Trump in Asia

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At the end of October President Donald Trump crossed the “big, beautiful ocean” for the first time in his second term. The stops in Malaysia, Japan and South Korea happened within the framework of the annual ASEAN and APEC summits and came at a moment when economic uncertainty, technological dependencies and growing geopolitical tension are becoming increasingly visible in the Indo-Pacific.

The region has become one of the world’s economic backbones and a principal arena of strategic competition, where China’s expanding economic networks and resource diplomacy intersect with US security commitments and industrial policy. Under Trump, US strategy has taken on a sharply transactional tone. Protectionist measures, sudden tariffs

and public, media-fuelled bargaining have shaped dealings not only with geopolitical competitors but also with long-standing partners like Japan and South Korea. These allies now find themselves juggling economic costs with their security dependence on Washington by broadening partnerships and investing in their own defence capabilities, aiming to reduce reliance on the United States and strengthen their long-term strategic autonomy.

The ASEAN and APEC summits offered Trump the stage to deploy his favoured mix of bilateral dealmaking, economic leverage and symbolic gestures. Beneath the spectacle, however, a critical question lingered: how could Trump's new deals reshape the long-term order in the Indo-Pacific? The significance of the trip lies less in its opulent framing and more in its potential to reshape diplomatic relations, security partnerships and economic alignments in the Indo-Pacific, with effects that reach far beyond the region.

Objectives and Strategic Priorities of the Trip

Before the trip even began, it was evident that Trump would approach Asia with a transactional agenda, aiming not to engage in dialogue for its own sake but to secure tangible outcomes in the form of investments, trade concessions, and strategic advantages for US industry (Messerly, Hawkins, Desrochers, & Kine, 2025). Three broader priorities shaped this agenda. The first was the effort to rebuild the domestic industrial base. The second focused on access to critical minerals and reducing supply chain risks. The third aimed at tightening security cooperation and ensuring greater material commitment from allies (Zurcher, 2025).

First came the attempt to rebuild the industrial base and reduce supply chain risks. The talks with Japan, South Korea and other partners set clear priorities. They focused on capital inflows, new manufacturing sites and better access to critical resources. The large, headline-friendly announcements were intended to demonstrate that the US is securing alternative sources and production capacities. Another aim is to generate visible job gains at home at a moment when Trump's domestic approval has reached a low point (The Economist, n.d.).

The second priority was the effort to secure critical minerals and technological inputs. The contest over rare earths shaped much of the negotiation dynamic. Commitments to ease export restrictions and create new structures for cooperation were meant to weaken China's dominant position. The logic behind this is straightforward. Raw materials have become as central to national security as conventional military capabilities due to their critical role in the production of key defence technologies (Baskaran & Schwartz, 2025).

The third objective was the strengthening of alliances through increased investments, resource contributions, and operational engagement. Washington pressed its partners to increase defence spending, with Japan moving

toward the two per cent benchmark and South Korea preparing extensive investments in its armed forces (Puri, 2025). At the same time, both sides explored deeper industrial cooperation in areas such as shipbuilding and submarine construction. The broader aim is to draw allies more firmly into a shared strategic and economic framework while lowering the financial and operational burden on the United States (Sneider, 2025).

The expectations for the trip were clear: short-term actions that produce immediate, visible results, such as high-profile investment deals, and, in the longer term, a diversification of supply chains alongside a realignment of economic ties in favour of US interests. Nevertheless, there could be a notable gap between announcement and implementation. Questions remain regarding the technical feasibility and the legislative approval of some initiatives. Moreover, the way such projects are communicated often attracts more attention than their practical implementation, which creates a certain degree of uncertainty about their longer-term impact. A striking example of this could be the agreement with South Korea to jointly develop nuclear-powered submarines, which highlights the gap between political signalling and the technical and institutional requirements necessary to turn such announcements into durable, long-term results (Sneider, 2025).

Allied and Regional Responses to Strategic Uncertainty

Trump's trip took place in a region that is closely intertwined economically but increasingly fragmented politically. This is because the Indo-Pacific is shaped by deep economic interdependence on the one hand and by intensifying geopolitical competition between the United States and China on the other, which forces regional middle powers like Japan, South Korea and the ASEAN countries into divergent adjustment strategies and thereby fragments the political landscape (Chan & Lee, 2025).

Japan demonstratively presented itself as a reliable partner. The new Prime Minister, Sanae Takaichi, aggressively promoted bilateral relations, with 550 billion USD in investment commitments, symbolic gestures, and decidedly warm personal diplomacy (Zurcher, 2025). However, there was a clear security policy imperative behind this: in view of the regional threat situation (China, North Korea), Tokyo wants to remain closely aligned with Washington while avoiding the economic risks associated with US protectionism. The investment commitments therefore serve not only a symbolic purpose. By creating jobs in the United States and embedding Japanese firms directly into US supply chains, they reduce Japan's exposure to unilateral trade measures. In doing so, they shift the relationship from trade dependence to production interdependence, thereby buying Tokyo political leeway and helping ensure sustained US attention.

South Korea chose a similar course, although with an even stronger material dimension. The carefully choreographed staging in Busan signalled Seoul's intention to stabilise relations. At the same time, the large and

politically symbolic investment pledges worth 200 billion USD over several years reflect less a voluntary gesture than a calculated security decision. A central success for Seoul is Washington's commitment to begin a joint construction of nuclear-powered submarines at a Philadelphia shipyard owned by a Korean company. The Lee Jae Myung government is well aware that credible deterrence against North Korea is hardly imaginable without a sustained US presence, and it is therefore seeking to anchor Trump through substantial economic concessions (Sneider, 2025).

ASEAN countries, on the other hand, operate in a different mode, being pragmatic, risk-averse, and focused on diversification. Many, including Malaysia, welcome the US return to the diplomatic stage but view bilateral pressure and tariff leverage with concern. Unlike US allies, smaller states cannot afford large financial buffers, which leads them to pursue a dual strategy of engaging with the US while avoiding jeopardising their growing structural dependence on China (Baskaran & Schwartz, 2025).

Finally, China took advantage of the opportunity to demonstrate its own regional political role. The brief and sober meeting between Xi and Trump stood in stark contrast to the opulent receptions in Tokyo and Busan, signalling China's self-confidence through focused, strategic negotiations without relying on pomp or ceremonial display.

Overall, the trip showed how differently Asian countries react to an unpredictable, economically dominant, and security-wise indispensable US and how much they all strive to preserve flexibility in their relations with China.

The Busan Truce: A Tactical Pause in Structural Competition

The meeting between Trump and Xi in Busan was the geopolitical core of the trip and at the same time was conducted in a deliberately sober and understated manner. After months of escalating trade measures, new US tariffs, and Chinese export controls on critical raw materials, expectations were low. This made it all the more remarkable that both sides ultimately reached a kind of truce, not a comprehensive agreement, but a mutual freeze on further escalation. In Washington, this is being sold as a "new 1979 moment" in which two major powers are seeking a working understanding, and in Beijing, it is seen as a pragmatic respite to further boost its own industrial capacities (Cuomo, 2025).

But the substance of the so-called "G2 truce" is limited. The central points of contention, namely overcapacity, industrial policy, subsidies, non-tariff market barriers and technology transfers, have not been resolved but merely postponed. Export controls have been deferred but not called into question. And while Washington remains fixated on trade deficits, rebuilding domestic industries and the relocation of supply chains, China continues to pursue its strategic line of technological independence. This

makes it clear that the agreement buys a year of time but does not lead to any structural easing of tensions (Messerly & Kine, 2025).

While Beijing received partial concessions on export restrictions, Washington continues to refuse any opening on inbound Chinese investments. This asymmetry illustrates that the United States is not seeking a balanced compromise but is instead using trade pressure as a strategic tool to advance its own industrial policy. By restricting Chinese access to critical technology and capital while offering limited concessions, the US shapes the economic environment to favour domestic industries (Cuomo, 2025).

The geopolitical situation remains fragile. The symbolic shift toward what Hegseth calls a new "G2" model, where the United States and China act as the two primary powers shaping the global order while others react, might create short-term stability, but it sends unsettling signals to long-standing US allies who worry about being sidelined. Many are already questioning whether Washington might eventually treat them as bargaining pieces in a US-China rivalry, rather than strategic partners. There is widespread concern about becoming part of a cyclical mechanism of escalation and de-escalation driven solely by US interests (Cuomo, 2025).

The Busan meeting thus brought calm but no settlement. It represents a diplomatic pause that both sides will use, with the US pursuing an even tougher industrial strategy and China focusing on accelerated technological self-sufficiency. For the region, this means that for the time being, it is likely to be marked by stabilised rivalry rather than resolution.

Preparing for Long-Term Rivalry in an Uncertain Indo-Pacific

Trump's trip to Asia has sent primarily economic and diplomatic signals in the short term: investment commitments from Japan and South Korea, de-escalation in US-China trade, and the stabilisation of bilateral relations are successes that should not be underestimated. At the same time, however, they leave behind an area of strategic tension. US policy remains highly personalised, unpredictable, and dominated by bilateralism, which calls into question the resilience of regional partnerships in the long term. Countries such as Japan and South Korea continue to feel compelled to maintain a balance between close ties to the US and increasing strategic autonomy. Measures such as South Korea's planned submarine production and Japan's defence spending increases are early signs of cautious rearmament intended to compensate for possible US withdrawals or instability in the region. In Southeast Asia, ASEAN countries are closely monitoring US policy and must respond flexibly to economic and security pressures. At the same time, China's presence in multilateral forums signals that Beijing is prepared to fill any vacuum should the US withdraw further.

Against this backdrop, a number of strategic recommendations can be derived. It is crucial for Asia's allies to push ahead with economic diversification, cautiously expand their own defence capabilities, and strengthen

multilateral mechanisms to reduce dependence on Washington. Ultimately, shaping a stable, predictable, and inclusive Indo-Pacific order will require coordinated defence and economic strategies, continuous dialogue among all relevant actors, and long-term planning that goes beyond short-term deal-making successes.

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