



Delhi Policy Group

Advancing India's Rise as a Leading Power

POLICY BRIEF

Southeast Asia in 2025

Author

Jayantika Rao T.V.

Volume XI, Issue 6

January 30, 2026



Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

www.delhipolicygroup.org



Delhi Policy Group

Advancing India's Rise as a Leading Power

Policy Brief Vol. XI, Issue 6 January 30, 2026

ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

Author

Jayantika Rao T. V., Research Associate, Delhi Policy Group

The views expressed in this publication are those of the author and should not be attributed to the Delhi Policy Group as an Institution.

Cover Images:

The 47th Association of Southeast Asian Nations (ASEAN) Summit was held under Malaysia's chairmanship of ASEAN, at Kuala Lumpur, Malaysia, from October 26-28, 2025. Source: [X/@ASEAN](#)

The Philippines's President Ferdinand R. Marcos Jr. meeting Indian Prime Minister Narendra Modi during a five-day state visit to India, on August 5, 2025. Source: [Prime Minister of India](#)

The Prime Minister of the Kingdom of Cambodia, Hun Manet and the Prime Minister of the Kingdom of Thailand, Anutin Charnvirakul signed the 'the Kuala Lumpur Peace Accord' with US President Donald Trump and ASEAN Chair and Prime Minister of Malaysia, Anwar Ibrahim as witnesses, in Kuala Lumpur on October 26, 2025. Source: [White House](#)

© 2026 by the Delhi Policy Group

Delhi Policy Group

Core 5A, 1st Floor,

India Habitat Centre,

Lodhi Road, New Delhi- 110003

www.delhipolicygroup.org

Southeast Asia in 2025

by

Jayantika Rao T.V.

Contents

Introduction	1
ASEAN 2025: Limits of Leadership and Regional Realignment	1
US Tariffs Cause Regional Economic Stress	3
Developments in Myanmar	8
The Philippines' Domestic and External Outlook	10
Thailand-Cambodia Conflict.....	11
Conclusion.....	13

Southeast Asia in 2025

by

Jayantika Rao T.V.

Introduction

In 2025, Southeast Asia, long characterised as a bridge between great powers, increasingly became an arena where strategic competition, economic realignment, and security dilemmas converged. The United States' imposition of "reciprocal tariffs" and efforts to reshape the global economy away from China intensified pre-existing tensions. Maritime disputes in the South China Sea continued to test international law and regional diplomacy.

At the same time, Southeast Asia's internal dynamics also reshaped its collective posture, setting the stage for developments in 2026. Indonesia's assertive regional diplomacy, Vietnam's growing defence partnerships, and the Philippines' revamped security commitments illustrated a trend toward the search for greater strategic autonomy among middle powers. Conversely, Myanmar's protracted political crisis and the deepening tensions between Thailand and Cambodia underscored the erosion of both US influence and ASEAN's diplomatic cohesion. Meanwhile, a devastating earthquake in Myanmar and widespread flooding across Southeast Asia in 2025 exposed the region's acute vulnerability to climate change, amplifying risks of economic fragmentation and humanitarian crises.

This review offers a select overview of Southeast Asia's geopolitical and economic trajectory in 2025, highlighting the complex interplay between external pressures and internal transformations. It frames the region not as a passive recipient of global currents, but as an increasingly pivotal actor whose strategic choices are poised to shape outcomes across the Indo-Pacific.

ASEAN 2025: Limits of Leadership and Regional Realignments

Malaysia assumed the ASEAN chairmanship on January 1, 2025, with a defined set of priorities: sustaining the momentum of Indonesia's 2023 and Laos' 2024 leadership; reinvigorating ASEAN's institutional structures to ensure they remain fit for the purpose they were intended to advance; and carrying forward Timor-Leste's accession to ASEAN.

Hosting the 47th ASEAN Summit and related meetings, Malaysia garnered significant recognition for both the scale of the event and the presence of high-profile leaders, including U.S. President Donald Trump, Brazilian President Luiz Inácio Lula da Silva, and Japanese Prime Minister Sanae Takaichi. The summit, the largest in ASEAN's history, elevated Malaysia's stature as a key actor in shaping regional dynamics. Substantively, Malaysia's chairmanship advanced cooperation in emerging domains such as artificial intelligence, the digital and green economies, and regional trade integration. It also expanded ASEAN's external engagement, strengthening ties with the Gulf Cooperation Council (GCC) and the wider Global South. Collectively, these initiatives reaffirmed ASEAN's convening power and Malaysia's commitment to enhancing its institutional mechanisms.¹

Yet, Malaysia's leadership was not without challenges. Prime Minister Anwar Ibrahim's engagement with the United States revealed contradictions in policy positioning. While Trump's attendance at the summit was hailed as a diplomatic success, Malaysia's conciliatory stance on the contentious issue of reciprocal tariffs marked a departure from Anwar's earlier criticism of their coercive nature. This raised questions about the consistency of Malaysia's geoeconomic strategy and its ability to balance national interests with broader ASEAN priorities.

Equally problematic was ASEAN's handling of the Thailand-Cambodia conflict. The organisation's long-standing principle of non-interference, while foundational to its cohesion, paradoxically undermined its credibility in this instance. ASEAN avoided direct engagement in what was framed as a "bilateral" dispute, even as the Kuala Lumpur Peace Accord—brokered with U.S. support—failed to hold. While Thailand and Cambodia again agreed to a ceasefire on December 27, the truce remained fragile, as the underlying territorial dispute persists with both sides accusing the other of repeated border violations.² However, while the ceasefire provides for an ASEAN observer team, it was not reached within the ASEAN framework; rather, progress was only made when the two nations moved to the bilateral mechanism of the General Border Committee (GBC).³ The episode reflected a broader institutional weakness—ASEAN's conflict-management mechanisms are ill-equipped for managing intra-regional conflicts.

¹ Xiong, David Han Guo. "Malaysia's Chairmanship of ASEAN and Anwar Ibrahim's Foreign Policy". RSIS, November 5, 2025. <https://rsis.edu.sg/rsis-publication/idss/ip25103-malaysias-chairmanship-of-asean-and-anwar-ibrahims-foreign-policy/>

² Regencia, Ted. "Thailand and Cambodia agree on ceasefire to end weeks of deadly fighting". Aljazeera, December 27, 2025. <https://www.aljazeera.com/news/2025/12/27/thailand-and-cambodia-agree-on-ceasefire-cambodia-defence-ministry-says>

³ "No ceasefire agreement at ASEAN meeting, GBC set for Dec 24, says Thai FM". The Nation, December 22, 2025. <https://www.nationthailand.com/news/general/40060161>

In sum, Malaysia's chairmanship demonstrated ASEAN's capacity to convene and expand cooperation in new strategic areas, but also exposed enduring institutional limitations. The juxtaposition of diplomatic successes with unresolved geoeconomic and security challenges highlights the dual nature of ASEAN leadership: it can elevate regional stature, yet remains constrained by structural principles and external pressures.

US Tariffs Cause Regional Economic Stress

Southeast Asia's trade-oriented policies in 2025 confronted a confluence of global trade shocks that tested the resilience of the region's economic model. The most consequential development was the imposition of "punitive tariffs" – rebranded by US President Donald Trump as "reciprocal tariffs" – on April 2, 2025, a day now referred to in Washington as "Liberation Day".⁴ These measures were justified on the grounds of Southeast Asia's expanding trade surplus with the United States, but their impact reverberated far beyond bilateral commerce. Southeast Asian states became among the hardest hit by the reciprocal tariffs, as shown as Figure 1. Singaporean Prime Minister Lawrence Wong highlighted that the "Liberation Day" tariff announcements by the US confirmed the stark reality that "the era of rules-based globalisation and free trade is over"⁵.

Southeast Asian countries like Cambodia, Laos, Myanmar and Vietnam were faced with some of the highest tariffs in the world, as the initial tariffs announced by the U.S. in April 2025 were 49% for Cambodia and 46% for Vietnam (See Figure 1), surpassed only by Lesotho's 50%. The measures were ostensibly introduced to address perceived trade imbalances and concerns that goods were being rerouted through these nations to circumvent existing U.S. duties on other countries, but their real target was China.⁶ Economists warned that the sweeping tariffs will raise costs, threaten jobs, slow growth and isolate the U.S. from a system of global trade it had fostered over several decades.

Even U.S. partners expressed frustration. Singapore, for example, was subjected to a comparatively low tariff of 10%, yet still criticised the move as "arbitrary". Prime

⁴ "Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits". White House, April 2, 2025. <https://www.whitehouse.gov/presidential-actions/>

⁵ "Ministerial Statement by PM Lawrence Wong on the US Tariffs and Implications". Prime Minister's Office Singapore, April 8, 2025. <https://www.pmo.gov.sg/newsroom/ministerial-statement-by-pm-lawrence-wong-on-the-us-tariffs-and-implication/>

⁶ "Asian countries riven by war and disaster face some of steepest Trump tariffs". The Guardian, April 3, 2025. <https://www.theguardian.com/us-news/2025/apr/03/donald-trump-tariffs-us-administration-countries-biggest-rates-china-myanmar-mandalay>

Minister Wong highlighted Singapore's free trade agreement with the U.S., under which Singapore imposes zero tariffs on American imports. He emphasised that Singapore actually runs a trade deficit with the U.S., buying more from America than it sells. "If the tariffs were truly reciprocal, and if they were meant to target only those with trade surpluses, then the tariff for Singapore should be zero," Wong stated. "But still we are being subjected to the 10% tariff. We are very disappointed by the U.S. move, especially considering the deep and longstanding friendship between our two countries. These are not actions one does to a friend."⁷

Figure 1: U.S.'s Reciprocal Tariff on ASEAN Countries

	Tariff Rate (on 'Liberation Day')	Negotiated Tariff Rate (Currently)	Status
Vietnam	46	20	Signed on October 26, 2025 at ASEAN Summit. Zero-tariff list pending.
Thailand	36	19 (after the Framework was agreed upon)	An initial 'Framework for a United States-Thailand Agreement on Reciprocal Trade' was ratified on October 26, 2025 in Kuala Lumpur. However, Thailand announced on December 22 that the trade deal can only be signed once the new parliament is elected, likely in May 2026.
Indonesia	32	19	The initial trade agreement was formally signed on July 22, and went into effect on September 1, 2025. Renegotiations were initiated after the deal stalled due to a strong domestic backlash within Indonesia, reflecting concerns over sovereignty and the perceived coercive nature of U.S. demands. A revised agreement is expected to be signed between the U.S. and the Indonesian President in January 2026.

⁷ "Ministerial Statement by PM Lawrence Wong on the US Tariffs and Implications". Prime Minister's Office Singapore, April 8, 2025. <https://www.pmo.gov.sg/newsroom/ministerial-statement-by-pm-lawrence-wong-on-the-us-tariffs-and-implication/>

Malaysia	24	19	<p>Agreement signed on October 26, 2025, with rare-earth cooperation clause.</p> <p>Despite being signed, the deal has faced significant pushback within Malaysia, which some observers might perceive as “stalling” final implementation.</p>
Cambodia	49	19	Reduced from 49 %. Effective November 2025.
Singapore	10	10	Covered under existing FTA alignment.
Philippines	17 (increased to 20 % on August 1)	19	<p>In July 2025, U.S. President Donald Trump announced that beginning August 1, 2025, the U.S. will raise tariffs on Philippine goods to 20 percent – up from the previously announced 17 percent rate.</p> <p>On July 22, Philippine President Marcos Jr. met U.S. President Donald Trump and agreed to a trade deal allowing a one percentage point reduction in tariffs</p>
Myanmar	44	44	No negotiation process.
Lao PDR	48	48	No negotiation process.
Timor-Leste	10	10	-
Brunei	25		No deal was secured to further reduce the tariff.
China	57	47	Reduced from 57 % to 47% by halving to 10% the rate of tariffs related to trade in fentanyl precursor drugs after the Trump–Xi meeting in Busan on October 30, 2025. ⁸

⁸ Hunnicutt, Trevor. “Trump shaves China tariffs in deal with Xi on fentanyl, rare earths”. Reuters, October 30, 2025. <https://www.reuters.com/world/china/looming-trump-xi-meeting-revives-hope-us-china-trade-truce-2025-10-29/>

South Korea	25	15	In November 2025, a 'Korea Strategic Trade and Investment Deal' was finalised which entailed the 10 percent reduction. South Korea pledged a total of US\$ 350 billion in investments into the U.S.
Japan	24	15	Announced on July 22 and signed on September 4, the two countries concluded a Framework agreement under which Japan pledged US\$ 500 billion in investments into the U.S.

The turbulence in the global trading system has become one of the defining features of the past year, reshaping the strategic calculus of Southeast Asian states. The tariffs have not only strained U.S. relations with key partners such as Vietnam, Malaysia, and Thailand, but have also triggered a wave of strategic realignments across the region.

While initially, after the reciprocal tariff rates were announced in April 2025, the finance ministers of the Association of Southeast Asian Nations (ASEAN) released a joint statement⁹ vowing to pursue a concerted response and avoid any retaliation, in practice all the Southeast Asian governments, including the ASEAN chair Malaysia, prioritised bilateral negotiations with the United States to try and secure the best deal for themselves. Their greatest fear was being left behind if their neighbours secured a more favourable tariff rate. This anxiety was sharpened after Vietnam, which enjoyed a first-mover advantage in engaging the Trump administration, secured an initial deal at the start of July 2025, reducing the top-line tariff rate on its goods to 20 percent from 46 percent. Indonesia soon followed with a 19 percent tariff, tailed by the Philippines, Cambodia, Malaysia, and Thailand, all at that same rate. Only Laos and Myanmar have been left behind with tariff rates over 45 percent.

However, it is important to also note that Southeast Asia is better positioned to navigate the current trade shocks than is commonly assumed. The region's competitiveness and openness have been key to that resilience, which has resulted in stable economic growth for the region despite initial concerns over U.S. tariffs.

⁹ "Joint Statement of The ASEAN Economic Ministers on The Introduction of Unilateral tariffs of The United States". ASEAN, April 10, 2025. <https://asean.org/joint-statement-of-the-asean-economic-ministers-on-the-introduction-of-unilateral-tariffs-of-the-united-states/>

While securing the best bilateral deals possible to avoid major economic shocks was the focus, U.S.'s tariffs on Southeast Asia also proved to be a major catalyst for new or stalled economic negotiations between the ASEAN countries and other partners. The 10 member states agreed to upgrade the India-ASEAN Trade in Goods Agreement, and in May 2025 they concluded negotiations with Beijing to upgrade the ASEAN-China Free Trade Area. Over the past nine months, ASEAN governments have sought to hedge against U.S. pressure by accelerating negotiations with alternative partners – including the European Union, Japan, and India – while simultaneously deepening intra-ASEAN trade integration.

Although negotiations with Washington initially reduced the scope of threatened tariffs, the resulting trade agreements have proven fragile. Southeast Asian countries have signed deals with the United States, but have also consistently emphasised their unwillingness to align explicitly with either Washington or Beijing. Many agreements are now unravelling, as regional leaders increasingly view them as coercive rather than mutually beneficial. Several high-profile agreements with Vietnam, Indonesia, and the Philippines appear to be stuck despite initial announcements. While the U.S. administration promoted these as milestones for regional cooperation, partner governments have openly disputed the terms as claimed by the White House. This friction – exacerbated by aggressive “reciprocal tariffs” and a transactional focus over long-term integration – has pushed these nations to try and distance themselves from the tariff agreements.

The agreements concluded with the U.S. demand preferential market access and large import commitments. Malaysia, for instance, pledged \$70 billion in U.S. investments over a decade. More contentious are provisions for “economic security alignment,” requiring Cambodia and Malaysia to mirror U.S. restrictions, export controls, and other measures against third countries, particularly China. The ‘poison pill’ clauses also give Washington leverage over their ability to pursue trade or digital agreements elsewhere. China has already issued clarifications regarding the clauses signed by ASEAN partners, amplifying regional unease. The net effect is growing scepticism of U.S. economic diplomacy and rising doubts about America’s sustainability as a trusted trade partner in Southeast Asia.

While the future of these agreements hangs in balance, the broader consequence is a recalibration of Southeast Asia’s external economic strategy. The region is moving toward diversification of trade relationships, investment in supply chain resilience, and a more assertive stance in multilateral forums such as the World Trade Organisation. Southeast Asia has shown that regionalisation is the new globalisation. At the same time, the latest episode has reinforced the linkage

between economic and security policy: trade disputes are no longer seen in isolation, but as part of a wider contest for influence in the Indo-Pacific.

Developments in Myanmar

On February 1, 2025, Myanmar entered its fifth year under military rule, with the military junta extending its state of emergency for another six months, which it said was to prepare for an election that it promised to hold in 2025. For the region, Myanmar's capacity to function as a state has become a point of heightened concern. However, ASEAN foreign ministers and leaders at their annual meetings have only been able to reiterate their statements regarding Myanmar, expressing "deep concern over the conflicts and dire humanitarian situation in the country". While these concerns have grown more insistent over the past few years, ASEAN's response has remained rhetorical. Unable to apply more pressure on Myanmar's military to adhere to the 'Five-Point Consensus', beyond the exclusion of the junta from the bloc's summits, ASEAN has largely allowed Naypyidaw to set the terms of engagement.

On the other hand, China was able to show its reach in Myanmar over the year. In April 2025, in a demoralising reversal, China forced the Myanmar National Democratic Alliance Army to return Lashio city to the junta.¹⁰ China also doubled down in support of the junta. The Chinese foreign minister, Wang Yi, pledged US\$ 3 billion in assistance in March 2025, to include earmarked funds for a census and "elections" as an off-ramp for the junta¹¹. After a rare international visit to Thailand in April 2025, Min Aung Hlaing was invited by Chinese President Xi Jinping to the Shanghai Cooperation Organisation Summit in Tianjin in August, securing the international recognition he has long sought and signalling wider regional acceptance of the junta as Myanmar's legitimate government. Hlaing held a formal meeting with Xi, where Chinese state media referred to him as Myanmar's 'acting president'.¹²

There have been no easy years for Myanmar since the 2021 coup, but 2025 was a particularly bitter one. On March 28, Myanmar was hit with a devastating earthquake measuring 7.7 on the Richter scale that struck the central region of

¹⁰ "Myanmar rebels prepare to hand key city back to junta, China says". France 24, April 22, 2025. <https://www.france24.com/en/live-news/20250422-myanmar-rebels-prepare-to-hand-key-city-back-to-junta-china-says>

¹¹ Abuza, Zachary and Aung, Nyein Nyein Thant. "Too Little, Too Late: China Steps Up Military Aid to Myanmar's Junta" Stimson <https://www.stimson.org/2025/too-little-too-late-china-steps-up-military-aid-to-myanmars-junta/>

¹² "Xi Meets Myanmar's Acting President". The State Council - The People's Republic of China, August 30, 2025. https://english.www.gov.cn/news/202508/30/content_WS68b2fa3ec6d0868f4e8f52ff.html

Myanmar. This further aggravated the humanitarian crisis facing an already substantially devastated country. The worst affected parts from the earthquake were the towns along the vertical line running from Mandalay, the second most populated town and closest to the epicentre of the quake. Damage to buildings, residential dwellings, hospitals, schools, pagodas, roads, bridges and other infrastructure was extensive, particularly in Mandalay, the capital Nay Pyi Taw, Sagaing, Bago and parts of the Shan state. The devastation led to a severe human toll, as the earthquake resulted in some 3,600 to 5,350 deaths and left approximately 200,000 people without homes.¹³ These figures likely understated the earthquake's true impact, as casualties and damage in outside areas controlled by the State Administration Council (SAC) were underreported due to restrictions.¹⁴ Beyond the tragic loss of life, the economic impact of the destruction to property, capital, and infrastructure was significant. Mandalay, Myanmar's economic hub, is the crucial link in the region's supply chain. The damage and disruption caused by the earthquake will have major macroeconomic and socioeconomic consequences for the country, including increased poverty and reduced incomes.

As 2025 came to a close, the long-promised elections commenced on December 28, with subsequent phases being held on January 11 and January 25, 2026. The first round of polling was conducted in 102 of Myanmar's 330 townships, with subsequent rounds in 100¹⁵ and 60 townships¹⁶ respectively. The military government had been very explicit that it would not be possible to hold voting nationwide and in practice, vast areas of the country were excluded, reflecting the junta's ongoing conflict with ethnic armed organisations and pro-democracy resistance groups. In the lead-up to the polls, it has also ensured that Myanmar's most successful political party – the National League for Democracy (NLD) – was banned from competing. Several other democratic parties were also banned or denied participation in the election.

It was very evident that the election was orchestrated to legitimise the military-backed Union Solidarity and Development Party (USDP), which would technically

¹³ "Vulnerable Construction Turned Myanmar Earthquake into Widespread Catastrophe, Finds UNU Analysis". UN INWEH, June 16, 2025. <https://unu.edu/inweh/news/vulnerable-construction-turned-myanmar-earthquake-widespread-catastrophe-finds-unu>

¹⁴ Bissinger, Jared. "Myanmar's Earthquake Threatens a Lasting Economic Scar". Fulcrum, May 5, 2025. <https://fulcrum.sg/myanmars-earthquake-threatens-a-lasting-economic-scar/>

¹⁵ "Myanmar: Second phase of vote opens in junta-run election". DW, January 11, 2026. <https://www.dw.com/en/myanmar-holds-second-phase-of-election-with-military-junta-facing-no-opposition-as-civil-war-rages/a-75463631>

¹⁶ "Myanmar holds final election round, military-backed party set to win". Aljazeera, January 25, 2026. <https://www.aljazeera.com/news/2026/1/25/myanmar-holds-final-election-round-military-backed-party-set-to-win>

replace military rule but preserve the military's dominant position in Myanmar's politics. This objective has been realised, as the state media announced on January 30, 2026 that the USDP has secured 232 of the 263 seats in the lower house (Pyithu Hluttaw) and 109 of the 157 seats in the upper chamber (Amyotha Hluttaw).¹⁷ The trajectory for Myanmar's future is already evident—more military rule with a civilian façade. Such outcomes will not resolve Myanmar's deep-seated political turmoil, nor diminish the determination of armed resistance movements.

The Philippines' Domestic and External Outlook

The Philippines had an eventful 2025, with corruption and accountability dominating the news amid vicious infighting between the camps of President Ferdinand Marcos Jr. and Vice President Sara Duterte. The collapse of the so-called “unity government” bolstered opposition forces, but Marcos survived a major challenge to his presidency and garnered global attention for his strong stance against China's aggressive actions in the West Philippine Sea and South China Sea.¹⁸

During the year, the Philippines reached out to ‘like-minded’ regional players as security partners, including India. The strategic partnership with India was an important milestone, as it closed the loop on security and defence relationships with all four members of the Quadrilateral Security Dialogue (the Quad).¹⁹ However, this also reflected frustration over multilateral processes, with ASEAN not being able to address the increasing maritime tensions between the Philippines and China.

As the Philippines assumed the rotational chair of the Association of Southeast Asian Nations (ASEAN) for 2026, it remains to be seen whether Marcos Jr. will use this leverage to address pressing regional challenges, most notably the South China Sea disputes and the completion of the long-pending Code of Conduct between ASEAN and China.

¹⁷ “Myanmar election delivers victory for military-backed party amid civil war”. Reuters, January 30, 2026. <https://www.reuters.com/world/asia-pacific/myanmar-election-delivers-victory-military-backed-party-amid-civil-war-2026-01-30/>

¹⁸ Palatino, Mong. “The Philippines in 2025: Corruption, Accountability, and the Marcos-Duterte Rift”. The Diplomat, December 22, 2025. <https://thediplomat.com/2025/12/the-philippines-in-2025-corruption-accountability-and-the-marcos-duterte-rift/>

¹⁹ Arugay, Aries A. and Storey, Ian. “Levelling Up: The India-Philippines Strategic Partnership”. ISEAS, December 18, 2025. https://www.iseas.edu.sg/wp-content/uploads/2025/11/ISEAS-Perspective_2025_106.pdf

Thailand-Cambodia Conflict

The eruption of the Thailand-Cambodia conflict in 2025 marked the most serious deterioration in their relations for decades.²⁰ The border dispute has long been a flashpoint between the two nations, with multiple deadly skirmishes occurring in 2008 and 2011. In 2025, the first skirmish between the two started on May 28, after a Cambodian soldier was fatally injured during an engagement between the armed forces of both countries in an area referred to as the “Emerald Triangle”²¹ – a disputed border region comprising parts of Thailand, Cambodia, and Laos. While there was relative quiet in June, on July 24 tensions escalated after Cambodia accused Thailand of violating a long-standing agreement regarding the Ta Muan Thom Temple, which was then followed by Cambodia launching BM-21 rockets at various locations along the border, while Thailand scrambled F-16 fighter jets to target military sites in Cambodia.²²

The Thailand-Cambodia border conflict is a vestige of Western colonialism. The main dispute between Thailand and Cambodia relates to the ‘Preah Vihear Temple’ which predates the modern states of Thailand and Cambodia. Most surviving parts of the temple date from the 11th and 12th centuries. Preah Vihear bears the influence of Hinduism, the predominant religion of Khmer monarchs, and also reflects elements of Buddhism, which later became dominant in the surrounding region. Despite its Khmer origins, Preah Vihear has not always been under Cambodian control. The area it occupies has sometimes been governed or occupied by Siamese kingdoms and subsequently by the modern state of Thailand that succeeded them. The main issue regarding the temple relates to the location of the precise border between Thailand and Cambodia, which is a result of a treaty signed between Siam and French Indo-China in 1904, which set the land border. This treaty was subsequently modified in 1907, when a ‘Mixed Delimitation Commission’, made up of French and Siamese officials, was charged with “setting the new boundaries” within four months of the treaty’s ratification, something which was never officially ratified.

As such, after the defeat of French colonial forces in 1953, Thai troops moved into Preah Vihear in 1954 to replace the departing French soldiers. Cambodia protested

²⁰ Loughlin, Neil. “Beyond the Fighting: Leadership and Scams in the Thailand-Cambodia Crisis”. The Diplomat, December 23, 2025. <https://thediplomat.com/2025/12/beyond-the-fighting-leadership-and-scams-in-the-thailand-cambodia-crisis/>

²¹ Guzman, Chad de. “Thailand and Cambodia’s Friendship Falter as Border Clash Escalates: What to Know”. Time, June 17, 2025. <https://time.com/7294994/thailand-cambodia-border-dispute-hun-sen-thaksinpaetongtarn-history-explainer/>

²² “Thailand launches airstrikes on Cambodian military targets as deadly border dispute escalates”. CNN, July 24, 2025. <https://edition.cnn.com/world/live-news/thailand-cambodia-border-dispute-07-24-25-intl-hnk>

and filed a suit at the International Court of Justice (ICJ) five years later, using the 1907 treaty as the basis for their claim. However, Thailand maintained that the 1907 French survey was not legally binding as it was never approved by the mixed commission. It also cited de facto control of the temple – which is much more easily accessible from the Thai side of the border – as evidence that Preah Vihear belonged to Siam. While the ICJ ruled in favour of Cambodia, the decision was never accepted by Thailand, and the territorial dispute became a political legacy between the two countries.

For many Cambodians and Thais, even the slightest prospect of territorial loss is inseparable from deeply rooted perceptions of national humiliation and historical grievance. These sentiments provided fertile ground for the renewed hostilities that erupted on December 7, 2025. The collapse of the Thailand–Cambodia “peace deal” barely six weeks after its signing at the 47th ASEAN Summit was, therefore, hardly surprising.

The agreement, brokered by ASEAN with the Malaysian government as the Chair and U.S. President Donald Trump, was structurally weak from the outset. It avoided addressing the territorial dispute at the heart of the conflict, focusing instead on short-term measures such as a cessation of hostilities and the withdrawal of heavy weaponry. By neglecting the underlying sovereignty issues, the accord functioned more as a temporary truce than a durable framework for peace.

On December 27, 2025, twenty days after the hostilities resumed, Thailand and Cambodia again agreed to a ceasefire, but this was reached not within the ASEAN framework, but rather through the bilateral mechanism of the General Border Committee (GBC). On January 29, 2026, after three days of closed-door talks, both sides walked away from a key border meeting without reaching any agreement, pushing negotiations back to their respective capitals as tensions along the border continue to simmer. Progress on the Joint Boundary Commission (JBC) mechanism likewise stalled, with the special meeting proposed in Siem Reap for January being postponed till after the Thai elections.²³

In retrospect, the resumption of conflict was almost inevitable. The failure of the Kuala Lumpur Peace Accord underscores the limitations of externally driven diplomacy that prioritises expediency and optics over substantive resolution. U.S.

²³ Yalirozy, Teng. “Fragile Ceasefire Holds as Cambodia–Thailand Border Talks End in Deadlock”. CamNess, January 29, 2026. <https://cambodianess.com/article/fragile-ceasefire-holds-as-cambodia-thailand-border-talks-end-in-deadlock>

policy in this instance reflected a preference for rapid, high-profile outcomes rather than sustained engagement with the complex historical and territorial dimensions of the dispute. This approach has not only undermined the credibility of ASEAN and the United States, but has also reinforced perceptions that international and regional mediation was more concerned with symbolic achievements than with addressing the root causes of instability.

Conclusion

2025 was a markedly dynamic year for Southeast Asia, surpassing the intensity of developments seen in the previous year and setting the stage for significant developments in 2026. Rising intra-regional conflicts highlighted the fragility of regional security architecture, while the instrumentalisation of trade by major powers – most notably the United States – transformed economic interdependence into a mechanism of coercion. This development also signalled a departure from multilateral trade norms and institutional values once embraced by Southeast Asia under U.S. influence, reflecting a broader erosion of trust in rules-based frameworks. Multilateralism, once the cornerstone of ASEAN's identity, now appears weakened in both legitimacy and efficacy, as states prioritise bilateral alignments and hedging strategies over collective action. The implications of the developments of 2025 suggest that Southeast Asia's future engagements will be shaped less by normative commitments to liberal regionalism and more by pragmatic calculations of survival within an increasingly multipolar and volatile environment.



Delhi Policy Group

Core 5A, 1st Floor,
India Habitat Centre, Lodhi Road
New Delhi - 110003
India

www.delhipolicygroup.org