAN YOUNG KIM

Again, welcome to the East Asia and Pacific Subcommittee's hearing titled Building Bridges, Countering Rivals: Strengthening U.S.-ASEAN Ties to Combat Chinese Influence. This hearing presents an opportunity for us to examine China's growing footprint in ASEAN and to discuss ways the U.S. can counter it by strengthening cooperation across economic, security, diplomatic, and law enforcement sectors.

China has long prioritized Southeast Asia in its foreign policy, using diplomacy, infrastructure investment, and trade to entrench its influence. In contrast, U.S. economic engagement has stumbled. Initiatives like the Trans-Pacific Partnership and the Indo-Pacific Economic Framework for Prosperity aimed high but failed to deliver meaningful market access or address trade imbalances.

Despite our inability to engage economically, we continue to build robust relationship with countries like the Philippines, Vietnam, and Singapore. But we too often underestimate ASEAN's collective weight in our own Indo-Pacific strategy.

We need to ensure the United States has a genuinely responsive and effective strategy to remain the partner of choice in ASEAN and ask ourselves, where have our past strategies in Southeast Asia fallen short? What legislative tools can strengthen our regional position? Are our frameworks aligned with ASEAN partners' priorities?

Despite China's reach, the United States is the preferred long-term partner of choice for many ASEAN countries. In the 2025 State of Southeast Asia Survey, 52.3 percent favored the United States over China, recognizing our leadership in investment, security, innovation, and shared values.

On security, the United States has made real strides, expanding maritime security with the Philippines and partnering with other South China Sea nations on law enforcement, maritime safety, and capacity-building training, enhancing disaster response and maritime governance capabilities.

Economically, however, we are underleveraged. While China remains ASEAN's top trading partner, the region is a \$4 trillion market with enormous potential, especially in critical minerals, regional trade, and development financing. The threat of Chinese dominance isn't going away. China is aggressively pursuing deals, over 100 secured just this April with Vietnam, Malaysia, and Cambodia. These efforts reflect Beijing's recognition of growing U.S. engagement and its desire to blunt it.

We must show ASEAN partners that China's promises rarely deliver lasting benefits. We also need a bold, whole-of-government strategy, one that affirms our leadership, reinforces our alliances, and upholds the sovereignty and rules-based order that underpins a free and open Indo-Pacific.

So I look forward to hearing from our witnesses today, and your expertise will guide us in crafting stronger, smarter U.S. policy in Southeast Asia.

So let me now recognize the ranking member from California, Mr. Bera, for your opening statement.

OPENING STATEMENT OF RANKING MEMBER AMI BERA

Mr. BERA. Thank you, Madam Chairwoman.

I want to thank the witnesses for being here on what is a timely conversation in an important region, Southeast Asia.

Southeast Asia is home to more than 650 million people and has some of the fastest-growing economies in the world, critical sea lanes, and key partnerships in our interest as we look at peace and prosperity and sovereignty in the Indo-Pacific. Collectively, the Southeast Asian ASEAN nations represent the fifth-largest economy in the world, and it's our fourth-largest export market. So what we do here in Congress, the choices that we make, the partnerships and deals that we put together, matter intensively.

That is why I really do have some concerns about the Trump administration's approach. Obviously, sweeping tariffs have created a lot of uncertainty in the region. But hopefully, it creates some opportunities.

Not each country has been looked at equally, and if I think about a country like Singapore, this is a country that we have a free trade agreement with, we have mechanisms to resolve issues, and we have a \$2.8 billion trade surplus with Singapore. So we are doing quite well with a country like Singapore.

I would also think about the opportunities—in my conversations with some of our ASEAN Ambassadors, they don't want to be put into a position where they have to make a choice between China, which is in their neighborhood, or the United States. But the un-

certainty that has been created by the Trump administration approach has brought into clear focus that they don't want the United States leaving their markets either.

So this is a time to engage in trade negotiations and perhaps look for those opportunities where we can reduce those trade barriers. As someone who was a supporter of TPP, as much as I would love to go back and see if we could join the CPTPP, that probably is a ways off. But can we do digital trade? We ought to be able to do digital trade. It is in our interests, and certainly, it is in their interests.

Now, if Vietnam is willing to contemplate going to zero tariffs, let's engage in what that looks like. Can we work with countries in the region like Indonesia to help develop redundant supplies of critical minerals and develop their geothermal capabilities? We ought to think about that. Can we work with places like Vietnam that do have energy resources in their EEZ that are being harassed by the PRC? We ought to work there.

And the Philippines, certainly, they have experienced the brunt of much of the harassment in South China Sea. How do we work with nations like the Philippines and others to continue to deepen and return to where we historically have been with the Philippines?

So there is many more opportunities. Again, the Trump administration's approach is not how I would go about doing this, but we are where we are. We have got to double down on our conversations, look for those partnerships, create those redundant supply chains, and bring the Southeast Asian nations closer together, not as a choice between China and the United States but recognizing the unique assets, the unique opportunities, the vibrant young population, and the dynamic economies of the region.

So, with that, Madam Chairwoman, let me go ahead and yield back. I am going to look forward to hearing the testimony of the witnesses.

Mrs. KIM of California. Thank you.

Other members of the committee are reminded that opening statements may be submitted for the record. And we are now pleased to have distinguished panel member witnesses before us today on this very important topic.

First, Mr. Gregory Poling is Director and Senior Fellow of the Southeast Asia Program and Asia Maritime Transparency Initiative at the Center for Strategic and International Studies. Thank you for joining us.

Ms. Barbara Weisel, nonresident scholar at Carnegie Endowment for International Peace, thank you for being with us.

And Dr. Lynn Kuok, Lee Kuan Yew Chair in Southeast Asia Studies at the Brookings Institution.

This committee recognizes the importance of the issues before us and is grateful to have you here to speak to us today. Your full statements will be made part of the record, and I will ask each of you to keep your spoken remarks to 5 minutes to allow time for member questions.

Let me now recognize Mr. Poling for your opening statement.

STATEMENT OF GREGORY POLING

Mr. POLING. Thank you very much, Chairwoman Kim, Member Bera, and distinguished members of the subcommittee. I am honored to share my views before you today on the topic of U.S.-ASEAN cooperation to combat China's influence in the region.

Before I begin, I should note that CSIS, my home institution, does not take policy positions, so the views represented are mine and mine alone.

In my testimony, I have been asked to address both U.S. cooperation with ASEAN in the maritime domain, particularly South China Sea, and more broadly on the geopolitical front. And I am happy to say that, on the first, I think the U.S. and its allies and partners, particularly the Philippines, are doing a remarkable job of holding the line in the face of Chinese coercion.

On the second, the broader competition for influence in the region, I worry that the U.S. is putting at risk what has traditionally been its stronger position over China and most of the countries of Southeast Asia. When it comes to the South China Sea, China seeks to control all activity, peacetime and military, in clear violation of international law. This is a direct threat to U.S. national interests, longstanding U.S. commitments to freedom of the seas, which has been an abiding U.S. interest since the earliest days of the republic.

It is also a direct threat to our oldest ally in the Indo-Pacific, the Philippines. This has been recognized by administration after administration, Republican and Democrat. And the U.S. has done a remarkable job in both showing its own flag, pushing back on Chinese coercion, and helping build the maritime capacity of partners and allies in the region to maintain their own presence in disputed waters, even in the face of what China now has: the largest Navy, the largest Coast Guard, the largest missile force in the world.

Under Xi Jinping's leadership, China, for the last decade plus, has engaged in a campaign of coercion in what is often called the gray zone, just below the level of military force, using Coast Guard vessels and Militia vessels to intentionally create risks of collision, to bully and intimidate smaller states into giving way in the South China Sea.

That campaign had a great deal of success for the better part of a decade. For the last 3 years, that has not been the case. For the last 3 years, starting at the end of the Rodrigo Duterte administration in the Philippines but accelerating under the current presidency of Ferdinand Marcos Jr., we have seen the Philippines stand tall for the first time in quite a while.

The Philippines engaged in a nearly year-and-a-half-long stand-off with China from 2023 to 2024 in order to resupply and repair its facility the BRP Sierra Madre on Second Thomas Shoal, an underwater feature, despite the largest presence of Chinese Militia and Coast Guard we have ever seen deployed in the South China Sea.

By December 2023, the Philippines were sailing two to three ships up against 50 Chinese vessels, didn't blink, managed to get through, often with a U.S.-paid overhead and with the U.S.'s repeatedly stated commitment to defend the Philippines should

China use force. And it was China that blinked, not the Philippines, in that standoff.

On the oil and gas front, we have seen Vietnam, for the first time in many years, developing new oil and gas fields despite a persistent Chinese Coast Guard presence in its waters. Malaysia, over the last 2 years, set new records for drilling offshore wells in disputed waters. Even Indonesia, which has traditionally not viewed itself as a part of this dispute, has begun to receive forceful bullying and coercion from the China Coast Guard because of new oil and gas fields it is developing, and it has done so anyway.

What we see is a Chinese strategy that is clearly floundering. And all the U.S. really needs to do is continue course in order to make sure that China continues to flounder. Where I am more worried is on our overall influence in the region.

As Chairwoman Kim said, if you look at public opinion polling, elite opinion polling, U.N. voting records, educational data, the U.S. remains the partner of choice. The United States is more trusted. Its leadership is more sought after globally. It is more popular in most places in Southeast Asia.

In the Philippines and Vietnam, the U.S. has enormous leads over China in every metric you could imagine. In Indonesia, the largest country in the region, Indonesians are conflicted, but in general they dislike China a great deal more than they dislike the U.S., although that did flip last year, and I worry that it will remain the case in the future that China may begin to edge us out in Indonesia.

While you have pro-Chinese elites in charge in places like the military junta in Burma or in Cambodia, when you look at public opinion polling, Cambodia and Burma are the third and fourth most pro-American publics in Asia. Even in Laos and Thailand, the U.S. holds its own. It is really only in Malaysia where we see China making any considerable ground on this issue of soft power, of influence, of whose leadership do you support.

And to be clear, the U.S. cannot win a geopolitical strategic competition with China with military and economic might alone. At the end of the day, it is a competition over the rules and institutions of the international order. And that requires other countries to agree with us more often than they agree with China.

That means that we need to not forget the power of attraction, not just coercion and compulsion, that we have to be the preferred partner, not just the partner that one has to side with. And so, as we have seen the winding down—

[Simultaneous speaking.]

Mrs. KIM, of California. Can you please wrap up? Sorry.

Mr. POLING. Yes, ma'am—on USAID, VOA and Radio Free Asia, as we've seen the pauses on Fulbright and student visa interviews, I worry that we are undermining that multi-decade, latent advantage we have in being the preferred partner. Thank you.

[The prepared statement of Mr. Poling follows:]



**Statement before the
House Committee on Foreign Affairs Subcommittee on East
Asia and the Pacific**

***“Building Bridges, Countering Rivals:
Strengthening U.S.-ASEAN Ties to
Combat Chinese Influence”***

A Testimony by:

Gregory B. Poling

Senior Fellow and Director, Southeast Asia Program and Asia Maritime
Transparency Initiative, Center for Strategic and International Studies

June 10, 2025

Poling: Written Testimony, HFAC June 10, 2025

Chairwoman Kim, Ranking Member Bera, distinguished Members of the Subcommittee, I am honored to share my views with you on the topic of U.S.-ASEAN cooperation to combat China's influence in the region. CSIS does not take policy positions, so the views represented in this testimony are my own and not those of my employer. In my testimony, I would like to reflect on the current state of play in the South China Sea, relative U.S. and Chinese influence across Southeast Asia, and the resources the U.S. and its partners have to combat Chinese malign activity in the region.

Holding the Line in the South China Sea

China seeks to control all activity, military and civilian, across the South China Sea in clear violation of international law. This represents a systemic challenge to freedom of navigation, a key plank of the rules-based order and an abiding U.S. national interest since the earliest days of the Republic. It is also an immediate challenge to the interests of U.S. partners, especially the Philippines, which is the oldest U.S. treaty ally in the Indo-Pacific. Should Beijing succeed in realizing its vast claims to "historic rights" throughout this body of water, it would undermine the credibility of U.S. commitments to its allies in the region and severely damage the law of the sea globally. This is a challenge the United States can only confront by working hand-in-hand with allies and partners.

For more than a decade, China has pursued its claims with increasing coercion and threats of force under Xi Jinping's leadership. Beijing assesses that it can achieve its aims through pressure and non-lethal force – often dubbed "gray zone" coercion – which it believes will eventually compel Southeast Asian states to acquiesce. From 2012 until 2021, gray zone tactics spearheaded by the China Coast Guard (CCG) and militia were remarkably successful in denying Southeast Asian claimants access to fishing grounds, offshore energy resources, and other lawful rights in their exclusive economic zones and continental shelves. This was made possible by the island building campaign of 2013 to 2016 and the subsequent construction of naval, air, and sensing infrastructure at those bases, which by 2017 allowed Chinese ships to sustain operations across the South China Sea every day of the year.¹

But the tactics employed by the CCG and militia have become less effective since late 2021. Across multiple fronts, Southeast Asian claimants have been able to succeed in resource exploitation, military upgrades, patrols, and resupply missions despite concerted pressure from China. Throughout this period, CCG and militia tactics have grown more violent, including intentional collisions, more frequent use of high-pressure water cannons, dangerous air-to-air intercepts, and use of dazzlers and acoustic devices. This suggests a force whose orders are to assert China's prerogatives but not at the cost of military escalation. Southeast Asian claimants have realized this and proven willing to accept considerable risk in order to maintain access to the waters and reefs still left to them. And so Chinese forces appear stuck iterating on

¹ Asia Maritime Transparency Initiative, "An Accounting of China's Deployments to the Spratly Islands," Center for Strategic and International Studies, May 9, 2018, <https://amti.csis.org/accounting-chinas-deployments-spratly-islands/>.

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unsuccessful gray zone tactics to which Southeast Asian claimants have grown increasingly resilient.²

The Philippines under the administration of President Ferdinand “Bongbong” Marcos, Jr., has reestablished a patrol around Scarborough Shoal for the first time since 2012 and enhanced its posture in the Spratlys, especially around Thitu Island. Most impressively, the Philippines was able to sustain monthly resupply missions to the BRP *Sierra Madre* in 2023 and early 2024 despite a violent Chinese blockade effort. Manila eventually repaired the ship and was able to negotiate a return to the status quo without triggering military escalation. In the meantime, Manila used the increasing Chinese pressure to rally domestic support behind a once-in-a-generation modernization of the U.S. alliance in order to enhance deterrence (which proved critical at Second Thomas). It has also embedded itself more firmly in an emerging regional security architecture, strengthening its partnership with Australia under the Status of Visiting Forces Agreement, concluding a Reciprocal Access Agreement with Japan in July 2024, reaching a Status of Visiting Forces Agreement with New Zealand in early 2025, and nearing conclusion of similar pacts with Canada, France, and the United Kingdom. Just as importantly, Manila has refocused international attention on the illegal nature of China’s claims, more than tripling to 28 the number of countries that have publicly called on Beijing to comply with the 2016 South China Sea arbitral award since Marcos came into office.³

Elsewhere, China has failed to stop Malaysian, Indonesian, or Vietnamese oil and gas surveys or drilling operations since the fall of 2021. In addition to the daily presence at Luconia Shoals, a leaked diplomatic note in September 2024 revealed China had pressured Malaysia to halt oil and gas exploration in the area. Instead, Malaysia drilled 15 new exploratory wells off Sarawak in 2024 after having broken a record by drilling 25 in 2023.⁴ China also challenged a seismic survey in Indonesia’s Natuna D-Alpha gas field in October 2024. Indonesia broke with its usual policy by publicly releasing photos and footage of China’s harassment. Then it completed the survey operations as planned.⁵

Meanwhile Vietnam has spent the last three years expanding its own military outposts in the Spratlys. That effort accelerated in 2024 and by the middle of the year, Vietnam had created more than two-thirds as much land as China. It continues to dredge at a blistering pace and will likely match China’s acreage in 2025. The most impressive work has been on Barque Canada Reef, now the fourth-largest outpost in the Spratly Islands and home to Vietnam’s second and longest runway in the islands. At least one other feature, Pearson Reef, seems likely to get a new

² Gregory Poling, “China Loses Strategic Waters in the South China Sea,” East Asia Forum, March 15, 2024, <https://eastasiaforum.org/2024/03/15/china-loses-strategic-waters-in-the-south-china-sea/>; Gregory Poling and Monica Michiko Sato, “Beijing Treads Water in the South China Sea,” East Asia Forum, March 12, 2025, <https://eastasiaforum.org/2025/03/12/beijing-treads-water-in-the-south-china-sea/>.

³ Asia Maritime Transparency Initiative, “Arbitration Support Tracker,” Center for Strategic and International Studies, updated January 10, 2025, <https://amti.csis.org/arbitration-support-tracker/>.

⁴ World Oil, “PETRONAS Discovered over 1Bboe in 2023 with ‘Significant’ Malaysian Oil, Gas Exploration Campaign,” December 1, 2023, <https://worldoil.com/news/2023/12/1/petronas-discovered-over-1-bboe-in-2023-with-significant-malaysian-oil-gas-exploration-campaign/>.

⁵ Asia Maritime Transparency Initiative, “Seismic Strife: China and Indonesia Clash over Natuna Survey,” Center for Strategic and International Studies, <https://amti.csis.org/seismic-strife-china-and-indonesia-clash-over-natuna-survey/>.

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runway.⁶ Despite this, China has made no effort to physically stop Vietnam's island building campaign and has only once criticized it publicly, in a rather boilerplate statement on February 19, 2025, by Foreign Ministry spokesperson Guo Jiakun.⁷

The reasons for China's muted response to Vietnam's island building compared to its violent reaction to much less ambitious activities by the Philippines are debated, but one key factor is likely that Vietnam has a history of accepting risk and even casualties in the South China Sea when it deems something a strategic necessity. Beijing likely realizes that gray zone coercion will not stop Vietnam's island building campaign, which means there is not point in trying unless China is prepared to use military force.⁸

China's control over waters, seabed, and airspace has plateaued and in some cases may have retreated over the last three years. But the South China Sea is not getting any safer. Quite the opposite. As Southeast Asian states stand firm at a handful of symbolically or economically important locations, China has steadily increased the number of vessels it deploys in reaction and the tactics they employ. This creates a steady drumbeat of interactions that have a low but non-zero chance of military escalation due to an accidental fatality. That nearly occurred in June 2024 when Chinese forces severed a Filipino sailor's thumb by pinning it between their boat and his. Had he been pinned by the elbow, the Philippines might have triggered the U.S.-Philippines Mutual Defense Treaty over a fatality. If this tempo of operations continues, it is a mathematical certainty that a Southeast Asian mariner—most likely a Filipino—will be killed with unpredictable escalation risks.⁹

A Regional Competition for Influence

Winning the strategic competition with China is not only about military or economic advantage, but about influence broadly defined. It is a struggle over whether the rules-based order the United States helped craft, which most of the international community has come to embrace, will adapt and endure or be replaced by China's preferred norms. In order to succeed, the United States needs other governments and their citizens to *choose* to support its preferred rules and norms more often than they do China's. And in that competition the United States' best tool is what the late Joseph Nye dubbed "soft power": the ability to shape others' choices because of the attractiveness of one's institutions, culture, values, and so on. Southeast Asia is at the front lines

⁶ Asia Maritime Transparency Initiative, "How Many Runways Is Vietnam Building in the Spratly Islands?," Center for Strategic and International Studies, October 30, 2024, <https://amti.csis.org/how-many-runways-is-vietnam-building-in-the-spratly-islands/>; Asia Maritime Transparency Initiative, "Hanoi in High Gear: Vietnam's Spratly Expansion Accelerates," Center for Strategic and International Studies, June 7, 2024, <https://amti.csis.org/hanoi-in-high-gear-vietnam-spratly-expansion-accelerates/>.

⁷ "China Denounces Vietnam's Island Building in South China Sea," Radio Free Asia, February 19, 2025, <https://www.rfa.org/english/china/2025/02/19/vietnam-spratlys-south-china-sea-protest/>.

⁸ Zack Cooper and Gregory Poling, "The South China Sea Dog that Hasn't Barked... Yet," War on the Rocks, June 18, 2024, <https://warontherocks.com/2024/06/the-south-china-sea-dog-that-hasnt-barked-yet/>.

⁹ Asia Maritime Transparency Initiative, "Shifting Tactics at Second Thomas Shoal," Center for Strategic and International Studies, August 22, 2024, <https://amti.csis.org/shifting-tactics-at-second-thomas-shoal/>.

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of U.S.-China competition and the United States still remains more influential, but that edge is eroding.

The Southeast Asia team at CSIS has measured changes in relative U.S. and Chinese influence in each country in Southeast Asia by collating public opinion polling, surveys of elites, UN voting behavior, and educational data.¹⁰ This all makes clear that the United States maintains a latent advantage in influence. On balance, the United States is viewed more favorably, its global leadership is more trusted, and its educational and cultural institutions are more attractive than China's in most countries in Southeast Asia. And this advantage is most evident in the larger countries of the region, which by virtue of population and future economy are likely to have a larger say in issues of global governance. But that advantage has diminished over time, and recent developments will likely accelerate that negative trend.

The countries in which the United States maintains a clear advantage over China are the Philippines, Vietnam, and by some metrics, Burma, Cambodia, and Singapore. Publics in Burma and Cambodia are overwhelmingly pro-American and skeptical of China, though that is tempered by elites who often lean toward Beijing. In Singapore, the opposite is true, with a persistent elite preference for the United States amid public sentiment that increasingly favors China. The United States has also historically held an edge over China in the largest country in the region, Indonesia, though that reversed at least temporarily in 2024. The United States and China tend to run neck and neck on measures of influence in Thailand and Laos, while China has a clear and growing advantage only in Malaysia.

A review of relative U.S. influence in the three largest countries of the region is illustrative, starting with the place in which the United States seems to have all the advantages: the Philippines. Based on historical public opinion polling by Gallup, the Philippines overwhelmingly favors the United States, with views of U.S. global leadership among Filipinos at more than net 90 percent positive and those of China more than net 50 points negative. This reflects not only the fact that the United States remains popular in the Philippines, but also the fact that China remains distinctly *unpopular*. Elite opinion surveys in the Philippines show similar preferences for the United States among Filipino government, business, and thought leaders. And this is increasingly reflected in UN voting behavior, where the Philippines has increasingly sided with the United States on votes of particular importance (as defined by the State Department) in recent years. In 2022, for instance, the Philippines was aligned with the United States on 67 percent of such votes and with China on only 57 percent.¹¹

¹⁰ Gregory B. Poling, *U.S. and Chinese Soft Power and Influence in Southeast Asia*, CSIS, August 14, 2024, <https://www.csis.org/analysis/us-and-chinese-soft-power-and-influence-southeast-asia>; Gregory B. Poling and Andreyka Natalegawa, *Assessing U.S. and Chinese Influence in Southeast Asia*, CSIS, August 7, 2023, <https://www.csis.org/analysis/assessing-us-and-chinese-influence-southeast-asia>.

¹¹ Forthcoming report, CSIS, 2025.

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Vietnamese public opinion is similarly pro-U.S. and anti-China, and the United States has been surging in the last decade and a half, though China still maintains significant if shrinking influence over Hanoi's international decisionmaking. Vietnamese public opinion of the United States has seen a remarkable upward trajectory in the years since 2008, matched by a concurrent fall in public opinion of China. While the United States and China enjoyed net approval scores of 28 percent and 49 percent in 2008, by 2024 this reversed to 56 percent for the United States and -41 percent for China. Vietnamese elites also consistently voice approval of the United States and disapproval of China. In the United Nations, Vietnam's voting coincidence with the United States on important votes has risen from just 4 percent in 2008 to a high of 47 percent in 2021, while its voting coincidence with China fell from 96 percent to 71 percent over the same time period.

In Indonesia, the United States has historically held an edge in most measures of influence, but that has always been narrow and now risks reversing. Indonesian public opinion of China and the United States has shifted significantly since 2008. Gallup polling shows the Indonesian public favored China slightly in 7 of the last 17 years, while favoring the United States in all others. Indonesian elite surveys show a similar pattern, with a modest but unstable preference for the United States in most years. Worryingly, both public and elite opinion flipped in favor of China in 2024, likely in response to the Israel-Hamas war. Indonesia's UN voting behavior has shown a similar trend to Vietnam's, aligning with the United States on important votes just 12 percent of the time in 2008 but 55 percent in 2022. By contrast, Indonesia voted with China 96 percent of the time in 2008 but dipped to 64 in 2022.

Maintaining U.S. Influence in Southeast Asia

In the South China Sea, it is vital that the United States continue to deepen alliance coordination with and support for the Philippines, both bilaterally and multilaterally with like-minded partners like Japan and Australia. Recent moves on this front have been well-received in the Philippines, including the early waiver to in February 2025 allowing the Philippines to access the remaining \$336 million of its FY24 Foreign Military Financing funds, the recently concluded Balikatan exercises, the State Department's reiteration of the application of the U.S.-Philippines Mutual Defense Treaty to any attack on Filipinos in the South China Sea, and Secretary of Defense Hegseth's comments on the alliance both in Manila and during his recent attendance at the Shangri-La Dialogue in Singapore. The United States must continue to provide sufficient funds to support the longterm modernization of the Armed Forces of the Philippines as agreed in the U.S.-Philippines 10-year Security Sector Assistance Roadmap.

But all the alliance coordination and modernization support Washington could possibly offer would only buy time. The ultimate solutions to the South China Sea disputes are diplomatic, not military, and require imposing non-military costs on Beijing while supporting efforts by Manila and other claimants to lay the groundwork for a future compromise. The State Department is the lead agency in that effort and U.S. partners will be looking for assurances that it is not turning away from multilateral diplomacy in the South China Sea. The proposed closure of the Multilateral

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Affairs Office in the State Department's Bureau for East Asia and the Pacific will be viewed with concern on that front. The office is the lead on the department's work on ASEAN and the South China Sea, as well as the Mekong River, and fills a multilateral role for which individual country desks are ill-equipped. It had a driving role, for instance, in the creation of the 2020 Position Paper on the South China Sea under the first Trump Administration. It is vital that EAP-MLA's work continue uninterrupted even if that role is moved to another office.

In the broader geopolitical competition in Southeast Asia, the tools of U.S. influence have been severely disrupted over the last several months. If their functions are quickly restored, even if under different agencies or institutions, the damage to U.S. soft power could be transient. Otherwise, the damage will be generational at a time when the United States can least afford to cede the battlefield for influence in Southeast Asia to China.

For example, the disruption of most USAID programs has been felt across the region, as it has globally, but the harm to U.S. influence was particularly visible in the wake of the severe earthquake that struck near Mandalay, Burma, earlier this year. Chinese and Russian personnel were quickly on the scene to search for survivors while the U.S. government struggled to find a vehicle to deliver any aid even after funds were announced. The pause on Fulbright funding and interviews for student visas is disrupting planned study in the United States by countless students and researchers from the Philippines, Vietnam, and other Southeast Asian countries, diminishing the U.S. edge as a preferred educational destination. The end of most Radio Free Asia and Voice of America programming in the region has been welcomed by China's *Global Times* while leaving the pro-American publics of countries like Cambodia, Myanmar, and Vietnam deprived of access to honest information. A recent study by the Lowy Institute showed that VOA was the most popular radio broadcaster in the region. The beneficiary will now likely be the outfit that came in a distant second: Russia's Sputnik.¹²

As the U.S. government seeks to reorganize agencies and recalibrate the way foreign funding is distributed, it is important to avoid undermining the foundations of U.S. influence. A strong military and economy will not be enough to win the geopolitical competition with China; the United States must also retain the attractive power to convince countries to align with Washington's preferences more often than those of Beijing.

¹² Susannah C Patton, "Silencing the Voice of America," *The Interpreter*, March 18, 2025, <http://lowyinstitute.org/the-interpreter/silencing-voice-america>.

Mrs. Kim of California. Thank you.
I now recognize Ms. Weisel for your opening statement.

STATEMENT OF BARBARA WEISEL

Ms. WEISEL. Thank you, Chairwoman Kim, Ranking Member Bera, and distinguished members of this subcommittee for the invitation to appear before you today. My name is Barbara Weisel, and I am currently a nonresident scholar at the Carnegie Endowment for International Peace but previously spent nearly two decades working on Southeast Asia at USTR and have many thoughts on your question on how the U.S. can strengthen ties to ASEAN to counter China.

As well recognized by members of this committee, Southeast Asia is an important U.S. economic partner. It is our fourth-largest export market and a central player in global supply chains. U.S. businesses have long been invested in these dynamic markets, and their ties have expanded in recent years as businesses, with U.S. Government encouragement, sought to diversify away from China.

ASEAN countries stood to benefit directly from these diversification efforts and hoped they would help strengthen economic ties to the U.S., commensurate with our expanding military relations. But the U.S. imposition of tariffs has created anger and confusion in ASEAN regarding their relations with the U.S. and resentment about the unilateral nature of U.S. actions.

While ASEAN countries have long been concerned about China's dominance in the region, they see the imposition of tariffs as a much more immediate threat and direct assault on their economies. Facing a five-alarm fire set by the United States, they will not only avoid antagonizing China, their largest two-way trading partner, but welcome its overtures of greater economic cooperation.

It is also likely that the U.S. will reach bilateral agreements with ASEAN in the coming weeks or months. To accommodate the U.S., Southeast Asian countries will commit to lower their tariffs and address longstanding trade barriers and increase purchases of U.S. LNG, agriculture planes, and other goods.

At the same time, they will pursue de-risking strategies that lessen their economic dependence on the U.S. and expand trade and investment ties to China and other partners. So, while the U.S. may see some immediate results from the tariff leverage it has exerted over Southeast Asian countries, if China is the threat about which the U.S. is most concerned, then we need to keep our eye on the ball.

We need to build an affirmative ASEAN economic strategy that relies on carrots, not just sticks. This strategy should build trust and certainty and deepen our economic partnership. It also should capitalize on ASEAN's interest in keeping the U.S. engaged in the region, create room for Southeast Asian countries to work with the U.S. on curbing unfair trade practices from China, and foster ASEAN integration to promote regional stability and security.

Let me briefly offer five proposals for deepening economic ties. First, we should promote development of the Southeast Asian critical minerals sector and U.S.-ASEAN critical mineral supply chains even as we work to build our own capabilities in this sector. These efforts should include negotiation of critical minerals agree-

ments with select Southeast Asian countries. These agreements should include criteria for trusted critical mineral supply chains and guaranteed supplies of critical mineral resources for U.S. industry, as the Japanese Government has successfully done.

Second, the U.S. should swiftly pursue a plurilateral digital agreement with Southeast Asian countries trying on the commitments the U.S. Government is pursuing in its bilateral agreements with ASEAN countries. Maintaining U.S. leadership and setting digital trade rules is vital, given this sector's role in U.S. innovation and economic growth and to ensuring the U.S. remains at the forefront of the AI revolution. Doing so also would support U.S. efforts to counter China's model of digital authoritarianism.

Third, the U.S. should propose a customs cooperation initiative that demonstrates its willingness to work in partnership with ASEAN as a group to tackle this priority issue. Many Southeast Asian governments already are strengthening rules in this area, but a U.S.-ASEAN customs cooperation agreement would better position ASEAN to deal collectively with transshipment from China.

Fourth, Congress should fully fund U.S. economic statecraft tools, including reauthorization of DFC this year. Similarly, to promote U.S. exports, Congress should reauthorize the Export-Import Bank next year and ensure adequate funding for the U.S. Trade and Development Agency.

And last, the U.S. should consider regionalizing the trade commitments it is negotiating bilaterally with ASEAN countries, building out an ASEAN agreement with rules of origin that limit non-parties from benefiting and including rules in critical areas to U.S. competitiveness.

In exchange, the U.S. should gradually eliminate tariffs on imports from Southeast Asian parties to the agreement. A regional agreement with reciprocal commitments would incentivize Southeast Asian countries to deepen supply chains with the U.S. in ways that can promote U.S. manufacturing and exports.

Again, thank you for this opportunity to share my views, and I look forward to your questions.

[The prepared statement of Ms. Weisel follows:]

“Building Bridges, Countering Rivals: Strengthening U.S.-ASEAN Ties to Combat Chinese Influence”

**House Foreign Affairs Committee
Subcommittee on East Asia and the Pacific**

June 10, 2025

Statement for the Record

Testimony of Barbara Weisel

Nonresident scholar, Carnegie Foundation Endowment for International Peace

Chairwoman Kim, Ranking Member Bera, and distinguished Members of this subcommittee, thank you for the invitation to appear before you today. I am honored to have this opportunity to share my views on how the U.S. Government can strengthen its economic ties to ASEAN at this critical juncture.

I am currently a nonresident scholar at the Carnegie Endowment for International Peace but previously spent nearly two decades working on Southeast Asia and the Association of Southeast Asian Nations (ASEAN) at the Office of the U.S. Trade Representative. U.S. policy long recognized the commercial and strategic significance of the region, beyond its role in the U.S.-China competition but as an important partner in its own right. Under successive administrations, the United States pursued a range of initiatives, both regional and bilateral, intended to further deepen our economic ties and advance our common interests. Although results were uneven, concrete progress was made, and the United States and ASEAN members remained committed to their efforts to build our economic ties, address bilateral trade frictions, and strengthen cooperation in global and regional trade forums.

The dramatic shift in trade and economic policy by the Trump administration has markedly altered the situation and created confusion and uncertainty among ASEAN countries about their relationship with the United States. Since at least 2017, the U.S. had actively promoted ASEAN countries as central to the strong, rules-based architecture that anchors the U.S. vision for the Indo-Pacific¹ and as alternative destinations to China for U.S. trade and investment. But the Trump Administration’s imposition of “reciprocal” tariffs and its promotion of reshoring of manufacturing have deeply shaken ASEAN’s trust in the United States as a partner on which it could rely. These actions have cast doubt on what Southeast Asian countries saw as a shared understanding of the value of their partnership with the United States and the central role ASEAN countries thought the United States had seen them playing in the evolving regional trade and investment landscape.

¹ U.S. Department of State: A Free and Open Indo-Pacific, Advancing a Shared Vision, November 4, 2019; <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>

At the same time, the U.S. inward turn has created a leadership vacuum, which China is seeking to fill to advance its economic and broader interests and strengthen its global standing, including with long-time U.S. allies and partners. Portraying itself as the defender of the global trading system, the Chinese government has stated the U.S. across-the-board tariff action “severely infringes upon the legitimate rights and interests of all countries, severely violates World Trade Organization (WTO) rules, severely undermines the rules-based multilateral trading system, and severely disrupts the global economic order.”² China is actively pursuing closer economic cooperation with partners across Asia, Europe, and the Middle East. It is energetically promoting closer trade, investment, and cooperation, including through the Belt and Road Initiative, on projects focused on infrastructure, payments systems, AI, the digital economy, and green and low-carbon development.³

Make no mistake: Southeast Asian countries are not naïve or inexperienced regarding China’s policies toward them or ways to navigate their relations with their formidable neighbor. China is ASEAN’s largest trading partner, and trade between them continues to grow robustly,⁴ facilitated by their free trade agreements and major infrastructure connectivity projects. At the same time, Southeast Asian countries have long been concerned about Chinese coercion and more recently about China’s export of its industrial overcapacity to their markets.

Their more immediate concern, however, is the devastating effect of U.S. tariffs on their economies and the potential that the damage could be intensified with U.S.-China decoupling. Although Southeast Asian countries will continue to resist choosing sides between the U.S. and China, the U.S. protectionist posture and unpredictability makes them more amenable to Chinese overtures and to economic cooperation with China that will serve to weaken U.S.-ASEAN ties.

The Economic Significance of ASEAN to the United States

Erosion of U.S.-ASEAN economic ties would hurt not only ASEAN, which relies heavily on exports to the United States, but U.S. interests as well. The nominal GDP of the ten ASEAN countries totals about \$4 trillion, among the world’s largest. ASEAN is the fourth largest destination for U.S. exports, and the fifth largest destination for U.S. agricultural goods. U.S. goods exports to the region totaled nearly \$125 billion last year, a 16-percent increase over the previous year, while exports of U.S. services to the region were nearly \$58 billion in 2023 (most recent available data), an 11-percent year-over-year increase. ASEAN’s population is nearly 700 million, with two-thirds under the age of 30,

² Chinese Ministry of Foreign Affairs, April 5, 2025;

https://www.mfa.gov.cn/eng/xw/zyxw/202504/t20250406_11589042.html

³ Remarks by H.E. Li Qiang, Premier of the State Council of the People’s Republic of China at the ASEAN-China-GCC Summit, Kuala Lumpur, May 27, 2025; http://us.china-embassy.gov.cn/eng/zgyw/202505/t20250528_11635023.htm.

⁴ Total China-ASEAN trade grew 7.1 percent year-over-year in the first quarter of 2025, according to the Chinese General Administration of Customs. Manufacturing products accounted for 90.1 percent of China’s trade with ASEAN countries; <https://www.globaltimes.cn/page/202504/1332056.shtml>

a growing middle class, and a digital economy that is set to grow from approximately \$300 billion to an estimated [\\$1 trillion](#) by 2030.⁵

The United States also is ASEAN's largest source of foreign direct investment (FDI). U.S. FDI flows to ASEAN totaled \$74.4 billion in 2023 (latest data available), contributing 32.4 percent of total ASEAN inward FDI flows that year.⁶ More than 6,000 U.S. companies operate in the region, and investment and trade with Southeast Asia supports 625,000 jobs in the United States.⁷

Southeast Asia's relative importance to the United States has grown in recent years as U.S. companies looked to diversify away from China and build secure and resilient supply chains with ASEAN partners. As noted in a recent Asia Foundation task force report, of which I was an author, "U.S. direct investment in Southeast Asia is greater than that in China, Japan, Korea, and India combined; and now exceeds U.S. FDI in Canada. U.S. investment in Southeast Asia generates 10 percent of the total global sales by overseas affiliates of U.S. companies, of which 40 percent are sales to the local market and 49 percent are sales to third countries."⁸

ASEAN also is positioned to play a role in next-generation technology supply chains. Southeast Asian countries, including Indonesia, Philippines, Myanmar, Thailand, and Vietnam have large reserves of nickel, copper, cobalt, rare earths, and other critical minerals. They are still at an early stage in the development of this sector and focused largely on extraction rather than refining and processing. Still, these countries could play an important role in U.S. efforts to expand and diversify its supply of these resources.

Current U.S. Economic Relations with Southeast Asia

The Trump Administration has articulated support for deepening economic ties, but ASEAN countries are skeptical. The U.S. government has not concluded a single major trade policy initiative with ASEAN since the conclusion of the U.S.-Singapore FTA in 2003. From the withdrawal of the United States from the Trans-Pacific Partnership in 2016, to the now apparently abandoned Indo-Pacific Economic Partnership agreement negotiations (which ASEANs supported despite their doubts about its commercial significance), ASEAN already were questioning the reliability of the United States, its regional economic strategy, and whether they could trust in the broad continuity of its international economic policy from one administration to the next.

The Trump Administration policies have reinforced, and turbo charged these doubts in a region for which trade is its lifeblood. ASEAN countries face potential prohibitive U.S. tariffs – the highest of 49 percent on Cambodia, 48 percent on Laos, and 46 percent on

⁵ <https://www.weforum.org/stories/2024/01/asean-building-trust-digital-economy/#:~:text=One%20such%20huge%20opportunity%20is,2023%20and%204.8%25%20in%202024.>

⁶ https://www.aseanstats.org/wp-content/uploads/2024/06/ASEAN-Statistical-Brief-Vol-9-June-2024_fn.pdf

⁷ <https://asean.usmission.gov/mission/>

⁸ <https://asiafoundation.org/wp-content/uploads/2024/10/Critical-Issues-for-the-United-States-in-Southeast-Asia-in-2025.pdf>

Vietnam. Even if the United States commits to limit Southeast Asian countries' tariffs to the 10-percent global baseline rate, ASEANs still face section 232 tariffs on their exports of steel, and potentially on semiconductors, critical minerals and other products. The uncertainty has complicated operations for businesses across the region, both U.S. and ASEAN.

At the latest ASEAN summit in May in Kuala Lumpur, the ASEAN countries expressed deep concern over the unilateral tariffs and their potential impact but committed as a group not to impose any retaliatory measures in response.⁹ With the United States having overtaken China to become ASEAN's largest export market in 2024, they are seeking ways to satisfy U.S. demands, and bespoke deals will likely be reached. Some countries hope that the agreements will result in stronger bilateral economic ties, but the constant shifting of U.S. policy, new threats, and disregard of previous trade commitments has many of them questioning the value of any deal reached.

Meanwhile, the suspension of U.S. foreign aid will erode U.S. soft power and damage U.S. influence. This includes aid supported projects on economic integration and growth, trade facilitation, digital economy, science and technology, public health, and other areas important to our partnerships in the region.

Current China-ASEAN Economic Relations

China and ASEAN already have close economic ties and trade agreements intended to more deeply integrate their production and supply chains. They are members of the 14-country Regional Comprehensive Economic Partnership, which entered into force in 2022, and ASEAN and China concluded on May 20 an upgrade of the 2010 China-ASEAN Free Trade Agreement, which they hope to sign by the end of the year. The agreement includes new chapters on the digital economy, green economy, and supply chain connectivity.

President Xi visited Vietnam, Malaysia, and Cambodia in April in his first overseas trip this year. He used his trip to highlight the contrast between U.S. and Chinese trade policy and emphasized "China's support for regional economic integration as global protectionism and unilateralism continue to mount."¹⁰ Xi also heralded Belt and Road Initiative (BRI) infrastructure, digital, green economy, and transportation projects. ASEAN countries have welcomed BRI investment, although BRI loans are mainly debt financed and ASEAN countries worry about the financial viability of some projects and the growing debt servicing costs.¹¹

ASEAN-China trade remains strong, and China has been ASEAN's largest two-way trade partner for more than a decade. But Chinese exports to ASEAN are growing at a much

⁹ <https://asean.org/wp-content/uploads/2025/05/01.-FINAL-Chairmans-Statement-of-the-46th-ASEAN-Summit.pdf>

¹⁰ http://en.cppcc.gov.cn/2025-04/21/c_1087174.htm

¹¹ <https://carnegieendowment.org/posts/2023/12/how-has-chinas-belt-and-road-initiative-impacted-southeast-asian-countries?lang=en>

more rapid pace, increasing 52 percent from \$385 billion in 2020 to \$587 billion in 2024 compared with its imports from ASEAN, which increased from \$301 billion to \$396 billion in the same period, a 32-percent rise.¹²

Southeast Asian countries are increasingly alarmed about this shift, which appears to be the result of China's drive to export its overcapacity, coupled with the diversion of China's exports from the United States and the EU to ASEAN in the face of higher tariffs and other trade restrictions. This shift of Chinese exports to Southeast Asia includes not just redirection of trade in intermediate goods, but of exports to ASEAN as an end market, as well documented in a recent Asia Society report.¹³ The report notes that the flood of Chinese exports threatens local manufacturing, the largest contributor to ASEAN GDP, and the artificially low-priced goods is hurting the global competitiveness of ASEAN business in sectors key to its growth plans. Some ASEAN governments have imposed anti-dumping duties and other restrictions and others are facing pressure to increase tariffs to curb the Chinese import surge but worry about Chinese retaliation given their dependence on Chinese components.

Although still much smaller than that of the United States, Chinese FDI into ASEAN also has grown significantly over recent years to a high of \$17.3 billion in 2023, comprising 7.5 percent of total inward ASEAN FDI flows. Much of this investment went to the automotive, ICT and electronics, renewable energy equipment, mining, and consumer goods sectors.¹⁴ Even as ASEAN countries value Chinese investment, they are concerned that it will threaten their access to the U.S. market as the U.S. government pressures them to squeeze Chinese inputs out of their supply chains.

Rethinking U.S. Economic Strategy

The United States needs to urgently develop a new economic strategy in Southeast Asia that reflects the importance of this region to long-term U.S. economic interests. The bilateral economic agreements that the U.S. government is negotiating with Southeast Asian countries will yield certain benefits, including elimination of some longstanding trade barriers and additional purchase commitments. But we need to rethink our approach and use carrots, not only sticks, to ensure more durable results that advance U.S. long-term economic and strategic interests.

The United States needs a clear and comprehensive regional economic strategy that:

- Focuses on U.S. long-term economic interests and how best U.S. relations with Southeast Asian nations can be shaped to advance U.S. strengths, including in traditional industries as well as new ones expected to drive U.S. innovation and growth in the future.

¹² IMF statistics.

¹³ <https://asiasociety.org/policy-institute/asean-caught-between-chinas-export-surge-and-global-de-risking>

¹⁴ <https://rhg.com/research/chinas-manufacturing-fdi-in-asean-grew-rapidly-but-faces-tariff-headwinds/>

- Promotes an affirmative economic strategy based on common U.S.-ASEAN interests and win-win outcomes.
- Capitalizes on the interest of ASEAN countries in keeping the United States engaged in the region.
- Fosters ASEAN integration and its key role in promoting regional stability and security.
- Provides certainty and enables the U.S. private sector, already deeply integrated in the region, to further deepen its ties and expand partnerships with ASEAN countries.

Recommendations

Below are five proposals on ways the United States could enhance its role as a leading economic partner in Southeast Asia.

1. Build critical minerals supply chains

Even as it seeks to build its own critical minerals production capabilities, the United States should promote development of Southeast Asian critical minerals extraction and processing and U.S.-ASEAN critical minerals supply chains. Over the past several years, the United States has pursued various initiatives to promote development of these supply chains, including through cooperation on mapping, transparency, and information sharing, but progress has been slow.

The United States should pursue critical minerals agreements with select Southeast Asian countries. These agreements should establish criteria for trusted critical minerals supply chains and guaranteed supplies of critical mineral resources for U.S. industry. They should also include traditional trade commitments, including elimination of tariffs and non-tariff barriers, and investment protection to decrease political risk for U.S. companies.

A key obstacle to accelerating this work is financing. In this regard, Japanese government policy may be a model. While the Development Finance Corporation has financed some critical minerals projects, Japan's approach allowed it to reduce its reliance on rare earths from China from 90 percent 2008 to 60 percent in 2023.¹⁵ Japan's Organization for Metals and Energy Security (JOGMEC) -- a Japanese government administrative agency charged with securing stable and affordable energy and mineral resources to strengthen Japan's industrial base and economic prosperity -- has played a central role in this effort¹⁶. Together with the Japan Bank for International Cooperation, JOGMEC is building critical minerals stockpiles and helping Japanese companies secure

¹⁵ https://eneken.iecej.or.jp/en/chairmans-message/chairmans-message_202310.html

¹⁶ https://www.jogmec.go.jp/english/about/about_jogmec_01_000003.html

critical minerals, including dedicated supply chains to meet their critical minerals demands.

2. Conclude plurilateral digital trade agreement

The United States should negotiate a plurilateral digital trade agreement with Southeast Asian countries, drawing from commitments the U.S. government reportedly is pursuing in its bilateral agreements with ASEAN countries. Maintaining U.S. leadership in setting digital trade rules is vital given this sector's role in U.S. innovation and economic growth, and to ensuring the U.S. remains at the forefront of the artificial intelligence (AI) revolution. A plurilateral agreement would extend bilateral commitments to establish common rules across the region. Doing so would prevent fragmented regulation that would make it more difficult for U.S. firms to compete regionally and would support U.S. efforts to counter China's model of digital authoritarianism.

Pursuing a plurilateral agreement would signal U.S. interest in partnering with ASEAN on a priority issue to both. In addition to regionalizing the U.S.-ASEAN bilateral commitments, such an agreement could build upon them, including on AI and AI safety, where Singapore is playing a prominent role.¹⁷ It also could create channels for U.S.-ASEAN private sector cooperation and promote U.S. digital and technology goods and services.

The United States should push forward on this digital trade initiative as soon as possible. ASEAN is negotiating its own Digital Economy Framework Agreement (DEFA), which it hopes to finish later this year. DEFA's core elements include policy issues important to U.S. interests, including digital trade, cross border data flows, data protection, cross-border e-commerce, digital payments, and cybersecurity. Meanwhile, the inclusion of digital economy issues in ASEAN's upgraded China-ASEAN Free Trade Agreement gives China opportunities to influence digital regulation and connectivity in Southeast Asia in ways that could be counter to U.S. interests.

3. Promote U.S.-ASEAN-wide customs cooperation

The United States should propose a customs cooperation initiative that demonstrates its willingness to work in partnership with ASEAN to tackle this issue. The U.S. government has made addressing Chinese transshipment through ASEAN countries a priority.

A U.S.-ASEAN customs cooperation agreement would better position ASEAN to deal collectively with transshipment from China. Many ASEAN members already are implementing stricter rules to address transshipment because such activity fuels corruption, hurts domestic businesses, cuts tax revenues, and tarnishes their global reputation. But greater U.S. cooperation with ASEAN as a group would help the region better coordinate enforcement efforts.

¹⁷ <https://www.imda.gov.sg/resources/press-releases-factsheets-and-speeches/press-releases/2025/singapore-ai-safety-initiatives-global-ai-summit-france>

Such cooperation could include information sharing, joint enforcement actions, and capacity building. The United States also should continue its support of the ASEAN Single Window to promote regional economic integration and enhance transparency, making it more difficult to hide transshipment.

4. Reauthorize the Development Finance Corporation (DFC) and other agencies that support U.S. trade

Congress should fully fund U.S. economic statecraft tools, including reauthorization of the DFC this year. The DFC has numerous projects in Southeast Asia focused in such areas as infrastructure, healthcare, technology, financial services, and clean energy, advancing over \$2 billion in private sector investment across the region.¹⁸ Such funding could support U.S. private sector development of Southeast Asian critical minerals and other priority U.S. projects. Similarly, Congress should reauthorize the Export-Import Bank next year and ensure adequate funding for the U.S. Trade and Development Agency to promote U.S. exports.

5. Regionalize trade commitments

The United States should consider regionalizing the trade commitments it has negotiated bilaterally with ASEAN countries, building these trade agreements into a regional agreement. Such an agreement should be open to countries willing to meet U.S. requirements, as several Southeast Asian countries have demonstrated their ability to do.

The agreement should consolidate and expand bilateral ASEAN commitments to eliminate tariff and nontariff barriers in goods and services across the region. It should include tight rules of origin that limit non-parties from benefitting from the agreement. It also should require new commitments on customs and trade remedies. The agreement should include rules in areas critical to U.S. competitiveness, including intellectual property, investment, competition policy, labor, and environment, as well as economic security measures.

In exchange, the United States should gradually eliminate tariffs on imports from Southeast Asian parties to the agreement. Doing so would incentivize Southeast Asian countries to commit to U.S. standards and to alter supply chains in ways that can promote U.S. manufacturing and exports. It also would have the broader benefit of strengthening ASEAN's position regionally, supporting U.S. broader strategic interests.

Again, thank you for the opportunity to share my views on how the U.S. Government can strengthen its economic ties to ASEAN at this crossroads. I look forward to your questions.

¹⁸ [https://asean.usmission.gov/the-united-states-asean-relationship-3/#:~:text=The%20U.S.%20International%20Development%20Finance%20Corporation%20\[DFC\],to%20driving%20more%20investments%20across%20the%20region.](https://asean.usmission.gov/the-united-states-asean-relationship-3/#:~:text=The%20U.S.%20International%20Development%20Finance%20Corporation%20[DFC],to%20driving%20more%20investments%20across%20the%20region.)

Mrs. KIM. of California. Thank you, Ms. Weisel.
Let me now recognize Dr. Kuok for your opening statement.

STATEMENT OF LYNN KUOK

Dr. KUOK. Thank you so much, Chairwoman.

Chairwoman Kim, Ranking Member Bera, members of the subcommittee, thank you for this opportunity to testify. It is an honor to be able to contribute to this important conversation on strengthening U.S. engagement with Southeast Asia, a region that is at the geographic as well as the strategic heart of the Indo-Pacific.

You have both outlined why Southeast Asia matters, so let me just say that despite its economic and strategic importance, the region remains a weak link in U.S. Indo-Pacific engagement.

U.S. influence in the region is declining, and China is gaining ground. Both yourself, Chairwoman, and Greg mentioned how the United States is the partner of choice. But in a regional survey in 2024, the survey showed for the first time the majority of respondents in Southeast Asia actually choosing to align with China over the United States if they were forced to choose. Now, that margin was slim, overall 50.5 percent versus 49.5 percent. But support dropped dramatically in some countries, including all three Muslim majority countries by about 20 percentage points.

The 2025 survey you mentioned reflected a modest U.S. rebound, but it was conducted very early in the year, from early January to mid-February, and preceded several developments, most notably the April 2 announcement of tariffs. This hit all countries in Southeast Asia, including some of its poorest. Cambodia, Laos, and war-torn Myanmar face a 49 percent, 48 percent, and 44 percent tariff level respectively.

These Liberation Day tariffs have triggered a strong backlash in the region. ASEAN leaders recently expressed deep concern over these unilateral tariff measures, and the Singapore prime minister warned that they undermine the global trading order that the United States helped build and declared bluntly that these are not actions that one does to a friend.

What began as frustration over limited U.S. engagement, or limited U.S. economic engagement, in the region is now concern over counterproductive policies. Washington is not just missing an economic action in Southeast Asia; it is inflicting real damage. Tariffs, as well as aid cuts, are hurting Southeast Asian countries.

Now, for years, relatively weak U.S. engagement was offset by the important security role it plays. But that, too, is increasingly cast in doubt as Washington recalibrates away from longstanding allies and partners in Europe and the President openly questions defense commitments. Lack of clarity around U.S. goals in the Indo-Pacific compounds these concerns as the possibility of a grand bargain or even a more limited economic deal entailing concessions to Beijing on issues vital to allies and partners, such as the South China Sea or the U.S.-Philippine Alliance, sows further doubt about American intent, consistency, and staying power.

U.S. standing in the region has also been badly hurt by its handling of the Gaza crisis. Now, although a loss for the United States doesn't necessarily mean a win for China, Beijing has been very proactive about continuing to deepen its regional ties through

trade, through investment, through infrastructure, and through consistent diplomacy.

And as you mentioned, Chairwoman, in the weeks after the April 2 tariffs, Beijing visited Southeast Asia and concluded 113 deals. And even if few of those materialize, the signal was clear that China is a consistent and reliable economic partner, while the United States throws a wrecking ball at the global trading system.

Beijing's actions in the South China Sea are a serious irritant in its relations with its neighbors, particularly the Philippines and Vietnam. But I think China has been remarkably adept at containing the fallout both with the use of economic incentives as well as quiet diplomacy.

Southeast Asia does not want to choose between the two countries, and they will continue to hedge for as long as possible. But China's growing sway hampers Washington's ability to engage bilaterally and multilaterally in the region to strategic effect.

I have detailed policy recommendations for the U.S. Government and legislative proposals in my written testimony, but very broadly, these touch on three areas that the United States must act on: first, economic engagement. For the region, economics is security, and failing to understand this leaves Washington on the back foot. Congress can lead by, first, reviewing tariffs; second, advancing targeted trade agreements in strategic sectors, like digital infrastructure and critical minerals; and third, bolstering funding support for infrastructure and development.

The second main area that the United States needs to work on is strengthening its alliances and partnerships in Southeast Asia. It has done well with the Philippines, but what is necessary at the moment is commitment at the very highest levels to treaty commitments and expanding economic and strategic engagement with key regional players, including Singapore, Vietnam, Indonesia, Malaysia, and Cambodia.

And finally, the third area, defending international law and maritime rights—international law reduces conflict risks and advances concrete U.S. interests. The second Trump administration should maintain the strong stance that it adopted during its first term, when it made regular lawful assertions of passage rights and freedoms of the seas and when it affirmed the merits of the 2016 tribunal decision, a step that the previous administration had failed to take.

Madam Chairwoman, Ranking Member, and members of the subcommittee—

Mrs. KIM. of California. Well, let's continue the conversation during—

Dr. KUOK. Sure.

Mrs. KIM. of California.—question and answer period.

[The prepared statement of Dr. Kuok follows:]

**ECONOMICS IS SECURITY:
REBUILDING U.S. STRATEGY IN SOUTHEAST ASIA**

Testimony of Dr Lynn Kuok

Lee Kuan Yew Chair in Southeast Asia Studies
Brookings Institution

Before the House Foreign Affairs Subcommittee
on East Asia and the Pacific

At the hearing

*“Building Bridges, Countering Rivals:
Strengthening U.S.-ASEAN Ties to Combat Chinese Influence”*

10 June 2025

Chairwoman Young Kim, Ranking Member Ami Bera, distinguished Members of the Subcommittee, thank you for the opportunity to testify today.¹ It is an honor to contribute to this important conversation on strengthening U.S. engagement with Southeast Asia to counter growing Chinese influence.

The United States has prioritized the Indo-Pacific, noting that the “loss of U.S. preeminence in the Indo-Pacific would weaken [the United States] ability to achieve U.S. interests globally.”² Yet, it is ceding influence to China in Southeast Asia, a region at its geographic and strategic heart. With a population of nearly 700 million, Southeast Asia is projected to be the world’s fastest growing region, offering a vast market and economic opportunities. Its location also makes it critical to U.S. Indo-Pacific strategy, and allies and partners offer access to military facilities. Despite its economic and strategic importance, Southeast Asia represents a weak link in U.S. engagement in the Indo-Pacific.

This is reflected in regional sentiment. In the 2024 ISEAS–Yusof Ishak Institute survey³—the only annual, region-wide measure of elite opinion—a majority of respondents, for the first time, said they would align with China over the United States, if forced to choose. While the 2025 poll showed a modest rebound in U.S. standing,⁴ it preceded the April 2 announcement of sweeping new tariffs (see Annex), which hit even Southeast Asia’s poorest countries—Cambodia, Laos and war-torn Myanmar face a 49, 48 and 44 percent tariff respectively—and extended to Singapore, with which the United States enjoys a trade surplus.

“Liberation Day” tariffs triggered a strong backlash. Leaders at the recent ASEAN Summit expressed “deep concern over unilateral tariff measures.”⁵ The Prime Minister of Singapore warned that the tariffs undermine the very global order the United States helped build. Their effects are not only

¹ This testimony draws upon my testimony “‘America First’ cannot mean ‘America Alone’: Engaging Southeast Asia” before the U.S. China Economic and Security Review Commission on 22 March 2025.

² *U.S. Strategic Framework for the Indo-Pacific*, declassified on 5 January 2021 (approved in February 2018).

³ *The State of Southeast Asia 2024*, ISEAS–Yusof Ishak Institute, Singapore, 2 April 2024.

⁴ *The State of Southeast Asia 2025*, ISEAS–Yusof Ishak Institute, Singapore, 3 April 2025.

⁵ “Chairman’s Statement of the 46th ASEAN Summit,” Kuala Lumpur, Malaysia, 26 May 2025.

economic, but strategic as well: they risk accelerating drift toward Beijing and complicating U.S. engagement.

Over the past decades, U.S. economic engagement in Southeast Asia has weakened, especially in contrast to China's expanding trade, investment and infrastructure projects. Key policy choices—the withdrawal from the Trans-Pacific Partnership, limited market access, and underinvestment in regional development, including much-needed infrastructure—have contributed to this decline. Although the United States remains the largest foreign investor, its investments are concentrated in Singapore. Meanwhile, U.S. strategic influence has been sustained through its role as a security guarantor and counterweight, ensuring that no single power dominates in the region.

Today, however, U.S. influence is under pressure on multiple fronts. The United States is now seen not only as a limited economic partner, but one that is inflicting real damage—through broad tariffs and sudden aid cuts. Simultaneously, governments are increasingly questioning its security commitments, especially as Washington disengages from long-standing allies and partners in Europe. The Gaza crisis has drawn sharp criticism, particularly in Muslim-majority countries, and will continue to do so, especially if casualties mount. **The combined economic, strategic and reputational fallout is weakening U.S. influence at a critical moment.**

None of this is to say that the U.S. cannot regain ground in Southeast Asia. The United States, through decades of providing the region with a security umbrella, has contributed to its peace and prosperity and is valued for it, even as contributions have brought benefits to the United States as well. Southeast Asia still does not want to have to choose between the United States and China. Without U.S. presence, the region's strategic options will shrink and, with them, its ability to demand better behavior from China.

A loss for the United States, moreover, does not necessarily mean a win for China. Southeast Asia is actively seeking to diversify its economic and strategic partnerships. ASEAN, for example, recently hosted the second ASEAN–Gulf Cooperation Council Summit (and the inaugural ASEAN–GCC–China summit). But China—with its proximity, economic heft (it is already the region's largest trading partner and one of its top investors) and sustained diplomatic outreach—stands to benefit most from U.S. disengagement. Soon after the Liberation Day tariffs, President Xi Jinping visited Vietnam, Malaysia and Cambodia, announcing 113 agreements in under a week. Some were binding, many preliminary. Yet, even if few agreements materialize, the message is clear: China is a reliable economic partner. As Beijing holds itself out as a champion of free trade while Washington swings a wrecking ball at the global trading system, Southeast Asia's economic ties with China are likely to deepen. Over time, strategic alignment could follow—either by design or necessity.

The Subcommittee's decision to focus on Southeast Asia is an important step toward reversing the loss of U.S. influence and enabling more effective competition with China in the Indo-Pacific. Ignoring Southeast Asia, treating it as peripheral, or failing to grasp how economics and security are deeply intertwined in the region, risks further strategic drift. When asked about concerns over tariffs at last month's Shangri-La Dialogue, the U.S. Secretary of Defense Pete Hegseth replied that he was "happily in the business of tanks, not trade."⁶ But in Southeast Asia, **economics is security**—and failing to understand that leaves Washington on the back foot.

⁶ Pete Hegseth, "United States' New Ambitions for Indo-Pacific Security," First Plenary Session, Q&A, Shangri-La Dialogue, Singapore, 31 May 2025.

My testimony today is structured as follows:

1. Southeast Asia's perceptions of China and the United States
2. Why China is gaining ground in Southeast Asia
3. Factors driving the decline of U.S. influence in Southeast Asia
4. Strategic implications for the United States
5. Rebuilding U.S. influence: Policy and legislative recommendations

1. Southeast Asia's perceptions of China and the United States

In September 2024, I argued in *Foreign Affairs* that the United States was losing Southeast Asia.⁷ My assessment drew on the 2024 ISEAS survey of Southeast Asian government and non-government elites, which for the first time showed a majority favoring alignment with China over the United States if forced to choose, as well as on conversations with officials in the region.

China's edge was slim—50.5 percent to 49.5 percent. Breaking down the result by country, however, revealed a sharp decline in support for the United States among respondents in Laos (-30 percentage points), Malaysia (-20), Indonesia (-20), Cambodia (-18), and Brunei (-15).⁸

The erosion in U.S. standing in 2024 likely reflected dissatisfaction with U.S. foreign policy, especially the country's support for Israel in the conflict in Gaza, and its limited economic engagement in the region relative to China's growing footprint. These factors gave China the edge, notwithstanding the fact that more than half of respondents expressed "little" or "no" confidence in China to "do the right thing" in global affairs.

The 2025 survey, which was released on 3 April—a day after Liberation Day—showed the United States regaining a narrow lead: 52 percent of respondents said ASEAN should side with the United States and 48 percent with China, if forced to choose.

The 2025 rebound appears to have been driven above all by growing alarm over China's behavior in the South China Sea. This year, 52 percent of respondents cited "aggressive behavior in the South China Sea" as their top geopolitical concern, up from second place at 40 percent in 2024. Perceptions of stronger U.S. leadership under President Donald Trump may also have shifted perceptions.⁹

But the improved U.S. standing in the 2025 survey should not be mistaken for a decisive shift. The survey was conducted from early January to mid-February—before Trump's April 2 tariff announcement, abrupt cuts to foreign development assistance, and the administration's sharp turn away from long-standing European allies and partners. Moreover, the survey likely overstates the number of governments that would align with the United States over China if forced to choose, as it includes non-government elites, who are more likely than government officials to favor the United

⁷ Lynn Kuok, "America is Losing Southeast Asia: Why U.S. Allies in the Region are Turning Toward China," *Foreign Affairs*, 3 September 2024.

⁸ The United States has also lost ground in Myanmar (-10) and Thailand (-9).

⁹ Among the 41 percent of respondents who expected greater U.S. engagement in Southeast Asia under the new administration, 39 percent cited Trump's tough stance on China as helping to maintain regional balance; 32 percent believed strong U.S. leadership could help resolve global conflicts. *The State of Southeast Asia 2025*, ISEAS-Yusof Ishak Institute, Singapore, 3 April 2025.

States. Although a majority of respondents in five of the ten ASEAN countries—the Philippines, Vietnam, Myanmar, Cambodia, and Singapore—leaned toward the United States, several of those governments, including Myanmar and Cambodia, depend heavily on Beijing. Even among countries with defense ties or strategic cooperation with the United States, alignment is not a given—and in some cases, remains unlikely.¹⁰

2. Why China is gaining ground in Southeast Asia

China is gaining ground in Southeast Asia primarily because of the vital and sustained economic role it plays. China has outperformed the United States across multiple economic dimensions, including trade, multilateral engagement and infrastructure development.

China became ASEAN's largest trading partner in 2009, and its economic ties with the region have only deepened since. While the United States has withdrawn from multilateral trade agreements, China concluded the Regional Comprehensive Economic Partnership (RCEP) and applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), portraying itself as a staunch supporter of the multilateral trading system.

Despite criticism and setbacks, China's Belt and Road Initiative (BRI) has delivered major infrastructure projects across Southeast Asia. Southeast Asia's first high-speed rail, the Jakarta-Bandung High-Speed Rail (Whoosh), began commercial operations in 2023. Plans are now underway to extend the rail network across Java, potentially connecting Jakarta and Surabaya. In December 2021, the Boten-Vientiane railway connected Laos to China's high-speed rail network, transforming Laos from landlocked to land-linked, boosting trade, tourism, local businesses and investment.

China's economic strength and regional perceptions of it as a growth engine, rather than its governance model, drive China's influence in Southeast Asia. Even democratic-leaning ASEAN countries continue to engage with China despite differences in political systems. Any effective U.S. response in the region must recognize and address China's economic pull. The sectors in which this pull is strongest—and in which U.S. presence is either missing or vulnerable—include digital and physical infrastructure, and critical minerals and green energy supply chains.

Complementing China's economic engagement has been its bilateral and multilateral diplomacy in Southeast Asia, which has been consistent and sustained. Beijing has successfully cultivated formal strategic partnerships with nearly all ASEAN members and ASEAN itself. Of the ten ASEAN countries, all but Singapore have signed strategic partnerships with China, though the depth of these relationships varies.¹¹ Even U.S. treaty allies—the Philippines and Thailand—have entered into high-level strategic agreements with Beijing.¹² In 2021, China also elevated its relationship with ASEAN to a Comprehensive Strategic Partnership.

¹⁰ Discussion of the 2025 poll results draws from my article, "How Trump's Coercion Could Backfire in Asia: Forcing the Region to Choose Sides Risks Pushing It Toward China", *Foreign Affairs*, 14 April 2025.

¹¹ Singapore and China concluded an "All-Round High-Quality Future-Oriented Partnership" in 2024, but it is not explicitly labelled a "strategic" partnership. Given both countries' precision in diplomatic language and the agreement's focus on non-strategic areas, it appears to be a deliberate choice to avoid framing the relationship in strategic terms.

¹² The Philippines and China established a Comprehensive Strategic Cooperation (CSC) agreement in 2018 under President Rodrigo Duterte; Thailand signed a Comprehensive Strategic Cooperative Partnership in 2012.

China's pandemic diplomacy was particularly effective in Southeast Asia. While its pandemic response drew criticism in Europe, Beijing's rapid provision of vaccines, medical supplies and financial assistance strengthened diplomatic goodwill across much of the region.

The South China Sea—a thorn in China's ties with Southeast Asia

China's actions in the South China Sea are the main thorn in the side of its relations with its neighbors and risks being a flashpoint, particularly in interactions with the Philippines. Beijing's militarization of disputed land features and low-tide features under the sovereign rights and jurisdiction of its neighbors, as well as its encroachments into its neighbors' exclusive economic zones (EEZs) have strained ties, particularly with the Philippines and Vietnam. In April, China unfurled its national flag on Sandy Cay—its first-on-the ground, formal assertion of sovereignty over a previously unoccupied land featured in more than a decade. This triggered skirmishes in May with the Philippines, including the use of water cannons and a collision near the feature.¹³

Beijing could consolidate greater influence by seeking to resolve maritime disputes with its neighbors and setting aside territorial disputes—or at least not pushing its claims on the ground. All its Southeast Asian neighbors want good ties with China. Beijing, however, shows no indications that it is open to shifting its approach to the South China Sea.

Still, China has been remarkably effective in minimizing diplomatic fallout through economic incentives and diplomatic outreach. Despite repeated Chinese incursions in Indonesia's exclusive economic zone near the Natuna Islands, Jakarta continues to engage closely with Beijing on multiple fronts. In August 2024, China and Indonesia agreed to resume joint drills for the first time in a decade. In November 2024, both sides issued a joint statement agreeing to elevate defense and security cooperation, as a sign of “strong mutual trust between the two countries.”¹⁴ The joint statement included a “common understanding on joint development in areas of overlapping claims,” which could be interpreted as a shift from Jakarta's long-standing refusal to acknowledge overlapping maritime claims with China. The statement also included language aligning with China's position on Taiwan,¹⁵ prompting strong protests from Taipei.¹⁶ Similarly, Malaysia's political elites have maintained pragmatic ties with China, opting to quietly manage or downplay disagreements over the South China Sea whenever possible. Indonesia and Malaysia consistently rank as the top recipients of Chinese BRI funding in Southeast Asia.

3. Factors driving the decline of U.S. influence in Southeast Asia

Several factors are driving—and compounding—the decline of U.S. influence in Southeast Asia, including perceptions of weak economic engagement, growing strategic uncertainty, backlash over Gaza, and the abrupt withdrawal of aid.

¹³ For a discussion of China's aims and the implications of ignoring these micro-contests, see Lynn Kuok, “Beijing's Play for Sandy Cay: China's salami-slicing in the South China Sea is eroding U.S. credibility,” *Foreign Policy*, 1 June 2025.

¹⁴ “Joint Statement Between the People's Republic of China and the Republic of Indonesia on Advancing the Comprehensive Strategic Partnership and the China-Indonesia Community with a Shared Future,” Beijing, 9 November 2024.

¹⁵ The joint statement affirmed that “the Government of the People's Republic of China is the sole legal government representing the whole of China and that Taiwan is an inalienable part of China.” *Ibid.*

¹⁶ Ministry of Foreign Affairs Republic of China (Taiwan), “MOFA response to false claims regarding Taiwan in joint PRC-Indonesia statement issued by PRC,” 11 November 2024.

U.S. economic engagement

The first is the perception that U.S. economic engagement in the region has been weak, particularly when compared to China's expanding trade, investment and major infrastructure projects. While the United States remains the largest foreign investor in Southeast Asia, its investment is concentrated in Singapore. The U.S. withdrawal from the Trans-Pacific Partnership (TPP) in 2017 dealt a major blow to its credibility on trade. Although the Indo-Pacific Economic Framework (IPEF), introduced in 2022, was designed to fill the gap, its lack of market access remains a core limitation. That said, withdrawal from IPEF would further erode confidence in U.S. economic engagement.

The imposition of tariffs has now worsened perceptions: U.S. economic engagement may have been relatively limited before, but it is punitive now. What began as frustration over weak U.S. economic engagement has, after Liberation Day, morphed into concerns over unconstructive, even harmful, engagement. As Singapore's PM Lawrence Wong said, "Protectionism is bad—unstable protectionism is worse."¹⁷ If tariffs are not reversed or are expanded, the United States risks further alienating the region.

The United States has also struggled to compete with China in infrastructure development. Since launching the Belt and Road Initiative (BRI) in 2013, China has delivered large-scale infrastructure projects that have transformed regional connectivity. By contrast, U.S. or U.S.-led efforts—reforms to the BUILD Act in 2018, the Blue Dot Network (with Japan and Australia) in 2019, and the G7's Build Back Better World (B3W) in 2021, rebranded in 2022 as the Partnership for Global Infrastructure and Investment (PGII)—have yielded few tangible results in Southeast Asia.

The United States' relatively weak economic engagement with Southeast Asia is reflected in regional perceptions. In the 2025 ISEAS survey, 56 percent of respondents identified China as the most influential economic power, compared to just 15 percent who chose the United States. While this marks a slight improvement for the United States over 2024 figures, in a region where economics and security are deeply intertwined, such perceptions undermine U.S. influence.

Strategic doubts about U.S. reliability

Second, there are growing doubts about the reliability of U.S. security commitments. Southeast Asian governments have long harbored concerns about U.S. dependability, but Washington's recent recalibration away from long-standing European allies and partners has only amplified those anxieties. Even the Philippines, a treaty ally that has received multiple expressions of support from this

¹⁷ Wong Pei Ting, "PM Wong on 3 implications US tariffs have on global trading system," *The Straits Times*, 8 April 2025.

administration¹⁸ and enjoys bipartisan support in Congress,¹⁹ remains uncertain about whether U.S. support would hold in a crisis. The President's strong aversion to military entanglements and public questioning of defense commitments have not gone unnoticed in the region.

Lack of clarity about U.S. goals and strategy in the Indo-Pacific compounds these concerns. It remains unclear whether Washington sees China as a long-term strategic competitor or is instead edging toward accommodation in pursuit of political or economic deals. A grand bargain, or even a more limited economic deal, could entail concessions on issues vital to regional allies and partners, whether related to Japan and the East China Sea, Taiwan, the South China Sea, or the U.S.–Philippines alliance. Uncertainty over U.S. goals, and whether regional interests could be sacrificed in the process of achieving them, sow doubt about U.S. reliability.

The Gaza factor

Third, Washington's handling of the Gaza crisis since 7 October 2023 has eroded its standing, especially in Muslim-majority Southeast Asian countries. The 2024 ISEAS poll revealed a particularly steep drop in support for the United States in Muslim-majority countries. Seventy-five percent of Malaysian respondents, 73 percent of Indonesian respondents, and 70 percent of Bruneian respondents indicated a preference for alignment with China over the United States, if forced to choose, up from 55 percent, 54 percent, and 55 percent, respectively, in 2023. In 2025, the support for China remained high, with 72 percent of Indonesians, 71 percent of Malaysians, and 55 percent of Bruneians expressing the same preference.

Respondents were not explicitly asked why they made this choice, but the U.S. stance on Gaza was likely a major factor. In 2024, nearly half of all respondents ranked the Israel-Hamas conflict as their top concern, surpassing even the South China Sea dispute. The numbers were even higher in Muslim-majority countries, where 83 percent of Malaysian, 79 percent of Bruneian, and 75 percent of Indonesian respondents ranked Gaza as their foremost concern.²⁰

In the 2025 survey, Gaza remained a significant concern, though it dropped to fourth overall among Southeast Asian respondents, with 37 percent identifying it as their top geopolitical concern. It remained especially salient in Muslim-majority countries: it was the top concern in Malaysia (76 percent) and Indonesia (65 percent); and ranked second in Brunei (56 percent), just behind the South China Sea (58 percent).

¹⁸ As I noted in my April 2025 *Foreign Affairs* piece, U.S. Secretary of State Marco Rubio has reaffirmed the “ironclad” U.S. commitment to the Philippines under the U.S.–Philippine mutual defense treaty; and the State Department has reiterated that the treaty covers attacks on Philippine armed forces, public vessels, or aircraft, including its coast guard, anywhere in the South China Sea. “Secretary Rubio’s Call with Philippine Secretary of Foreign Affairs Manila,” readout, U.S. Department of State, Office of the Spokesperson, 22 January 2025; “U.S. Support for the Philippines in the South China Sea,” press statement, Tammy Bruce, Department Spokesperson, U.S. Department of State, 19 February 2025. Further reassurances came during U.S. Secretary of Defense Pete Hegseth’s late-March visit to Manila, where he met with Philippine President Ferdinand Marcos, Jr. The two sides reaffirmed their security ties and announced planned initiatives, including the deployment of additional advanced military capabilities, bilateral training for high-end operations, greater defense industrial cooperation, and a joint cyber campaign—all aimed at restoring deterrence.

¹⁹ “Senators Coons, Ricketts introduce resolution celebrating the 73rd anniversary of our mutual defense treaty with the Philippines,” 3 September 2024.

²⁰ In Singapore, where 15 percent of the population is Malay-Muslim, 58 percent of respondents also ranked Gaza as their top geopolitical priority.

The fallout from the U.S. approach to the Gaza crisis is likely to persist, waxing or waning with the severity of the situation on the ground and the U.S. response. That said, Southeast Asian countries are pragmatic and will welcome deeper economic and diplomatic engagement with Washington.²¹

U.S. aid withdrawal

Finally, the abrupt withdrawal of U.S. foreign aid has further harmed America's image in the region. While some Southeast Asian governments were wary of U.S. support for democracy and education initiatives, regarding them as meddling in domestic affairs, and the strategic return on U.S. aid was unclear,²² the sudden termination of programs—including humanitarian assistance, health programs and demining—has sent an unfortunate message of American callousness. These cuts can mean the difference between life and death. Meanwhile, China has stepped in to fill some of the gaps, including by funding a Cambodian mine-clearing project, positioning itself as the more responsive partner.

4. Strategic implications of diminishing influence for the United States

Southeast Asian countries will continue to hedge between the United States and China for as long as possible. However, China's growing sway hampers Washington's ability to engage bilaterally and multilaterally to strategic effect.

The most obvious example is ASEAN's cautious approach to the South China Sea. Despite Beijing's increasingly assertive actions within the Philippines' exclusive economic zone, including physical confrontations between Chinese and Philippine vessels, the bloc has issued no statement calling China out by name.

Another example is how frayed ties with Thailand, a U.S. ally, have complicated U.S. efforts to deepen interoperability and weakened Washington's ability to build a cohesive regional security architecture. Since the 1997 Asian financial crisis, when the United States declined to provide direct financial assistance, and subsequent downgrades in military ties following coups in 2006 and 2014 (although multilateral engagement in the form of the annual Cobra Gold exercises has continued), China has steadily expanded its role. It became Thailand's top trading partner and, by 2016, overtook the United States as its primary arms supplier.²³ Although the United States still provides more bilateral training and conducts more defense dialogue, Beijing has increased joint military exercises (such as the "Strike-2024" drill), technology transfers, and defense-related investments.

²¹ Malaysia's Prime Minister Anwar Ibrahim has been the most outspoken of Southeast Asian leaders in condemning Washington's approach toward the Gaza crisis. But even Malaysia would welcome further economic and diplomatic engagement with the United States. Writing before Malaysia assumed the Chair of ASEAN, he stated that as ASEAN Chair, Malaysia would seek to bolster ties with ASEAN+ partners, "China, Japan, South Korea, India, Australia and New Zealand." There was no mention of the United States in his piece: Anwar Ibrahim, "ASEAN's Second Renaissance is Now," *Project Syndicate*, 16 December 2024. More recently, however, he explained that Malaysia has no interest in taking sides in the Sino-American rivalry and its decision to join BRICS was not about aligning with an anti-US bloc but about expanding its strategic options in turbulent times and addressing development gaps between the Global South and the Global North. Anwar Ibrahim, "The Global South's Path to Economic Resilience," *Project Syndicate*, 14 March 2025.

²² According to the Lowy Institute's Southeast Asia Aid Map, the United States disbursed more aid in grants than China between 2015 and 2022—\$8.0 billion compared to \$1.9 billion (although China disbursed far more in loans—\$51.8 billion compared to \$597 million). Yet, these investments did not translate into clear geopolitical advantages for Washington.

²³ Jack Sato and Abdul Rahman Yaacob, "Is China Replacing the US as Thailand's Main Security Partner?", *The Diplomat*, 2 December 2023, citing data from the Stockholm International Peace Research Institute (SIPRI).

The erosion of U.S. standing in Southeast Asia also weakens Washington's ability to rally support on key global issues—from condemning Russia's invasion of Ukraine to garnering even limited sympathy or understanding for its Middle East policies. While national interests ultimately drive foreign policy decisions, Washington's reduced credibility has made it harder to persuade regional governments that a particular U.S. position might serve their interests. The previous U.S. administration's appeals for stronger action against Russia's flagrant violations of international law, which undermine the interests of all countries, including Southeast Asian ones, largely fell on deaf ears. Meanwhile, Chinese and Russian narratives about the war gained traction. Perceptions of U.S. double standards and self-interested goals, especially regarding China, have constrained U.S. diplomatic effectiveness.

Despite waning U.S. influence, countries will continue to try to hedge for as long as they can—unless forced to choose, as occurred recently in the case of Panama when Washington demanded a rollback of Chinese “influence and control.” In the same vein, a National Security Presidential Memorandum signed on February 21 established a “fast-track” investment process for “specified allies and partners,” conditioned on avoiding partnering with “foreign adversaries” in corresponding areas.²⁴ In an April 2025 *Foreign Affairs* piece,²⁵ I examine the emergence of a more coercive U.S. approach and its potential consequences. Forcing Southeast Asian countries to choose would run counter to their preference for hedging and non-alignment, shaped by the legacy of colonialism and Cold War entanglements. Countries will weigh U.S. leverage, the reliability of its promises, their economic ties with China, and potential alternatives. Ultimately, forcing a choice on Southeast Asia risks backfiring, driving countries closer to Beijing. The United States could force a choice—but it might not like the answer.

5. Rebuilding U.S. influence in Southeast Asia: Policy and legislative recommendation

Rebuilding U.S. influence in Southeast Asia demands a comprehensive, coherent and sustained strategy that integrates all elements of American power—and that draws on both Congress and the executive branch. A single-dimensional or piecemeal approach will fall short. In particular, tariffs will have strategic repercussions, limiting the extent to which countries are willing to align with Washington. U.S. strategy must include greater economic engagement, strengthening alliances and partnerships, and a firm commitment to international law.

5.1. Deepening U.S economic engagement

Economic engagement is central to rebuilding U.S. influence. Congress has a critical role to play—through trade legislation, development finance authorizations, and appropriations that anchor long-term U.S. engagement in the region. While existing frameworks such as IPEF and PGII provide a foundation for engagement, they must be reinforced by targeted, high-impact initiatives and sustained commitments. Promising early bilateral initiatives include the U.S.–Singapore Digital Economic Cooperation Roadmap (July 2024), the first U.S.–Indonesia Digital Technology Bilateral Dialogue (June 2024), and a \$3.25 million USAID–Vietnam digital trade memorandum of understanding (2023), though the latter faces uncertainty amid ongoing USAID restructuring and cuts.

Policy recommendations for the U.S. government:

²⁴ The White House, “[Fact Sheet: President Donald J. Trump Encourages Foreign Investment While Protecting National Security](#),” 21 February 2025.

²⁵ Lynn Kuok, “[How Trump's Coercion Could Backfire in Asia](#): Forcing the Region to Choose Sides Risks Pushing It Toward China”, *Foreign Affairs*, 14 April 2025.

1. *Review and reverse unwarranted tariffs* on Southeast Asian countries.
2. *Sustain U.S. commitment to IPEF.*
3. *Negotiate sector-specific trade agreements in strategic industries*, e.g., digital infrastructure, semiconductors and critical minerals. This would enhance U.S. technological leadership and economic security. Indonesia, the world's largest nickel producer, has become an emerging hub for mineral processing since its 2020 ban on raw nickel exports. The United States lacks domestic nickel reserves and should pursue deeper cooperation with Indonesia to diversify and secure nickel and other critical mineral supplies.
4. *Increase U.S. International Development Finance Corporation (DFC) funding* to incentivize private-sector infrastructure investment.
5. *Prioritize funding for USAID initiatives that more directly align with U.S. strategic interests*, such as maritime security capacity-building and digital infrastructure.

Legislative proposals:

- *Southeast Asia Fair Trade and Strategic Alignment Act*: To require executive review of tariffs on Southeast Asian countries, with a view to reversing those that undermine U.S. strategic alignment.
- *Southeast Asia Trade and Supply Chain Resilience Act*: To encourage U.S. private investment in key regional sectors to reduce reliance on China and strengthen supply chains in industries critical to U.S. interests (e.g., digital infrastructure, semiconductors and critical minerals).
- *Southeast Asia Infrastructure Development Act*: To expand DFC support for private-sector investment in transportation, digital connectivity and clean energy. Investing in transport links will enhance U.S. access, limit Beijing's ability to dominate key trade routes, and reduce Chinese leverage over regional countries. Investing in digital connectivity aligns regional standards with U.S. norms. Clean energy projects help prevent China from dominating the critical mineral supply chains essential to the energy transition. Legislation should include good governance, sustainability and anti-corruption safeguards, but avoid overly complex eligibility criteria.

5.2. Strengthening alliances and partnerships

U.S. influence in Southeast Asia depends on strengthening alliances and partnerships through clear, consistent and credible commitments. This requires reinforcing existing security relationships while expanding economic engagement with key regional players.

Policy recommendations for the U.S. government:

1. *Reaffirm U.S. security commitments to the Philippines* via a statement in a White House National Security Strategy (NSS), a formal presidential statement, or joint declaration. The Philippines grants access to key military facilities near Taiwan and the South China Sea under the U.S.-Philippines Mutual Defense Treaty (MDT) and the Enhanced Defense Cooperation Agreement (EDCA), amplifying U.S. power projection. The Luzon Strait's depth allows nuclear submarines to pass undetected. Manila's high-profile legal and physical clashes with China also highlight Beijing's flouting of international law and reinforce the U.S. narrative that China is a rule-breaker and there is regional demand for U.S. counteraction.
2. *Enhance U.S. force posture in the Philippines in a measured, non-confrontational manner*—focusing on domain awareness cooperation, joint maritime patrols and intelligence sharing. This balances

Manila's—and the region's—desire to avoid outright confrontation with China while enhancing U.S. credibility and deterrence.

3. *Expand cooperation with key partners:*

- *Singapore and Vietnam.* Deepen defense and economic ties with both countries. Singapore is one of the United States' most reliable security and economic partners in Southeast Asia.²⁶ When the Philippines decided to close Clark and Subic bases in 1990 and regional countries opposed U.S. basing, Singapore stepped up by granting the United States access to its air and naval facilities. In 1998, it allowed U.S. use of the newly constructed Changi Naval Base, a facility designed to accommodate aircraft carriers, even though Singapore does not have one of its own. Defense ties have expanded through multiple agreements. Singapore continues to offer military access to its naval and air bases, without seeking a formal U.S. security guarantee. Its stable government, advanced economy and diplomatic influence within ASEAN make it a cornerstone of U.S. regional presence. Economically, Singapore strongly supports U.S. regional economic integration and hosts over 5,800 U.S. companies, contributing significantly to U.S. employment. Vietnam's 2023 Comprehensive Strategic Partnership with the United States presents opportunities to advance defense, economic and technological cooperation. Washington should continue to support Vietnam's efforts to diversify its security partnerships and technological supply chains.
 - *Cambodia.* Enhance engagement, particularly on economic issues. China is reportedly establishing a presence at Ream Naval Base and increasing activity there. Despite Phnom Penh's pro-China leanings, 57% of Cambodians in the 2025 ISEAS poll still preferred aligning with the United States. Prime Minister Hun Manet, a West Point graduate, appears more open to leveraging great power competition to secure concessions. While the country is highly dependent on Beijing economically, its lower development levels provide Washington an opening for deeper economic engagement and influence. The 49 percent tariff rate on Cambodia militates against meaningful engagement.
 - *Indonesia and Malaysia.* Strengthen ties as their regional and global clout grow. Malaysia is this year's ASEAN Chair. Indonesia is not only a major producer of nickel but also of other critical minerals, including copper, cobalt, tin and gold. Jakarta is actively seeking a Critical Minerals Agreement with the United States to facilitate trade and access to U.S. tax credits under the Inflation Reduction Act.²⁷ It has been disappointed with the slow progress. Advancing this agreement would help Indonesia diversify its exports beyond China and establish itself as a reliable U.S. partner in the clean energy transition. Both Malaysia and Indonesia have pursued BRICS membership—Indonesia became a full member this year—a move motivated by a desire to expand economic options, but one that could still lead to a shift away from the West if not carefully managed.
4. *Bolster engagement with ASEAN* as an institution, reinforcing its central role in regional diplomacy. Deepen U.S. support for ASEAN by investing in institutional capacity, increasing high-level participation in ASEAN-led forums, and aligning U.S. initiatives with ASEAN priorities. Strengthening ASEAN as an institution reinforces regional unity, helps resist China's divide-and-rule tactics, and complements bilateral U.S. engagement by embedding it in a broader multilateral framework.

²⁶ Lynn Kuok, "The U.S.-Singapore partnership: A critical element of U.S. engagement and stability in the Asia-Pacific," Brookings Institution, 13 July 2016.

²⁷ Gracelin Baskaran, "Diversifying Investment in Indonesia's Mining Sector," CSIS, 11 July 2024.

5. *Increase training, joint exercises (e.g., Balikatan with the Philippines and Cobra Gold with Thailand), defense technology transfers, and selective arms sales* focused on defensive capabilities. These steps strengthen regional deterrence and align Southeast Asian militaries with U.S. defense systems.
6. *Avoid a transactional or coercive approach.* U.S. alliances and partnerships provide strategic advantages that cannot be measured solely in financial terms.

Legislative proposal:

- *Southeast Asia Maritime Security Assistance Act:* To expand existing initiatives, such as the Indo-Pacific Maritime Security Initiative (MSI) by providing increased Foreign Military Financing (FMF) and facilitating transfers of surplus U.S. defense equipment (patrol vessels, surveillance aircraft and radar systems) to key allies and partners. While Excess Defense Articles (EDA) already allows transfers, this legislation provides additional financing and explicit prioritization for Southeast Asian allies and partners.

5.3. Defending international law and maritime rights

International law reduces conflict risks and advances concrete U.S. interests. The second Trump administration should maintain the strong stance it adopted during its first term on the South China Sea tribunal ruling and the United Nations Convention on the Law of the Sea (UNCLOS). Under the first Trump administration, the United States made regular, lawful assertions of passage rights and freedoms of the seas, preserving these in practice and under international law. It also, in 2020, accepted the merits of the 2016 international tribunal ruling²⁸—a stance the previous administration had failed to take. This helped reassure coastal countries that Washington valued not only navigational and other maritime freedoms, but also their economic rights.

Beyond the maritime domain, a stronger U.S. legal strategy—one that invests in legal capacity and deploys international law in a systematic, integrated and sustained manner—can help contest China's efforts to shape and reshape international rules and norms to its advantage.

Policy recommendations for the U.S. government:

1. Sustain regular, lawful assertions of passage rights and freedoms of the seas. While regional sensitivities exist,²⁹ these actions are critical to ensuring rights and freedoms are preserved and that the South China Sea does not become a Chinese lake.
2. Reaffirm that the United States accepts the merits of the 2016 South China Sea tribunal ruling.
3. Accede to UNCLOS to bolster U.S. credibility when contesting China's illegal maritime claims and denial of lawful passage and freedoms.
4. Signal clearly that occupation of previously unoccupied features in the South China Sea is destabilizing and will have consequences for U.S.–China relations.

Legislative proposal:

- *South China Sea Freedom of Navigation Act:* To mandate and fund continued Freedom of Navigation Operations (FONOPs) and to revitalize the broader U.S. Freedom of Navigation program; to reinvigorize a Track 1 or Track 1.5 U.S.–China maritime dialogue to resolve disagreements over passage rights and freedoms of the seas. Even during the Cold War, the

²⁸ Michael R. Pompeo, "U.S. Position on Maritime Claims in the South China Sea," press statement, 13 July 2020.

²⁹ Malaysia, for instance, views foreign warships in the South China Sea as tension-inducing.

United States and the Soviet Union reached agreement on the rules of innocent passage in the territorial sea.³⁰ The United States and China should pursue similar understandings to lower tensions and enhance regional maritime stability.

Conclusion

Expanding U.S. influence in Southeast Asia demands strategic vision and a coherent, sustained approach—one that integrates economic engagement, strong alliances and partnerships, rejection of coercive diplomacy, and a commitment to international law.

For years, relatively weak U.S. economic engagement was offset by its security role. That role is now under strain. Doubts are growing as Washington signals reduced support for long-standing allies and partners in Europe, and the President expresses aversion to military entanglements. Meanwhile, recent economic measures—sweeping tariffs and abrupt aid cuts—are causing real harm, both to Southeast Asian countries and to the global trading system the United States once championed.

The U.S. Secretary of Defense at the Shangri-La Dialogue last month struck many good notes—underscoring that the United States does not seek war with China, that it prioritizes deterrence, and that it values its allies and partners. But the broader context undercut his message. “Our futures are bound together,” he declared. Yet, harsh tariffs and cuts to development aid suggest otherwise.

Washington aims to counter China, but its recent actions amount to strategic self-harm, undermining relations with allies and partners who bolster U.S. power and legitimacy. These missteps—coupled with the possibility of a U.S.–China deal that sacrifices regional interests—have raised grave doubts about American intent, strategy, consistency and staying power. This risks further drift away from the United States, complicating its foreign policy goals.

Support for a robust U.S. presence in the region could break down if Washington is seen as contributing more to instability than to order. At the Munich Security Conference in February, Singapore’s then Defence Minister captured deteriorating perceptions, bluntly observing that regional views of the United States had shifted—from “liberator” to “disruptor” to “landlord seeking rent.”³¹

China builds influence through sustained, long-term engagement. If the United States fails to do the same, it risks creating a strategic vacuum that Beijing will seek to fill. Without allies and partners, U.S. leadership in Asia—and globally—will erode, leaving the country weaker abroad and ultimately poorer at home.

Lee Kuan Yew, the founder of modern Singapore, once warned that Asia is not a movie America can pause and return to later with its ability to shape the region’s strategic trajectory unchanged.³² His words remain as relevant today as ever.

The time to build bridges is now.

³⁰ Lynn Kuok, “China can learn from Soviet approach to the law of the sea,” Brookings Institution, 27 March 2018.

³¹ Philip Hejmans, “Singapore Says Asia Sees US as ‘Landlord Seeking Rent,’” Bloomberg, 16 February 2025.

³² Graham Allison and Robert D. Blackwill, *Lee Kuan Yew* (Cambridge, MA: Belfer Center for Science and International Affairs, 2012), p 28.

ANNEX
Tariff Burdens on ASEAN countries

Country	Universal Tariff (%)	Reciprocal Tariff (%)	Total Tariff (%)
Cambodia	10	39	49
Laos	10	38	48
Vietnam	10	36	46
Myanmar	10	34	44
Thailand	10	26	36
Indonesia	10	22	32
Malaysia	10	14	24
Brunei	10	14	24
Philippines	10	7	17
Singapore	10	0	10

Mrs. KIM. of California. Thank you so much. I appreciate all of the witnesses giving your opening testimonies and for the recommendations that you are making. And we can hopefully get into that more.

And let me start with the first round of questioning. As you all mentioned, we want to be the partner of choice, and our ASEAN partners are waiting for us to show up. And we need to provide a clear and consistent economic framework for the Indo-Pacific region. But unfortunately, we have—U.S. has struggled to regain momentum in economic engagement following its withdrawal from TPP.

So, Ms. Weisel, what elements of the TPP and IPEF prove effective and ineffective, and how can future agreements demonstrate strong commitment to Southeast Asia's developing goals while safeguarding our U.S. interests?

Ms. WEISEL. Thank you for the question. I think, in terms of TPP, I mean, TPP is now in force. The U.S. is not a party to that agreement. So it was a successful agreement notwithstanding the fact that we are no longer a party.

I think that what was successful about TPP was, first, that it was a very high-standard agreement and included a lot of issues that had not been part of previous trade agreements that advanced rules that were of importance to U.S. economic competitiveness, including on things like intellectual property, on state-owned enterprises and competition in other areas.

In looking back at what we would want to do were we to pursue a free trade agreement with the region, I think there are definitely additional areas/updates that you would want to consider and things that we learned, for instance, over the last couple years about resilience of supply chains, about our competition with China, that you would want to add to an agreement like that that were not issues then. But as in all free trade agreements, there are new generations of agreements, new issues that you need to think about and incorporate in updated agreements.

IPEF, I think, was, in my view, more of a political agreement than an economic agreement and that the purpose of that was to demonstrate to our trading partners that we were going to be engaged in the region. We wanted them to commit to a range of issues related to areas of mutual concern, including related to supply chains.

But we were not prepared to discuss market access in any way, and I think that that really hobbled the effort. I also think that our decision not to engage on digital trade was problematic and something that we would want to revisit going forward.

Mrs. KIM. of California. Thank you.

As we strengthen our strategic posture in the Indo-Pacific, particularly with ASEAN partners like the Philippines, Subic Bay, which I visited, is again emerging as a critical location for U.S. logistics and operational planning. And our defense cooperation agreement with the Philippines grants us access to sites like Subic. But we must balance our military presence with Philippines' constitutional limits on foreign bases and sensitivities to national resentment, which has historically complicated our security cooperation.

Mr. Poling, keeping this delicate balance in mind, what specific capabilities or pre-positioned assets would most enhance deterrents at Subic?

Mr. POLING. Thank you, Chairwoman. The most important thing for the Philippines—well, I suppose there is two. One, it needs asymmetric capabilities, much like Taiwan or anybody else facing a giant neighbor. This is not a footrace the Philippines can possibly win.

So seeing more deployments like the NMESIS right now, Tomahawks paired with Philippines' own midrange land-based capabilities like the BrahMos missiles they bought from India, is key. It allows the Philippines to hold Chinese vessels in the South China Sea at risk in a situation in which there is no number of hauls that they could possibly be sold or loaned that would make up for the asymmetry they face.

The second is presence. At the end of the day, there is no military solution to the South China Sea. The Philippines needs to be able to show the flag. And they have done a remarkably good job with a very limited Coast Guard and Navy. We need to see more uncrewed platforms. We need to see more cheap vessels. We need to see more support for Philippine basing in the islands, and that doesn't mean U.S. boots on the ground, but the U.S. could be providing more funding for the Philippines to buildup its own facilities, as China and Vietnam do as well.

Mrs. KIM. of California. Thank you.

One of the most pressing challenges in the region is China's dominant grip on critical mineral supply chains, especially for material vital to clean energy and defense technologies. And we mentioned Indonesia is the world's top producer of nickel. This is critical for battery technologies. But it is alarming that Chinese companies control 75 percent of Indonesia's nickel-refining capacity.

Ms. Weisel, what are the implications of China's choke hold on critical mineral supply chains for the U.S. and allied nations?

Ms. WEISEL. Well, I think we are seeing the results of that choke hold in our industries today where China can limit access to critical minerals, and then it also controls these critical minerals from other countries. So I think all of this is quite disturbing and just reinforces the need for the U.S. to establish its own supply chains with the region.

I think, as I mentioned in my testimony, Japan has had quite a good deal of success in trying to limit its reliance on Chinese critical minerals by promoting its relationships with the region. They have an organization called the Japanese Organization for Metals and Energy Security that has the purpose of ensuring stable supplies of critical minerals and energy for Japan.

Mrs. KIM. of California. Thank you—

Ms. WEISEL. The result of that, and something I think we should be looking at, is that they have been able to successfully diversify their sources of critical minerals. And in the funding that they use for this organization that's known as JOGMEC, they have—

Mrs. KIM. of California. Yes. Sorry, my time is up. So let me yield my time to Ranking Member Bera for his questioning.

Mr. BERA. Great. Thank you, Madam Chairwoman.

And we can stick to the topic of critical minerals. Japan built those redundant supplies after facing economic coercion and retaliation from China, I think, in terms of choking off some of those. And we are certainly at risk and experiencing some of that potential risk right now. So there is an importance in expedience to not just develop our own domestic supplies but also look at, in a strategic way, how we go into—you know, whether that is Vietnam, Malaysia, other—Indonesia—and build redundant supplies.

And I would argue, in the Biden administration, the mineral security partnership gives us some vehicles by which to work with countries like Japan, Korea, and others to help build those and perhaps even go into—you know, the Koreans are going into Mongolia—perhaps go into other areas.

But this is—I would agree with you, Ms. Weisel, that I think this is a key area where we can deepen our relationship in a positive way with Southeast Asian nations, and we should do so.

And, Chairwoman, I think we have a hearing actually coming up soon looking at that particular issue.

Let's go back to digital trade for a second. While I wish we could go back to TPP, I clearly thought digital trade was something that we would get under the Biden administration, and obviously it didn't happen. It is in our interest, certainly in the region's interest.

We can work off some of the existing digital trade models, whether that is taking the digital trade chapter out of USMCA or looking at some bilateral pieces. But maybe, each of you, if you wanted to just touch on the importance of getting a digital trade deal done.

Maybe we will start with Dr. Kuok and then work to the left with the region.

Dr. KUOK. Thank you very much. In terms of the importance of a digital trade agreement, China is embedding its digital norms in the region through its deals with countries like Cambodia, Myanmar, Laos, et cetera. And once those norms—the technology and the norms—are embedded, it becomes quite difficult to reverse.

So, there is very little downsides to moving quickly on this issue. And the U.S. should be alert to it, lest it be in the same position as it is now in terms of critical minerals where it allowed China to invest in Indonesia, since Indonesia banned the export of nickel and allowed China to invest heavily in its nickel processing.

The United States was asleep at the wheel in that respect, and I think it needs to redouble its efforts in terms of reaching and arriving at a digital trade agreement with Southeast Asian countries.

Mr. BERA. Right.

Ms. Weisel?

Ms. WEISEL. Yes, I would just add that China is active in this region. They have just recently updated their China-ASEAN agreement, which now includes additional digital commitments. And there is active cooperation between the two. So I think that is something that we really should keep a close eye on.

But I also would note that the EU is engaged with a number of ASEAN regions, and the EU has a different approach to digital trade rules than we do. So, absent the U.S. direct engagement in the region, we are ceding it to others.

Mr. BERA. Mr. Poling?

Mr. POLING. I would just reinforce that last point. We have 325 million people in a world of eight billion and growing. We can either help set rules in partnership with others, or we can end up taking the rules.

What we have already seen is almost everybody in Southeast Asia has now adopted a European-style GDPR regime. They did that because we had no alternative. And they asked and asked and asked, and we didn't present it.

Later this year, ASEAN will likely release its own digital economic framework agreement. We don't know what rules will be in there, but they won't be rules that the U.S. helped set. And that will be the story as long as we decide to take our ball and go home.

Mr. BERA. Great. While IPEF would not have been the approach that I would have taken. It was an approach that the Biden administration took. And in our conversations, we looked at it as a high-standard negotiation, but not each country could actually meet—whether it was the labor standards, environmental standards, et cetera.

And I think how I pitched it to the administration—and I would pitch it to the Trump administration—was in a modular way, right? It is easy for us to do a trade deal with Singapore and Australia, New Zealand, Japan, Korea. It is essential for us to do a trade agreement with Indonesia, Vietnam, Philippines, Malaysia.

And each of those countries may not, at this particular moment in time, be able to meet those high standards. But if we use a carrot approach, if we use—and I agree with you. It is not really a trade deal without market access because obviously that is what folks want.

If the Trump administration is listening, I would strongly urge us to—in a bipartisan way—to try to figure this out. And if we don't set the norms and the rules, somebody else is, and we may not like them when we wake up.

I will yield back.

Mrs. KIM. of California. Thank you.

Let me now recognize Representative Moylan of Guam for 5 minutes.

Mr. MOYLAN. Thank you, Ms. Chairwoman.

And as Guam often serves as first point of contact with the U.S. for many ASEAN countries, I am very enthusiastic about further advancing our relationship with them. In the early 2024, the U.S. surpassed China as ASEAN's largest export market. This dynamic economic development underscores the importance of strengthening our economy tie with the regional group.

However, the potential benefits of ASEAN are not limited to economics alone. ASEAN also plays a critical role in promoting regional stability and maritime security, deepening the cooperation for natural disasters and more.

Given China's growing influence in the region, it is imperative that we develop a comprehensive strategy to enhance our engagement with ASEAN, counter China's influence, and secure our national interests in the region.

As for the economic aspect, the U.S. is the largest source of cumulative foreign direct investments, FDI, in ASEAN and overtook China as the largest export market this year. Now, while we need

to address unfair trade practice in general, we also need to consider the potential ramifications of proposed tariff increase on ASEAN countries since many of them have export-dependent economies.

To avoid the risks of these countries deepening their economic dependence to China, we should update our strategic engagement with them to promote economic prosperity both in the region and the U.S. and to build a more resilient supply chain.

When it comes to regional security and maritime security, the most urgent issue is China's aggression in South China Sea. Many incidents of harassment against Philippine ships by Chinese Coast Guard vessels have been reported. And although ASEAN members don't all share the same stance toward China, if we can encourage them to share a common position on this issue, it would serve a powerful voice to deter further aggression.

Mr. Poling, could you describe how opinions among ASEAN members are divided on South China Sea disputes? Also, how can the U.S. encourage them to adopt a more unified position to secure freedom of navigation and maritime security?

Mr. POLING. Thank you, Congressman. The Philippines is obviously the farthest on this spectrum if we were to lay it out. It has been the most forward-leaning in defending its rights. It has been the clearest in articulating the legal nature of its rights and its objections to China's through its arbitral victory.

Just behind the Philippines have been Vietnam. There is no country on earth, when you look at polling, that has more skepticism or anxiety about China or views China more as a revisionist threat than Vietnam, and that is because of China's aggression toward Vietnam in the South China Sea.

Vietnam has been quietly supportive of the Philippines' arbitral victory in 2016. It has forged bilateral—quiet bilateral—Coast Guard cooperation with Manila. It has engaged in its own large buildup of its facilities in the Spratly Islands in order to contest Chinese control.

After that, there is a steep drop-off, I am afraid, of the other claimants to the waters or islands of the South China Sea. Indonesia, which hasn't often considered itself a claimant, has probably been the most forward-leaning in contesting Chinese activity. And Indonesia has had the clearest articulation, other than the Philippines, of what is illegal about China's claims.

Malaysia has tended to bury its head in the sand and try to ignore the issue, at least at the political level. Of course, Indonesian Coast Guard personnel and naval personnel are as frustrated by China as anybody. Of the non-claimants, Singapore has really been the only one that has taken a firm position on the illegality of China's claims.

And I think we have to recognize that there will never be a coherent ASEAN position on the South China Sea. Thailand, Laos, Cambodia—they are not going to invite Chinese retaliation on themselves in support of the Philippines or Vietnam. And so there has to be a claimants' grouping, but not an ASEAN grouping.

Mr. MOYLAN. Thank you very much.

Ms. Weisel, based on your experience in the U.S. Government, including U.S. trade representative, how do you assess the potential impact of the proposed tariff increase on ASEAN members?

What do you see as the most effective way to advance our economic interest in the region? Sorry; you have very little time.

Ms. WEISEL. I think that the actions, as I said in my statement, have really put the U.S. at a disadvantage. The U.S. is seen as kind of impulsive, unpredictable, unilateral actions that is causing ASEAN to reflect on what it needs to do to hedge the risk against the U.S. and is forcing them to lessen their reluctance to work with China because they have no other choice.

If they are going to be threatened by the United States, then they are going to be more open to working with China. And we have put them in that position.

Mr. MOYLAN. Thank you very much.

Thank you, Madam Chairwoman.

Mrs. KIM. of California. Thank you.

Let me now recognize Representative Amo of Rhode Island for your 5 minutes' questioning.

Mr. AMO. Thank you, Chairwoman Kim.

And thank you to our witnesses for being here. As we have discussed, ASEAN is just an essential partner to the United States. It is an opportunity for American power but also for global collaboration. And I believe the Biden administration understood this and made ASEAN central to our Indo-Pacific strategy.

But I am concerned about the Trump administration's foreign assistance freeze, the chaotic tariffs, and what that has done to really take an axe to our relationship with ASEAN nations. And of course, as we have discussed already today, this really works against our efforts to counter China's influence in the region. And Trump's chaos and uncertainty has undermined our credibility as a partner while doing its part to hurt American businesses.

Even worse, China is already stepping in to fill the void that we have left behind, and in one particular way I want to highlight in my time today. I am worried about a potential axe to the U.S. International Development Finance Corporation, as we all know, the DFC. The DFC provides an enormous return on investment to the American taxpayer, advancing the United States' foreign policy goals and our economic interests, a true definition of a win-win.

And the United States private sector is consistently the largest source of foreign direct investment in the ASEAN region. The DFC is also a perfect counter to China's Belt and Road Initiative, providing an alternative to that coercive financing scheme. In the first three and a half years of the Biden administration alone, the DFC advanced over \$1.4 billion in private sector investments in the ASEAN countries.

So, Dr. Kuok, as we work on legislation to reauthorize the DFC, how do you think we can ensure that the DFC continues working successfully in the ASEAN region to support our allies and combat China's growing influence?

Dr. KUOK. Thank you very much, Congressman. I think you are right to point out the strategic damage that the withdrawal of aid has done to the United States. Two caveats on aid—first, having aid in and of itself might have hurt, U.S. ability to engage with some of the regional governments who saw aid as meddling from the United States, or some forms of aid as meddling from the

United States. And there are some reports that suggest that the strategic return on U.S. aid was unclear.

Nonetheless, the sudden and abrupt withdrawal of aid from the United States to some of these countries sends an unfortunate message of U.S. callousness, especially when it impacts programs that mean the difference between life and death in these countries, such as humanitarian assistance, health programs, and demining, which as you pointed out, China has already stepped in to fill.

On development finance, this is clearly something that the United States need to step up on. And I urge greater focus in this respect. China's Belt and Road Initiative, which you mentioned, was initiated in 2013. Amendments or revisions to the Build Act came in 2018, some 5 years after China's Belt and Road Initiative.

Since then, the United States has had various infrastructure initiatives, development and infrastructure initiatives, including the Build Back Better World, which was then repackaged as the Partnership for Global Infrastructure Investment. And all of this is all well and good and very much appreciated in Southeast Asia, but it hasn't yet shown any concrete development in Southeast Asia.

So urgency is the key here. Otherwise, it starts to feel like old wine in new bottles. So, certainly, the region is in urgent need of infrastructure development, and all of this should have happened yesterday. If not, today or tomorrow would be great.

And this is not just in the region's interest. It is in the U.S.'s interest, as well, as it seeks to reduce regional reliance on China as well as increase U.S. access in the region as well.

Mr. AMO. Well, thank you.

I see my time is close to expired, so I will yield back. Thank you.

Mrs. KIM. of California. Thank you.

I would like to now recognize the gentleman from Pennsylvania, Representative Mackenzie, for 5 minutes.

Mr. MACKENZIE. Thank you, Madam Chair.

I appreciate the testimony today. It is a very important topic as we seek to combat the rising influence of China. And I think we all would like to make sure that we have greater bonds between the U.S. and the ASEAN countries that we are talking about here today.

So, for Ms. Weisel, we have seen in the trade disputes between the U.S. and China the restrictions that have been placed by China on critical minerals coming into the U.S., and what that means for our economic vibrancy is felt all across our economy, potentially.

And so are there opportunities that you see for us to build greater relationships with other countries in the region so that we could have a diversified supply chain in this area?

Ms. WEISEL. Thank you for the question, Congressman. I think there absolutely are opportunities to build closer ties and stronger supply chains. We know this from going back to the first Trump administration when the U.S. was encouraging companies to build China-plus-one strategies, and ASEAN understood that they were going to be a beneficiary of that.

Several of the ASEAN countries have important critical minerals and are looking to develop their supply chains. They see the United States as an important partner in helping them build both their—

build out their critical mineral supply chains and that they are quite interested in partnering with us.

And I think that what we need to show here is consistency. So some of the signals that we sent, for instance, that we want to build our own supply chains but we have a 232 investigation going on in critical minerals—so, if they partner with us, are they then going to be subjected to 232 tariffs that are going to undermine the cooperation that we are seeking to build?

If we can overcome some of those kinds of concerns and come up with the kind of financing that we need to support industry in building those supply chains, I think we have some very interested partners in ASEAN.

Mr. MACKENZIE. And that is great to hear because I think we saw that coming out of the trade and tariff disputes back in 2018, 2019, is that countries were willing to take on supply chain initiatives outside of China, working with the U.S. And I think that was actually a good benefit from that trade dispute in 2018/2019.

I think we have the potential again this time with tariffs. There are two different issues going on. There is certainly the reciprocity issue that we see across the board being dealt with in a lot of countries, and then there is China that is unique. The tariffs that are being placed on China are significantly higher than in other countries.

And I think we have the same potential ahead of us here because countries were shaken in 2018/19, doing business with China. They started getting out. Those that stayed, anecdotally, have come to regret that. And they have said, “You know what? We got the warning shot in 2018/19. We didn’t fully listen to you. We didn’t get out. We didn’t move our supply chains fast enough.” And I think that that has the potential to be something that is going to speed up here in this latest round of tariffs.

So, if you are saying that that willingness is there, then the potential for that supply chain disruption with the higher tariffs placed on China, I think, is very real. And I think ASEAN countries should be ready to take on that American business. Get away from China. And I think we have the opportunity to have stronger bonds going forward.

I will close with one other question for you is, when we look at this disruption in trade going on right now, I would like to hear from you what other opportunities outside of critical minerals do you see as the greatest opportunity for ASEAN countries to take on? Is it medical devices? Is it basic manufacturing, electronics? What do you see as the biggest opportunity for those economies to take on?

Ms. WEISEL. I think that they are very interested in working with us on the digital economy and strengthening their digital trade with the United States but also within each of these countries. They have large numbers of young people who are really digitally educated and do see that as the future of their economies. I think that they see opportunities of working closely with our digital industries and finding ways to align our regulatory approaches.

Mr. MACKENZIE. All right. Well, I appreciate that. And thank you again for testifying. I think we have great opportunities that lie

ahead for the U.S. and ASEAN relationship and look forward to working on those together with everybody interested.

Thank you, and I yield back.

Mrs. KIM. of California. Thank you.

And I now recognize the gentleman from Texas, Representative Castro, for 5 minutes.

Mr. CASTRO. Thank you, Chairwoman. Chair Kim, I appreciated working with you to reintroduce the bipartisan Partner with ASEAN Act today. This bill would give ASEAN the same diplomatic privileges and immunities that other major multilateral institutions already enjoy, a step that I believe would strengthen ASEAN's centrality and U.S. regional ties.

So I wanted to ask, Mr. Poling, how important is it for the U.S. to follow through on this legislation and demonstrate that we treat ASEAN as a strategic partner.

Mr. POLING. I think it is quite important, particularly at a time when ASEAN questions whether the U.S. will follow through on a great many commandments it makes. The legislation has been pending for I think 3 years. It was first introduced 3 years ago. At a time when ASEAN fears that the U.S. will withdraw from multilateral engagement, at a time when the State Department has suggested that it will shut down the Multilateral Affairs Shop within EAP, which is in charge of ASEAN affairs, this can send an important countervailing message.

Mr. CASTRO. Thank you.

And I want to ask Dr. Kuok—recent polling suggests that public polling in the United States has dipped in majority Muslim Southeast Asian countries following Israel's war in Gaza. And so how has the war in Gaza affected the region's public opinion of the United States?

Dr. KUOK. As mentioned earlier, the drop in support for the United States since the recent Gaza crisis has been precipitous in Muslim majority countries, about a 20 percentage point drop in support for the United States since the Gaza crisis. And support for China in Muslim majority countries is averaging about 70 percent amongst Muslim majority countries. And this was in the most recent poll, as well, the 2025 poll which saw a slight decrease in support for China and increase in support for the United States, but still very poor support for the United States amongst these Muslim majority countries, and even amongst Singaporean respondents, because Singapore has a minority Muslim population—sentiment is also quite bleak about the United States and its either inaction or its active support of Israel. And so that has hurt perceptions of the United States.

The poll has most clearly reflected the drop in support for the United States amongst Muslim majority countries, but it hasn't been limited to Muslim majority countries or even the Muslim population. The humanitarian crisis is clear for all to see.

Mr. CASTRO. And then I want to ask you, given those things, what the long-term implications for U.S. credibility and influence in the region are, particularly the longer this goes on.

Dr. KUOK. How much it impacts the United States' ability to influence the region will depend on the situation on the ground and

on the extent to which, humanitarian aid is able to reach victims of this crisis. So it will wax and wane accordingly.

That said, countries in the region are very pragmatic. So, regardless of that crisis, I think it will hurt sentiment, but nonetheless, countries will seek to work with the United States. And we see that from, say, Malaysia, whose prime minister has been the loudest and most vocal in terms of criticizing the United States for its support of Israel.

Before Malaysia took up the chair of ASEAN, it actually expressed that it would seek, as ASEAN chair, to work with various important partners, and it mentioned a whole list of partners but left out the United States. Since then, Malaysia has sought to clarify that it seeks to continue to work with the United States. So, even then, it wants to work with the United States, but the U.S. has to be there to offer up economic and security options.

Mr. CASTRO. Well, and speaking of the economic part—I have 45 seconds left. Let me ask you about the effect of the tariffs on public opinion, as well, because that's another major issue.

Dr. KUOK. It is unclear at the moment what the effect of the tariffs have been on Southeast Asia. The 2025 poll I mentioned was conducted from early January to mid-February, so before the U.S. disengagement from Europe, before the U.S. aid cuts, as well as before the tariffs.

But I think it cannot but hurt the United States, given the steep tariffs, as I mentioned, on many of the poorest, some amounting to almost a 50 percent tariff rate. And these countries cannot afford these tariff rates. They are not only going to have an economic impact on the region but, as the Singapore prime minister pointed out, an impact on the global trading system, which will then hurt these countries. And it will hurt the United States as well.

It might win a little bit in terms of gaining an inch, but it will lose a yard because—in terms of its strategic ability to influence the region and getting the region to align with it on issues important to it—the U.S.

Mr. CASTRO. I have just run out of time. Thank you.

Dr. KUOK [continuing]. will be on a back foot. Thank you.

Mr. CASTRO. Thank you.

Mrs. KIM. of California. Thank you.

Let me now recognize the gentlelady from South Carolina, Representative Biggs, for 5 minutes.

Mrs. BIGGS. Thank you, Chairwoman Kim.

And thank you to our witnesses for being here today.

So my first question is for Mr. Poling. So, in your testimony, you emphasized the strategic utility of the U.S. Coast Guard in Southeast Asia, particularly in countering China's gray zone tactics through partnerships, capacity-building, and shipwrighter agreements.

Given the success of China's nonlethal coercion via its Coast Guard and Maritime Militia, what additional steps would you recommend the United States take beyond current initiatives to strengthen and expand the U.S. Coast Guard engagement in the region? And how can these efforts be better integrated with the needs of front-line states like the Philippines and Vietnam?

Mr. POLING. Thank you, Congresswoman. I do think that it has been important to see now a small presence of U.S. Coast Guard cutters, usually one at a time conducting training activities in Southeast Asia. The U.S. Coast Guard is stretched too thin. We have to acknowledge that it is not going to play a direct role in helping support, say, Philippine activity in the South China Sea. That is going to remain a Navy role. But the more the Coast Guard can be funded to forward-deploy to the Indo-Pacific, engage in shipwrighting in the Pacific Islands, in training and capacity-building in Southeast Asia, the better.

The Philippines has done a remarkable job in standing up to China. And so far, the threat of U.S. intervention under the Mutual Defense Treaty is what has kept this in the gray zone where, so far, the Philippines can handle it. The most important thing, from my perspective, that we can—continue to reinforce the application of the Mutual Defense Treaty and that we continue to fund the 10-year security sector assistance road map that we have promised to help modernize the Philippine military.

Mrs. BIGGS. Thank you. So I would like to kind of continue our discussion. You point out to the Coast Guard's effectiveness in building regional trust and countering grey-zone tactics. Given the strategic importance of Southeast Asia, what political and operational challenges must be overcome to expand U.S. Coast Guard deployments and agreements, such as the shipwrighter programs or deployed cutters in the region? And what specific support should Congress support to achieve this expansion?

Mr. POLING. I don't think it is possible for the U.S. to negotiate a shipwrighter agreement for the South China Sea. The nature of the dispute, its multilateral nature, makes it all but impossible, and it would be far too politically sensitive in the Philippines for, I think, even the Philippines, our closest and oldest ally in the region, to ask.

But more Coast Guard presence to help the Philippines bolster its own capability would be welcomed, and the key there is simply funding. The last time we saw significant increases in Pentagon budgets, there was efforts to cut the Coast Guard's funding. We need to keep in mind that the Coast Guard is an important tool of the U.S.'s power and credibility, not just the Navy.

Mrs. BIGGS. Thank you so much for that insight.

So my next question is for Ms. Weisel. Your testimony emphasizes DFC's role in catalyzing private investment to advance both development goals and U.S. strategic interest, particularly in Southeast Asia. In that context, how can the U.S. interagency better integrate on-the-ground insights to improve risk mitigation and foster a more stable investment climate for DFC-supported projects across ASEAN?

Ms. WEISEL. Well, I think as we look to restructure the way that we are supporting companies in the region, there is going to be an important opportunity to ensure that agencies that are on the ground in ASEAN are working together and coordinating closely. So you have the Commerce Department playing a particular role. You have the State Department having at least traditionally played another role, and the aid agencies, also, on the ground in these various countries.

As we are thinking about restructuring all of this, it is really important that we have input from all of these various agencies about what the priorities are and the ways that all of them can contribute to supporting DFC and U.S. business going forward. We have talked about here how important it is to be able to rethink the way we are looking at this, given the competition that we are facing not just from China but from other countries that are competing in the region.

And so I think we need to have a very serious look at the way we have been coordinating in the past and what we need to do going forward.

Mrs. BIGGS. Thank you so much for your insight.

And with that, I yield back.

Mrs. KIM. of California. Thank you.

Let me now recognize the gentleman from Maryland, Representative Olszewski, for 5 minutes.

Mr. OLSZEWSKI. Thank you so much, Chair Kim.

Thank you to Ranking Member Bera and to all of our witnesses today. I just want to first say how much I completely agree that the U.S. must strengthen our support for our ASEAN partners in the Indo-Pacific, so I really appreciate you all being here and your comments today.

We know this means defending a free and open region in the face of security threats posed by the PRC and also means offering a reliable economic alternative in developing financing for countries like Laos that are saddled with PRC debt, and it also means supplying the kind of foreign assistance that USAID and our other development agencies have delivered to ASEAN and its member states for more than four decades. So just lifting up our actions and words, and so appreciate the opportunity for the conversation.

I know there has been a lot of talk—I want to turn a little bit to solutions through people-to-people ties. And so I was hoping that we can focus on that. I believe that we should be building on the friendship shared by our combined one billion people, and I am proud that Maryland's Johns Hopkins is leading the way.

In 2023, Johns Hopkins School of Advanced International Studies launched the U.S.-ASEAN Institute for Rising Leaders. However, President Trump's budget request seeks to end this critical educational and cultural exchange.

Ms. Kuok, perhaps you can speak to—or Dr. Kuok; I am sorry—could you speak to the importance of engaging with youth and emerging leaders in ASEAN countries and for the long-term U.S. relationship with the region? How would ending educational and cultural exchange programs in the region affect U.S. influence there and open doors for the PRC to expand its influence? And if there is time, I invite our other witnesses to answer as well.

Dr. KUOK. Thank you very much. I have to admit not to have thought very much about this issue because it almost seems very obvious that the United States is inflicting a grievous act of self-harm when it ends educational programs for the young people of the region, who will tomorrow be the leaders of their countries.

So, clearly, this is a wrong-footed move, and it will hurt the United States. I mean, if you look at the youths in the region today, I think just anecdotally, some of them have been put off

from coming to the United States because of some of these concerns.

But more broadly, as you know, a couple of weeks ago, the Shangri-la Dialogue of defense ministers took place in Singapore. And at that dialog, Defense Secretary, Hegseth talked about how our futures are tied together—the futures of the countries of the Indo-Pacific are tied together. Yet it feels so much like the region is under an onslaught from this part of the world.

So it doesn't feel very much like a shared future, and I cannot imagine that it feels very much like a shared future for the young people whose futures are thrown into uncertainty by some of the more thoughtless actions of the administration.

Mr. OLSZEWSKI. Your thoughts on that particular topic?

Ms. WEISEL. I would just add that a good case study of this is Vietnam, which used to train all of its officials and send people to Russia for education. And then, the Vietnamese government started sending students to the US and Europe. They started going to Europe. And you saw a change in the attitudes of those people toward improving relations with the United States and deepening cooperation.

So you do have these case studies that underscore the importance of these educational links.

Mr. POLING. I would add that there is no country in Southeast Asia that reports in the ISEAS survey every year that they want to go study in China. There are several now where they have to go study in China; the other doors closed.

In general, the U.S., Australia, and the U.K. are the preferred educational destinations, especially for Vietnam, which provides the third-largest group of foreign students in the U.S. and the Philippines. Pausing interviews for student visas, canceling Fulbright exchanges—this is only going to harm the U.S. in the long term.

Mr. OLSZEWSKI. I appreciate that.

Madam Chair, I think that reinforces the lessons that we learned when we were all in the Pacific Islands recently together on the trip that you helped lead. So I appreciate our witnesses that—and think it sort of speaks to our committee's obligation to lift up these kinds of programs for—particularly for—I loved the comment about the leaders of tomorrow and thinking about our engagement in that way.

And with that, I yield back. Thank you.

Mrs. KIM. of California. Thank you.

I recognize the gentleman from Kansas, Representative Barr, for 5 minutes.

Mr. BARR. Kentucky.

Mrs. KIM. of California. Kentucky. Oh.

Mr. BARR. It is Okay. It is Okay. Thank you, Madam Chair, for your excellent leadership and holding this hearing.

And let me key in on Dr. Kuok's testimony when she talked about these ASEAN countries don't—or Southeast Asian countries—they don't want to be forced to choose. This does corroborate some of the public comments and some of the analysis from our embassies when I travel to Thailand, Singapore, Indonesia, the Philippines.

But privately in our meetings with our counterparts, they do want to choose. They want to choose the United States. That has not changed from the Biden administration to the Trump administration. I would argue, especially Indonesia, a vibrant democracy—they want to choose. They want to choose the United States, and that hasn't changed from one administration to the other.

In fact, I remember very vividly, when we were in Jakarta, hearing a very stern admonition from the foreign minister, Marsudi, how terribly upset the Indonesians were and other ASEAN country leaders where that President Biden skipped the ASEAN conference.

So this sense of a vacuum—it is not unique to now. It existed before the Trump administration. I think it is not a change in policy on trade that has given us this challenge of needing to deepen our ties with them.

In fact, I want to challenge the critics of the Trump administration's trade strategy a little bit when they claim that the President's efforts to negotiate more reciprocal deals are pushing ASEAN nations toward Beijing or making these nations more vulnerable to Xi Jinping's acts of coercion.

In fact, what is the objective of the Trump trade policy? It is actually to deepen our economic ties. It is to reduce the trade barriers to American exporters. And so, if the end goal of this is more reciprocal trade between the United States and ASEAN, this has enormous potential to reverse the sentiment expressed by Foreign Minister Marsudi that the Biden administration was not paying enough attention to ASEAN.

So, Ms. Weisel, I totally agree with your testimony when you talk about a regional agreement that should consolidate and expand ASEAN commitments to eliminate tariff and non-tariff barriers in goods and services across the region. You say it also should require new treatments on customs and trade remedies.

And then you say in exchange, the United States should gradually eliminate tariffs on imports from Southeast Asian partners to the agreement. That sounds exactly like the America First Trade Policy. We are asking them to lower their trade barriers to American exporters, and in exchange, we will reduce tariffs on them.

Why does this policy not create an opportunity for greater economic integration between the United States and ASEAN to the detriment of the malign influence of Beijing?

Ms. WEISEL. Well, as I said at the outset, I think that they feel that the tariff threat hanging over them is a five-alarm fire. It has caused potentially tremendous damage to their economies with all of the uncertainty and the threats.

I think that all of the ASEAN countries do indeed want to engage more deeply with the United States. They want to have greater economic cooperation. But they want to do so as equal partners in this negotiation. So, as we look to see areas where we can cooperate, a priority for them is reciprocal access.

In other words, they would take on the rules that we are pushing, and in areas that are important to US like customs, digital trade and others. But they would like to see concrete benefits in return.

Mr. BARR. And I am running out of time, but—and I take your testimony in good faith that you argue that the Trump policy does have the opportunity to open up U.S. exports to Southeast Asia, but you still maintain that they will de-risk from the United States as a result of this. I am not sure that is necessarily true. If we get better, more integrated economic deals as a result of the policy, I think they will de-risk from China.

I don't have much time left, but I would love—maybe in a second round, Madam Chair—to talk about outbound investment into China and what is going to replace that if we restrict outbound investment in China. Does that create opportunities for more U.S. investment into ASEAN as a way to relocate supply chains?

Mrs. KIM. of California. My ranking member has just left for another engagement, and I wasn't planning on doing a second round, if you don't mind.

Mr. BARR. Okay.

Mrs. KIM. of California. So you can submit your questions, and hopefully our witnesses may be able to respond in writing.

But I do have some closing comments, if I may. It is really evident from today's hearing that we need to do more to create a responsive and effective Southeast Asia focused strategy. That begins with bolstering and strengthening our bilateral and multilateral relationship with ASEAN members.

Our witnesses today, you have all trotted out key suggestions—and thank you so much for that—on how we can advance our interests diplomatically, economically, and militarily. So it is imperative moving forward that we are able to deliver results in a whole-of-the-government manner.

If we are going to be the counterbalance that the region is counting on us to be, success can be achieved to the extent our strategies, policies, frameworks align with the needs of our regional partners.

Additionally, we need results showing that a viable alternative to the CCP's state-driven economic model is available. We cannot allow Southeast Asia to be dictated by Beijing standards, and we must use every available tool to advance our economic agenda while punishing China's unfair trade practices.

And now is the time for action. I encourage the administration and my colleagues across the aisle to work together to ensure that our policies would put us in a position to be the trusted partner in the region.

So I want to thank you again for your valuable testimony and answering our members' questions. The members of the subcommittee may have some additional questions for the witness, like Rep. Barr has, and we will ask you to respond to those in writing. And pursuant to the committee rules, all members may have 5 days to submit statements, questions, and extraneous materials for the record, subject to the length limitations.

So, without objection, I declare the committee stands adjourned.
[Whereupon, at 3:43 p.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD



Chairman Brian Mast

**COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE HEARING NOTICE**
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on East Asia and the Pacific
Young Kim (R-CA), Chairwoman

June 3, 2025

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held by the Subcommittee on East Asia and the Pacific at 2:00 p.m. in Room 2172 of the Rayburn House Office Building. The hearing is available by live webcast on the Committee website at <https://foreignaffairs.house.gov/>.

DATE: Tuesday, June 10, 2025

TIME: 2:00 p.m.

LOCATION: 2172 RHOB

SUBJECT: Building Bridges, Countering Rivals: Strengthening U.S.-ASEAN Ties to Combat Chinese Influence

WITNESSES: Mr. Gregory B. Poling
Director and Senior Fellow
Southeast Asia Program and Asia Maritime Transparency Initiative
Center for Strategic and International Studies

Mrs. Barbara Weisel
Non-Resident Scholar
Carnegie Endowment for International Peace

Dr. Lynn Kuok
Lee Kuan Yew Chair in Southeast Asia Studies
Brookings Institution

*NOTE: Witnesses may be added.

By Direction of the Chair

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-226-8467 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF EAP SUBCOMMITTEE HEARING

Day Tuesday Date June 10, 2025 Room 2172 RHOB

Starting Time 14:24 Ending Time 15:43

Recesses ☐ (___ to ___) (___ to ___) (___ to ___) (___ to ___) (___ to ___) (___ to ___)

Presiding Member(s)

Chairwoman Kim

Check all of the following that apply:

Open Session ☒

Executive (closed) Session ☐

Televised ☒

Electronically Recorded (taped) ☒

Stenographic Record ☒

TITLE OF HEARING:

Building Bridges, Countering Rivals: Strengthening U.S.-ASEAN Ties to Combat Chinese Influence

COMMITTEE MEMBERS PRESENT:

Attached

NON-COMMITTEE MEMBERS PRESENT:

None

HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

None

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 15:43

Meg Wagner
Full Committee Hearing Coordinator

Committee on Foreign Affairs
Subcommittee on East Asia and the Pacific
119th Congress

ATTENDANCE

Meeting on: Building Bridges, Countering Rivals: Strengthening U.S.-ASEAN Ties to Combat Chinese Influence

Date: June 10, 2025

[illegible]

House Foreign Affairs Committee
Subcommittee on East Asia and the Pacific
Hearing Title: “*Building Bridges, Countering Rivals:*
Strengthening U.S.-ASEAN Ties to Combat Chinese Influence”
Hearing date: 10 June 2025

RESPONSE TO A QUESTION FOR THE RECORD

Dr Lynn Kuok
Testimony Title: “Economics is Security:
Rebuilding U.S. Strategy in Southeast Asia”

Representative Sheri Biggs:

The United States has the opportunity to build a maritime nuclear industry here in the United States that can challenge China’s aspirations. For example, the Department of Energy is supporting the testing of a U.S. origin molten salt reactor known as the molten chloride fast reactor (MCFR). This would include building a shipyard in the United States that would emplace MCFRs in modular containment / structures within large commercial ships for propulsion. These ships would then be U.S. flagged.

I have come to understand that the United States is in a commercial competition with the Chinese in the area of nuclear-powered shipping.

In late 2023, the Chinese announced they are working on a class of large container ships that would be powered by molten salt reactors. They already have the edge in commercial shipbuilding, and this would give them an even greater economic advantage as they look to acquire the added maritime strength related to nuclear propulsion. Yielding in the face of this competition can cost us.

Question 1:

How can the U.S. position itself to win this new commercial competition for civilian maritime nuclear propulsion?

Response to Representative Sheri Biggs:

Thank you, Representative Biggs, for your question.

While I defer to nuclear engineers, maritime industry experts and energy policy specialists on the technical and commercial dimensions of civilian nuclear propulsion, I can speak to the strategic significance of this emerging competition and how the United States might position itself in response.

In 2023, Chinese state media revealed that China State Shipbuilding Corporation (CSSC) had developed a design for the world's largest nuclear-powered container ship, which would be powered by a molten-salt reactor.¹ While public details remain limited and there appears to be no publicly available deployment timeline, this suggests a drive toward nuclear propulsion. China is the world's top shipbuilder, securing approximately 71 percent of global shipbuilding orders by compensated gross tonnage (CGT) in 2024, according to Clarksons Research.² Despite a slowdown in 2025, Chinese shipyards maintained their lead, capturing 49 percent of global orders from January to May.³ These developments could translate into increased industrial and strategic advantage.

To remain competitive and shape the future of global shipping, the United States should approach civilian maritime nuclear propulsion not simply as a commercial opportunity, but as a matter of strategic importance—one tied to national power, industrial resilience and long-term geopolitical influence. Several steps would strengthen United States' position:

1. **Anchor innovation in domestic shipbuilding capacity.** Investment in U.S. shipyards capable of integrating advanced reactors into commercial vessels would help strengthen the domestic maritime industrial base and address the shortfalls that have hindered both military and civilian vessel production.
2. **Work with trusted partners to enable deployment.** To enable deployment of U.S.-built nuclear-powered commercial vessels, the United States should work with trusted partners to develop regulatory frameworks governing their operation and port access, secure approval for docking in partner countries, and identify opportunities for early demonstration of capabilities. These steps will help validate safety, build commercial interest and enhance confidence in U.S. leadership in this domain—while also influencing how other countries approach the regulation and acceptance of nuclear-powered commercial vessels.
3. **Ensure regulatory agility at home.** Nuclear-powered commercial shipping involves overlapping jurisdictions. Coordination among relevant agencies—the Department of Energy (DOE), which oversees reactor research and development, and the Nuclear Regulatory Commission (NRC), which is responsible for civilian nuclear safety licensing—is essential to establishing clear pathways for the licensing, operation and oversight of nuclear-powered commercial vessels.
4. **Draw lessons from the AUKUS experience.** Although the AUKUS nuclear-powered submarine deal between the United States, Australia and the United Kingdom pertains to military nuclear propulsion, it surfaced challenges around industrial base capacity and highlighted the complexities of aligning multiple U.S. agencies on nuclear- and maritime-related initiatives—issues that also arise in the civilian context. The ongoing reassessment of AUKUS, launched by the Department of Defense in June 2025, reflects persistent concerns

¹ “China reveals design for world's largest nuclear-powered container ship,” *Global Times*, 5 December 2023, <https://www.globaltimes.cn/page/202312/1303089.shtml>

² Jung Han-kook and Park Su-hyeon, “China dominates global shipbuilding in 2024, capturing 71% of orders,” *The Chosun Daily*, 27 January 2025, <https://www.chosun.com/english/industry-cn/2025/01/27/MPCPWLMZRBABTK4XF3KJ56RYP/>

³ “China Maintains Global Shipbuilding Lead Despite 55% Drop in May Orders,” *iMarine*, 6 June 2025, <https://www.imarinenews.com/23623.html>

about U.S. industrial base capacity—concerns that will likewise affect any future civilian nuclear-powered vessel program. These experiences may offer useful insights and lessons for future civilian maritime nuclear projects involving multiple U.S. agencies and commercial actors.

The emerging competition in civilian maritime nuclear propulsion involves more than innovation or commercial gain—it concerns strategic positioning in the future of global shipping. With focused investment, regulatory coordination and strategic partnerships, the United States can play a leading role in shaping the next chapter of maritime technology.

Dr Lynn Kuok

Lee Kuan Yew Chair in Southeast Asia Studies

Brookings Institution

30 June 2025

House Foreign Affairs Committee
Subcommittee on East Asia and the Pacific
“Building Bridges, Countering Rivals: Strengthening U.S.-ASEAN Ties to Combat Chinese Influence”
June 10, 2025
Mr. Gregory B. Poling
Rep. Sheri Biggs

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Answer:

My expertise does not include nuclear shipbuilding in particular. But in general, there is consensus that the United States cannot compete with China's breakneck shipbuilding campaign, either in the naval or commercial domain, by itself. The U.S. shipbuilding industry has atrophied for decades and is now a rounding error in terms of number of vessels and tonnage produced. China is effectively the undisputed leader in global shipbuilding. But the second and third largest shipbuilders are U.S. treaty allies, South Korea and Japan. Other U.S. allies also have important roles in the maritime industry: the Philippines consistently ranks among the top shipbuilders annually and has the largest merchant marine workforce in the world; Canada and Finland are world leaders in icebreaker construction as evidenced by the U.S. partnering with them in the ICE Pact. Tapping these and other allies is the United States' only hope to mitigate China's growing lead in naval and commercial shipbuilding.

House Foreign Affairs Committee
Subcommittee on East Asia and the Pacific
“Building Bridges, Countering Rivals: Strengthening U.S.-ASEAN Ties to Combat Chinese Influence”
June 10, 2025
Mrs. Barbara Weisel

Rep. Andy Barr

In previous Congresses, I have led bills restricting outbound investments into Chinese military and surveillance companies. This Congress, Senator Cornyn and I are leading the *FIGHT China Act*, which takes both an entity-based and sensitive technology-based approach to outbound investment restrictions and aligns with President Trump’s national security memorandum titled, “American First Investment Policy”.

Restricting investments into entities and sensitive technologies that threaten U.S. national securities means that these investments can be redirected elsewhere.

- How should we use outbound investment restrictions to bring ASEAN countries closer to the U.S.?

Answer:

U.S. outbound investment restrictions on China impact many Southeast Asian companies, which use inputs from numerous countries, including China. ASEAN countries will continue to resist choosing between the U.S. and China and thus are unlikely to adopt outbound investment restrictions specifically targeting China. Instead, they will strive to avoid any disruptions that may be caused by U.S. restrictions while remaining alert to opportunities to more deeply integrate into U.S. high-tech supply chains.

The U.S. should seek to bring ASEAN countries closer to us by promoting technology partnerships with them, including on semiconductors and AI, built on trusted supply chain standards and rules intended to encourage trade and investment in both directions. Southeast Asian countries could adopt certain investment restrictions and other economic security measures related to sensitive and cutting-edge technology if they believed meaningful economic benefits would result and they could become key long-term U.S. partners in the global tech ecosystem.

Rep. Sheri Biggs

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Question 1:

How can the U.S. position itself to win this new commercial competition for civilian maritime nuclear propulsion?

Answer:

This is an important issue, but I have no expertise in this area.