

Asia-Pacific Region at Crossroads of Global Players' Interests

Nataliya Butyrska



2026

Summary

The Asia-Pacific region has become a key theatre of strategic competition between the United States of America (USA) and the People's Republic of China (PRC). The intensifying rivalry between the two countries is accompanied by growing uncertainty over American foreign policy under the Trump administration, heightened regional security tensions, and mounting concern among the region's countries about the resilience of supply chains and energy security.

Donald Trump's second presidency has been marked by unprecedented shifts across every dimension of US international engagement, calling into question the traditional role of the United States as a key security guarantor and one of the principal drivers of economic prosperity and development in the Asia-Pacific region. The "America First" policy, which rests on strengthening economic security, tariff pressure, and a more transactional approach to alliance relations, is eroding the foundations of the post-war model of regional order that long fostered stability and created the conditions for the region's economic growth. Structural changes at the international level have generated uncertainty about the durability and reliability of traditional US commitments, prompting a reassessment of previously settled assumptions about their unconditional predictability and long-term stability.

Against this backdrop, the region's key states are demonstrating different models of adaptation to the growing strategic competition. Japan is gradually consolidating its role as an active security actor, building up its defence capabilities and deepening integration with the US in deterring China, particularly with regard to the stability of the Taiwan Strait. South Korea is maintaining a cautious balancing strategy, focusing primarily on the threat posed by the Democratic People's Republic of Korea (DPRK) and combining its security dependence on the US with economic interdependence with China. Taiwan remains a critical element of regional competition, continuing to rely primarily on US support in the absence of formal allied status while increasing its investment in its own defence capability amid intensifying military pressure from Beijing.

Faced with an increasingly polarized external environment, the region's countries are seeking to demonstrate diplomatic flexibility and to work on expanding strategic partnerships, investing in strengthening new supply chains and building up military capabilities in response to mounting pressure from China.

Problem Analysis

State of Asia-Pacific Regional Security Environment

The Asia-Pacific region is increasingly turning into a key arena of global rivalry, where the strategic, economic, and security interests of the world's leading powers intersect. China's growing influence, the transformation of United States policy under Donald Trump's second presidency, the increasing activism of regional allies, and the emergence of new formats of cooperation all point to a profound reconfiguration of the established regional order. In this context, the question of the nature of the American presence in the region and its further evolution takes on particular relevance.

The United States is not leaving the region, but it is changing the nature of its engagement, shifting to a more selective model of presence with a stronger emphasis on sharing responsibility with allies. The National Security Strategy 2025¹ captures this dynamic, designating the Indo-Pacific region (in current official US terminology, "Indo-Pacific" is used instead of "Asia-Pacific" as an updated concept reflecting a shift in the strategic approach to the region) as a key arena of strategic competition and underscoring the need to maintain a "vigilant posture in the Indo-Pacific". The central elements of this approach are maintaining a favorable military balance, particularly along the First Island Chain, and preventing aggression by building capabilities for deterrence rather than merely for response.

The document stresses the need to rebuild and strengthen the US defence industrial base, as well as to increase military investment by both the United States and its allies and partners. Particular attention is devoted to Taiwan as a critical element of the regional security architecture and maritime logistics, and to the South China Sea, control over which by any state is regarded as a direct threat to global trade flows and US economic interests. In this context, deterrence is viewed as a tool for preventing any change to the status quo and ensuring freedom of sea lines of communication.

Framed in the logic of "peace through strength", this strategy places its emphasis not on the universal defence of the liberal international order, but on securing specific US national interests through a combination of economic competitiveness, technological leadership, and military deterrence. At the same time, it envisages a substantially greater role for allies in collective defence, including the build-up of their defence capabilities, expanded operational cooperation, and deeper US access to partners' infrastructure in the region. As a result, this is not about reducing the American presence in Asia, but about transforming it into a more focused and instrumental model of regional engagement, in which allies and partners will play a more active part in shaping regional stability.

Speaking at the Shangri-La Dialogue in Singapore, known as Asia's premier security forum, on 30 May this year, US Secretary of Defense Pete Hegseth outlined a new framework for the American approach to the region, defining it as a shift from a model of dependency to genuine partnership.² In his words, the foundation of strong alliance relations should rest not on idealistic values, but on the concrete alignment of national interests. In this context, Hegseth stressed that "the era of the United States subsidizing the defense of wealthy nations is over" and that Washington needs "partners, not protectorates". Accordingly, the key principle of American defence strategy is defined as increasing defence burden-sharing among US allies and partners in order to strengthen collective security, setting a benchmark of around 3.5% of gross domestic product (GDP).

The United States shares the legitimate concern of the region's countries about China's historic military build-up and the expansion of its military activities, insisting on the need to protect the status quo that created the conditions for extraordinary growth and expanding opportunities across the region. However, Hegseth emphasized that this principle does not mean a one-sided burden on the

Asia-Pacific Region at Crossroads of Global Players' Interests

United States. Achieving a durable balance of power requires allies with real military capabilities, a developed industrial capacity, and political resolve.

In this connection, particular emphasis was placed on the fact that the region is already demonstrating practical steps to strengthen its defence capability: South Korea is increasing its defence spending and taking on greater responsibility for its own defence; the Philippines is increasing its military budget, modernizing its armed forces, and strengthening cooperation with the US through large-scale joint exercises; Japan is accelerating its defence transformation and reinforcing its alliance with the US; Australia is expanding defence cooperation, strengthening the rotational presence of US forces and integration with American structures; Singapore is increasing investment in defence and in support of US logistics activities and rotational deployments; Indonesia, Thailand, and Vietnam are modernizing their armed forces and expanding cooperation to improve interoperability with the US and its allies; India plays the role of a key guarantor of the regional balance, modernizing and developing its military-industrial capabilities, in particular the co-production of Javelin anti-tank guided missiles together with the US, and building heavy industrial and logistics capacities to support high-end military operations, including the capability to repair and maintain shared platforms and to sustain US Navy vessels in the region.

At the same time, the reorientation of the Donald Trump administration's foreign policy is intensifying debate in both Europe and Asia over the long-term consequences of a possible transformation of American security commitments. Unlike in Europe, where the US demands that European allies assume primary responsibility for their conventional defence with "critical but more limited" US support, the Indo-Pacific region is regarded as central to US interests, where strategic competition manifests itself most acutely and on whose development the security and prosperity of the United States directly depend.³ The Trump administration's view that China represents a far more direct challenge than Russia works to the advantage of Washington's Asian allies.

Tensions between the US and other members of the North Atlantic Treaty Organization (NATO) are compelling European countries to assume greater responsibility for their own security, which is less dependent on Washington, but in Asia the situation is somewhat different. Over the past few years, the US has deepened military cooperation with its allies in the Indo-Pacific, moving more missile systems, fighter jets, and other weaponry into the region. The US is also strengthening military coordination with regional allies. According to US Indo-Pacific Command, 112 joint exercises with partners in the region are planned for 2026 – more than in previous years.⁴ US and Japanese military activity near Taiwan is growing especially noticeably. As part of the "Resolute Dragon" exercise, the number of American and Japanese troops involved has more than doubled over the year – from approximately 9,000 to 19,000 personnel. In addition, Japan sent combat units to the Philippines for the first time to take part in the "Balikatan" exercise.

Nevertheless, keeping the US engaged means making trade concessions, expanding defence budgets, and even praising the US leader. Thus, for example, Japan and South Korea, in concluding trade and investment agreements with the Trump administration, pledged to invest \$550 billion and \$350 billion⁵ respectively in exchange for reduced tariffs, expanded access to the American market, and enhanced economic and security coordination with the US, while the Association of Southeast Asian Nations (ASEAN) countries – Malaysia, Thailand, Vietnam, and Cambodia – agreed to comply with American export control rules, sanctions regimes, and digital regulation, seeking to avoid higher tariffs and to preserve access to the US market and integration into American supply chains.⁶

For most of the US's Asian partners, the American military presence remains an indispensable element of deterring China and maintaining peace in the region. At the same time, a growing number of governments are unsure about the stability of American security commitments. Donald Trump's tough statements about allies' spending, his transactional approach to foreign policy, and his ambiguous conduct regarding support for Taiwan are heightening concerns about the readiness of the US to fulfil its security commitments.

Asia-Pacific Region at Crossroads of Global Players' Interests

Uncertainty is growing amid global instability linked to Russian aggression against Ukraine, which is absorbing significant volumes of Western countries' military resources, including those of the US; the war between the US, Israel, and Iran, which is significantly diverting American attention and resources, and which has even led to the redeployment of American artillery batteries and air defence units from South Korea to the Middle East, while at the same time raising concern among South Koreans that the war with Iran signals a reduction in Trump's commitments to East Asia.⁷ At the same time, the energy crisis in Asia, which resulted from the hostilities in the Middle East and the blockade of the Strait of Hormuz, highlighted the vulnerability of Asian economies to external shocks and the limited capacity of the US to guarantee security simultaneously in several strategic regions of the world.

These processes are unfolding against the backdrop of an increasingly complex security environment within Asia itself: strategic competition between the US and China is intensifying, military cooperation between Russia and North Korea is deepening, and coordination among Beijing, Moscow, and Pyongyang is taking on an increasingly systemic character. There also remains a high probability of escalation around Taiwan, the consequences of which could directly affect Japan, the Philippines, and other American allies. In parallel, China continues to strengthen its positions in the South China Sea, using military and infrastructure instruments to expand its regional influence.

This configuration of threats is a manifestation of a broader shift in the nature of contemporary conflict, which Singapore's Minister for Defence Chan Chun Sing describes as moving beyond geography, traditional military force, and the "here and now" time frame.⁸ In his words, conflict, first, is no longer geographically isolated: in a globally interconnected environment, the wars in Eastern Europe and the Middle East directly affect global supply chains, the economy, and information flows. Second, contemporary conflicts extend beyond classical military force, combining military, economic, informational, and legal instruments of influence. Third, they are not confined to the present moment but shape long-term frameworks of competition, encompassing critical infrastructure – from energy systems to digital networks and water supply.

Against this backdrop, a number of interrelated trends can be traced in the region, reflecting the gradual adaptation of Asian states to the growing uncertainty of the international security environment, the intensification of regional threats, in particular China's military growth and more aggressive behavior, and the transformation of the US role as a key guarantor of regional security.

Military Modernization of Regional States

The region is witnessing a systematic build-up of its own military capabilities, encompassing a revision of military doctrines, rising defence spending, and technological rearmament. Thanks to a powerful defence-industrial base, South Korea is modernizing its armed forces while simultaneously making advances in defence technologies:⁹ it has completed the deployment of a constellation of five reconnaissance satellites launched via SpaceX for independent intelligence collection; it is developing the Cheongung II missile defence system as a cheaper and effective alternative to the Patriot; it is introducing semi-automated systems to strengthen border security and enable rapid response to missile threats; and it is approaching the creation of its first nuclear-powered submarines, substantially bolstering its strategic deterrence.

Japan is undertaking its largest defence rearmament since the Second World War, expanding its maritime and air capabilities and developing precision long-range systems, which is strengthening its role in regional deterrence and the control of maritime spaces.

The Australian government is investing around \$425 billion over the decade to accelerate the delivery of capabilities for an integrated, focused force.¹⁰ This involves building a larger, more lethal navy with surface ships and conventionally-armed, nuclear-powered submarines; reorienting the army towards littoral operations with landing craft, long-range strike capabilities, and a credible, combined-arms

land system; developing an air force able to provide air support for integrated operations by conducting surveillance, air defence, strike, and air transport; as well as substantially strengthening cyber and electronic warfare and expanding space capabilities.

New Zealand, under the Defence Capability Plan 2025, is directing investment towards strengthening combat capabilities with enhanced lethality and deterrent effect,¹¹ in particular through the development of maritime strike capabilities; deepening interoperability with Australia and integration into a combined "Anzac" force; and modernizing intelligence, surveillance, and reconnaissance (ISR) systems through the introduction of uncrewed systems and space technologies, and increased defence science and technology development, among other measures.

The ASEAN states are demonstrating an uneven but general trend towards gradual defence modernization, driven chiefly by rising tensions in the South China Sea and intensifying competition among the great powers. The most notable developments include the expansion of maritime capabilities, the modernization of aviation and surveillance systems, and the development of infrastructure for controlling sea lines of communication. At the same time, approaches differ substantially: some states, in particular the Philippines and Vietnam, are strengthening their defence capabilities more actively in response to maritime challenges, while others, such as Malaysia, Indonesia, and Thailand, combine modernization with a policy of balancing between key external partners. Taken together, this forms a regional picture of limited but steady military modernization, in which priority is shifting towards maritime security and the protection of critical lines of communication.

Strengthening Deterrence by Building Bilateral Networks beyond US Alliance

A network of defence arrangements is taking shape in the region that extends beyond bilateral alliances with the US and strengthens collective deterrence through interconnected relations among states. The region's countries are expanding reciprocal access agreements, defence cooperation, and military logistics support, and are deepening cooperation in the areas of joint exercises, cybersecurity, intelligence sharing, and technological collaboration. This contributes to the formation of a more flexible security architecture through deeper defence cooperation among states.

As an example, for more than ten years India avoided concluding military logistics agreements.¹² But tensions in relations with China have helped accelerate this process. At present, India is developing a network of defence cooperation through logistics agreements (the Logistics Exchange Memorandum of Agreement, LEMOA, and the Mutual Logistics Support Agreement, MLSA), reciprocal supply and servicing agreements (in particular the Acquisition and Cross-Servicing Agreement, ACSA, with Japan), as well as regular military exercises and strategic dialogue formats with Japan, Australia, France, Singapore, and South Korea. This allows India to integrate into the Indo-Pacific system of interoperability without a formal military alliance, reinforcing regional deterrence through a flexible network of bilateral and multilateral (the Quadrilateral Security Dialogue, Quad) defence ties.

Part of these network ties involves extra-regional players – Canada, the United Kingdom, France, and others. Thus, quite recently Japan and the United Kingdom signed a defence agreement¹³ that will facilitate the deployment of troops in each other's countries, while Canada is expanding its presence in the region, cooperating with Japan¹⁴ and the Philippines¹⁵ in the field of cybersecurity and maritime exercises, and helping Indonesia with English-language training for its military.

Forging Defence Ties and Regional Cooperation

One of the key problems of deterrence in the Asia-Pacific is becoming not only the growth of China's military capabilities but also the limited defence-industrial capacity of the US itself and its allies. The war in Ukraine and the conflict in the Middle East have demonstrated that effective deterrence

Asia-Pacific Region at Crossroads of Global Players' Interests

depends not only on the availability of modern weaponry but also on the ability to rapidly replenish ammunition stocks, sustain production, and support prolonged military operations.

A telling example for US allies was the situation with the supply of Tomahawk cruise missiles to Japan. After concluding a contract to purchase up to 400 missiles in fiscal years 2025–2027, the US informed Tokyo of a possible postponement of part of the deliveries due to the depletion of stocks following their mass use in the Middle East. Similar shortage-related pressure is being observed with respect to other precision systems – the Patriot, the Army Tactical Missile System (ATACMS), the Joint Air-to-Surface Standoff Missile-Extended Range (JASSM-ER), and associated air defence, reconnaissance, and unmanned platforms. This is linked to the limited production capacity of the US defence industry, personnel shortages, and unstable long-term financing, which is holding back a rapid scaling-up of production. Similarly, there is a delay in the implementation of the partnership under AUKUS (Australia, the United Kingdom, and the United States), where the scaling-up of nuclear-powered submarine production is being constrained, in particular, by a shortage of specialized personnel and the limited capacity of the American shipbuilding industry.

In light of this problem, an integrated defence-industrial network is being formed in the region along several lines:¹⁶

› *Developing National Defence Capabilities and Deepening Joint Production*

Japan is liberalizing the export of military products and expanding joint production with partner countries, while other countries are building up their own defence industries and integrating into allies' shared production chains.

One of the most telling examples is the deepening of defence-industrial cooperation between Japan and Australia:¹⁷ the two sides are moving from the traditional procurement model to the joint development, production, and maintenance of armaments (long-range missiles, unmanned aerial vehicles (UAVs), and naval platforms). An important element of this cooperation was also the decision to build 11 Mogami-class frigates for Australia, which became the largest defence export contract in modern Japan's history and a symbol of the transition to deeper defence-industrial integration among allies.

› *Developing Multilateral Defence-Industrial Platforms and Regional Supply Chains*

The key mechanism of this line has become the Partnership for Indo-Pacific Industrial Resilience (PIPIR),¹⁸ which brings together 16 states of the Indo-Pacific and Euro-Atlantic areas to strengthen allies' production capacities and reduce dependence on the American defence industry. At a meeting in March 2026, the group agreed to establish a new programme for the production of solid-propellant rocket motors – the propulsion systems used in many guided weapons – in which Japan will take the leading role. The group's members also agreed on a number of steps to develop common standards and shared supply chains for small military drones across the region, including work on the batteries and small motors that power them. The group also agreed to explore the possibilities of jointly developing drones for various military purposes. Under consideration is the establishment in the Philippines of a new facility to load, assemble, and package 30mm cannon rounds – a type of ammunition widely used by military aircraft and ground vehicles.

Ultimately, a growing number of the region's states are reaching the conclusion that the future deterrence of China will depend not only on the American military presence or the number of deployed forces, but also on the ability of allies to jointly sustain the production of armaments, logistics, and combat readiness over the long term. That is precisely why a new security model is gradually taking shape in the Asia-Pacific, one that rests on a collective defence-industrial ecosystem of allies rather than solely on US resources.

Military Modernization of Japan

The growing threat from China and the inconsistency of US policy have accelerated the transformation of Japan's role in the region, which entails a departure from the pacifist constraints imposed after the Second World War and the gradual filling of the regional leadership vacuum arising from the increasing uncertainty of the security environment. Japan is developing a more active security model that rests on two interconnected lines of effort: strengthening its own military capabilities and building a networked system of security partnerships.

The first line is being implemented through a set of practical measures¹⁹ aimed at strengthening the state's defence capability and enhancing its capacity to deter potential threats. It involves: increasing defence expenditure by more than 9% this year to approximately \$58 billion, with a further rise to 2% of GDP by 2027; building up ammunition stocks, including increased production of missiles and artillery ammunition; strengthening stand-off counterstrike capabilities to strike beyond the adversary's reach through the development of Type 12 missiles (up to ~1,000 km), the procurement of Tomahawk missiles, and the creation of domestic long-range systems integrated with Aegis and Patriot Advanced Capability-3 (PAC-3); lifting export restrictions in order to strengthen deterrence, reinforce the defence-industrial base, and stimulate economic growth; participation in joint exercises with partners: this year, for the first time, the Japan Self-Defense Forces joined the full-scale Balikatan exercise organized by the US and the Philippines.

The second line – the development of a network of international security cooperation²⁰ – involves forming a multi-tiered security system beyond the bilateral alliance with the US and strengthening collective deterrence. Japan is becoming a hub for building a networked system of regional security in the Asia-Pacific, developing diplomatic and defence ties with the Philippines, Australia, India, the countries of Europe and Southeast Asia, and South Korea. This is accompanied by the intensification of joint exercises, defence-technology cooperation, and gradual integration into multilateral deterrence formats. Tokyo hopes that easing export rules can help strengthen deterrence in the region by showing China, North Korea, and Russia that the democratic countries around the Pacific are building a global weapons supply chain.

A key conceptual element of Japan's transformation was the update of the "Free and Open Indo-Pacific" (FOIP)²¹ policy, unveiled by Prime Minister Sanae Takaichi on 2 May 2026 in Hanoi. The update reflects a shift towards a more pragmatic foreign policy oriented towards practical results. At its core is a shift of emphasis from the abstract principle of the rule of law towards investment-oriented cooperation and a strengthening of ASEAN's role as a key partner.

The practical implementation of FOIP has three strands. The first is the development of economic and technological resilience through digital and energy infrastructure (artificial intelligence (AI), data flows, undersea cables, and satellite communications) within the "FOIP Digital Corridor", as well as the allocation of around \$10 billion under a programme to support ASEAN countries in purchasing fuel and strengthening their energy reserves.

The second is the deployment of public-private mechanisms to deepen economic cooperation and align regulatory rules in the Indo-Pacific, drawing in Japanese trading houses and major corporations in the energy, infrastructure, and finance sectors, as well as the promotion of free-trade rules and economic order through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The third strand is the strengthening of security and infrastructure support through the Official Security Assistance (OSA) and Official Development Assistance (ODA) programmes. Funding amounts to \$116 million under OSA and around \$3.75 billion under ODA. These instruments are increasingly being combined to develop dual-use infrastructure (ports, airports) and to strengthen the security resilience of partners in the region.

FOIP reflects the sharp changes in the geopolitical environment in the Indo-Pacific and beyond. It updates Japan's traditional commitments in Southeast Asia, including a more tangible development of defence and industrial resilience. For the region's countries, Japan's greater activism creates the possibility of an alternative amid the confrontation of the great powers.

Beijing regularly accuses Tokyo of departing from the post-war pacifist model and of an accelerated build-up of defence capabilities, describing this as a manifestation of "neo-militarism" and using the historical narrative to increase political pressure on Japan.²²

The deterioration in relations between the two countries began at the end of 2025 following Sanae Takaichi's statements in parliament about the possibility of Japan being drawn into a response in the event of a Chinese escalation around Taiwan.²³ In response, China introduced a set of pressure measures: it restricted its citizens' travel to Japan, maintained the ban on seafood imports, tightened export controls on dual-use goods, and began to put pressure on external suppliers of critical components for the Japanese defence sector.

Such actions reflect Beijing's growing dissatisfaction with Japan's transformation into a more active security actor, which is creating a more complex strategic environment for China and reinforcing a multi-tiered system for deterring its influence in East Asia and the region as a whole.²⁴ At the same time, at the regional level, Japan's military modernization is shaping a new security architecture for the Asia-Pacific. The build-up of Japan's security capabilities is part of a broader process of global security rebalancing, within which US allies are taking on greater responsibility for regional stability.

Pragmatic Balancing by Southeast Asian States

The intensification of the strategic confrontation between the US and China in the region is creating pressure on Southeast Asian countries, which seek to preserve their room for maneuver and avoid a choice between Washington and Beijing. Their emphasis on international law, inclusive development, interconnectedness, trust, and multilateral mechanisms reflects a desire to prevent deep polarization and to preserve "ASEAN centrality" as the foundation of a regional architecture intended to ensure stability, the management of tensions, and economic growth.

At the same time, the gap between the declared "ASEAN centrality" and its actual capacity is becoming increasingly evident. The organization's institutional development is not keeping pace with the dynamics of security and economic challenges, while in the region the role of alternative formats, in particular the Quad and AUKUS, is growing stronger, and these are becoming ever more deeply integrated into the security architecture of the Asia-Pacific.

A telling example was the reaction of the region's states to the tariff pressure of the Donald Trump administration: instead of working out a common position within ASEAN, most countries chose individual negotiations with Washington and the conclusion of separate trade arrangements, seeking to minimize risks amid the transactional approach of American policy.²⁵ Divergent national interests and the uneven impact of US tariffs also prompted these states to secure preferential terms for themselves in order to gain a relative advantage over one another.

The Southeast Asian states have demonstrated pragmatism and adaptability in dealing with the second Trump administration,²⁶ prioritizing a short-term solution to mitigating losses while simultaneously accelerating new economic negotiations between the ASEAN states and other partners, in particular the European Union (EU), the Gulf states, and China, to diversify trade.

At the same time, Washington currently remains an indispensable partner for the region's countries in the areas of security and economic development. Claims that a reduction in cooperation with the US has created a vacuum easily filled by China oversimplify considerably more complex regional realities. In particular, limited access to the US market does not mean that China will absorb more of

Asia-Pacific Region at Crossroads of Global Players' Interests

Southeast Asia's exports; on the contrary, as practice has shown, it has accelerated the influx of Chinese goods into regional markets, intensifying competitive pressure on the industries of Southeast Asian countries. Thus, last year China's trade surplus with the ASEAN countries reached \$276 billion, more than double the 2023 figure.²⁷ As a result of US tariffs, China faced a surplus of goods and began to sell them more actively at a discount in neighboring markets and through online platforms (in particular Taobao), which aggravated the negative consequences in the region: in Indonesia the garment industry suffered, in Thailand – ceramics and crafts, and in Japan – the electric vehicle market, owing to the rise in Chinese exports.

Given China's military build-up and its claims in the South China Sea, where its interests intersect with those of Brunei, Malaysia, the Philippines, and Vietnam, the US remains an important security partner for Southeast Asian countries. The strengthening of the alliance between the US and the Philippines, as well as the expansion of bilateral and multilateral formats of military cooperation, indicates an interest in preserving the American strategic presence in the Asia-Pacific.

At the same time, the Trump administration's approach to Southeast Asia is increasingly defined by a pragmatic and transactional logic.²⁸ Although Washington has made certain adjustments in trade and assistance programmes, the overall model remains conditional and dependent on Donald Trump's political decisions, which creates further uncertainty in regional policy. Paradoxically, the administration that previously warned Southeast Asian countries against excessive dependence on China is now itself undermining one of the main US advantages in the region – its reputation as a more reliable and predictable partner. Additional concern is also raised by Washington's actions, which may be perceived as a readiness to revise established norms of sovereignty and spheres of influence, connected with US actions in Venezuela and Iran and with claims to Greenland and Canada. For the small and medium-sized states of Southeast Asia, such trends signify a growth in the uncertainty of the international environment and reinforce the aspiration to diversify their foreign-policy ties and to balance strategically between the great powers.

Forecasts and Prospects

China accuses the US of pursuing a policy of “bloc mentality” and a hegemonic approach aimed at forming exclusive alliances and systems for deterring the PRC.²⁹ Instead, it promotes an alternative model of regional order, in particular through the Belt and Road Initiative and the concept of a “community with a shared future for mankind”, in which priority is given to economic interdependence, infrastructure and trade integration, the expansion of multilateral cooperation formats, and adherence to the principle of non-interference in states’ internal affairs. At the same time, China increasingly regards Taiwan and the South China Sea as part of a strategic theatre linked to regional security, maritime control, and long-term competition with Washington. This is deepening the strategic competition between the US and the PRC in the Asia-Pacific and further polarizing the regional order.

The security situation in the Asia-Pacific is further complicated by regional factors that are being aggravated against the backdrop of the geopolitical rivalry between the US and the PRC: the growth of nuclear and missile threats from North Korea amid its military rapprochement with Russia; the deepening of coordination among the PRC, Russia, and the DPRK, which is forming more consolidated anti-Western contours of interaction; the further build-up of China’s military capabilities, with an accompanying increase in pressure in the Taiwan Strait and the South China Sea; and rising tensions in relations between Japan and the PRC, which increase the risk of conflict escalation with regional and global consequences.

Since the beginning of Russian aggression against Ukraine, Taiwan has been regarded as the next possible point of collision, given the growing threats from China and the strategic coordination at the international level between the PRC and Russia.³⁰ However, the inability of Russia and the US to defeat significantly weaker adversaries – Ukraine and Iran – may affect China’s strategic calculations, in which a direct military operation would be viewed as a scenario with high military-strategic costs, while preference might instead be given to a naval blockade of the island.³¹ Such a scenario could complicate the timely receipt of international support, since China’s actions might not be regarded by the international community as a direct military invasion or as sufficient grounds for an immediate response.

During Donald Trump’s visit to Beijing, Xi Jinping warned that any improper handling of the Taiwan issue could lead to conflict and drive relations into “an extremely dangerous situation”.³² After this meeting, Trump cast doubt on the readiness of the US to support Taiwan and also put “on pause” an arms sale worth \$14 billion.³³ Such steps may be driven by a desire to reach a broader agreement with Beijing, as well as by a wish to ease tensions in relations over the Taiwan issue. At the same time, they create a false impression for China of the ability to influence US policy, and they undermine the trust of the Taiwanese and of American allies in the region in US security guarantees, despite the fact that Secretary of State Marco Rubio, at a hearing of the Senate Foreign Relations Committee, noted that US policy on Taiwan is not changing and that Washington’s goal is to preserve the status quo as it currently stands.³⁴

The noticeable softening of the US administration’s rhetoric towards China, observable after the Beijing summit, indicates Donald Trump’s desire to minimize the risks of direct escalation between the two states, at least within his presidential term.³⁵ This correlates with Beijing’s interest in stabilizing bilateral relations in order to buy time to accelerate its economic and technological development and to achieve strategic self-sufficiency. In this context, the summit between Donald Trump and Xi Jinping can be seen as a stage in the transition to a more managed model of US-China relations, oriented towards risk management and the prevention of uncontrolled escalation. However, the absence of durable agreements between the US and the PRC in the areas of trade, technology, and security attests to the persistence of fundamental structural contradictions in the

Asia-Pacific Region at Crossroads of Global Players' Interests

bilateral relationship and sustains a high potential for renewed escalation should these contradictions intensify.

The stabilization of US-China relations is of decisive importance for the region's countries, since their turbulence directly affects the security architecture and economic interests in the Asia-Pacific. Accordingly, the regional states are closely monitoring the dynamics of interaction between Washington and Beijing, adapting their strategies to conditions of growing strategic uncertainty in the regional security environment.

Conclusions and Recommendations

The Asia-Pacific region serves as a key field of strategic competition between the US and the PRC. This competition is reshaping the geopolitical landscape, affecting regional security and the global balance of power. The rivalry between the two states is multifaceted and encompasses trade, technology, military capabilities, and broader geo-economic instruments of influence, including the formation of alternative trade and financial blocs, control over critical supply chains, and institutional competition through parallel regional initiatives and agreements. This transforms the competition into a comprehensive confrontation between models of regional order, in which the security, economic, and technological dimensions are combined.

The Russia-Ukraine war and the conflict in the Middle East have highlighted the interconnectedness of the world's security theatres, as well as the global impact of the consequences of conflicts. The development and mass use of drones, as well as the broader technological dimension of modern warfare, are already substantially influencing the transformation of the military doctrines and defence planning of the region's countries. A significant proportion of the region's states, despite the change in the foreign-policy approaches of the Donald Trump administration, continue to place their expectations on more active and consistent US leadership to deter China's aggressive actions.

At the same time, even among Washington's closest allies, doubts are growing about its readiness and ability to ensure the long-term stability of security commitments in the region. This is prompting most states towards a policy of balancing, building up their own defence capabilities, diversifying partnerships, and participating more actively in flexible minilateral cooperation formats aimed at enhancing resilience and deterring regional threats.

Thus, the development of the security situation in the Asia-Pacific is increasingly moving beyond the regional dimension and is affecting broader international processes that have direct significance for the interests and security of Ukraine. In this connection, it is advisable to outline key recommendations for the Ukrainian authorities on taking these changes into account in their foreign-policy and security activities.

- › Update Ukraine's strategic approach to the Asia-Pacific as a priority direction of foreign policy in line with current geopolitical conditions, and ensure an effective interagency mechanism for its implementation.
- › Ensure systematic monitoring of key crisis processes in the Asia-Pacific – including the actions of the DPRK, Russian-North Korean military cooperation, Russian-Chinese coordination, escalation dynamics in the Taiwan Strait and the South China Sea, and tensions in relations between regional states – to be carried out by the Ministry of Foreign Affairs of Ukraine (MFA), the intelligence agencies, and other relevant state bodies, with the involvement of analytical and expert centers, in order to respond in a timely manner and to formulate Ukraine's position on the consequences of these processes for international security.
- › Use Ukraine's unique experience in waging modern technological warfare and asymmetric counteraction against the enemy as a basis for deepening cooperation with Asian partners (primarily Japan, South Korea, Australia, and New Zealand) in the areas of exchanging military experience and technologies, the development and production of unmanned systems, and countering asymmetric, cyber, and hybrid threats and disinformation. Where restrictions exist on direct military-technical cooperation with individual countries, it is

Asia-Pacific Region at Crossroads of Global Players' Interests

advisable to explore options for involving the private sector and partnership formats with European countries.

- › Together with European partners, expand the involvement of Asian partners in joint security initiatives within NATO aimed at supporting Ukraine, thereby forming the basis for a long-term partnership between Europe and the Indo-Pacific amid the profound transformation of the global security environment.
- › Expand Ukraine's economic presence in the region by diversifying exports and integrating into regional value chains. Reduce dependence on the Chinese sales market, in particular in the agricultural sector, given the PRC's increasingly active use of trade and economic instruments as a means of influence on strategically sensitive foreign-policy issues.
- › Support and translate into practical terms the interest of Asian companies in participating in the reconstruction of Ukraine through systematic work at the intergovernmental level, in particular by creating favorable conditions for investment and project cooperation, supporting business dialogue, organizing thematic business forums, and involving companies in priority sectors of recovery, including energy, infrastructure, and technology. Given the absence of diplomatic relations between Ukraine and Taiwan, find a format for involving Taiwanese private companies in participation in reconstruction projects.
- › Strengthen diplomatic coordination with the region's states in the areas of sanctions policy, export control of dual-use goods and the restriction of their flow to Russia, the DPRK, and other authoritarian regimes, and deepen cooperation on deterring the destabilizing activities of authoritarian actors within global and regional formats.
- › Formulate an updated approach to relations with China, taking into account the deepening of the comprehensive strategic partnership between the PRC and Russia, including its military-technical dimension, as well as China's position in the context of the Russia-Ukraine war. It is advisable to define the general framework and fundamental limits of the PRC's involvement in the processes of Ukraine's post-war reconstruction, in order to avoid potential conflicts of interest and to ensure transparency of cooperation with partners that have consistently supported Ukraine during the war and are interested in further participation in the country's recovery.
- › Develop Ukraine's parliamentary and political-diplomatic presence in formats connected with ASEAN, and strengthen engagement in ASEAN dialogue events and interaction with member states in order to advance Ukrainian security and political interests.
- › Strengthen diplomatic and information presence in the region's countries, foster a positive perception through stable and continuous contacts at the interstate, interparliamentary, expert, scientific, and cultural levels, and facilitate the building of sustainable pro-Ukrainian contacts in political, business, and expert circles.

¹ <https://www.whitehouse.gov/wp-content/uploads/2025/12/2025-National-Security-Strategy.pdf>

² <https://www.war.gov/News/Speeches/Speech/Article/4504755/remarks-by-secretary-of-war-pete-hegseth-at-the-2026-shangri-la-dialogue-in-sin/>

³ https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI%282026%29785720?utm_source=chatgpt.com

⁴ <https://www.japantimes.co.jp/news/2026/05/28/asia-pacific/politics/europe-us-military-asia/>

Asia-Pacific Region at Crossroads of Global Players' Interests

- ⁵ <https://www.whitehouse.gov/presidential-actions/2025/09/implementing-the-united-states-japan-agreement>
- ⁶ <https://foreignpolicy.com/2025/11/12/trump-trade-tariff-agreement-deal-asia-japan-south-korea-asean/>
- ⁷ <https://www.theguardian.com/world/2026/mar/11/redeployment-us-missiles-thaad-south-korea-middle-east-seoul-iran>
- ⁸ <https://www.mindef.gov.sg/news-and-events/latest-releases/31may26-speech/>
- ⁹ <https://www.crisisgroup.org/rpt/asia-pacific/korean-peninsula/357-rising-stakes-upgrading-forces-seoul-new-asian-order>
- ¹⁰ <https://www.defence.gov.au/about/strategic-planning/2026-national-defence-strategy-2026-integrated-investment-program>
- ¹¹ <https://www.defence.govt.nz/our-work/plan-and-assess/defence-policy-review/>
- ¹² https://www.orfonline.org/research/indias-military-outreach-military-logistics-agreements?utm_source=chatgpt.com
- ¹³ <https://thediplomat.com/2023/01/beyond-the-quad-booming-security-cooperation-efforts-in-the-indo-pacific/>
- ¹⁴ <https://www.pm.gc.ca/en/news/news-releases/2026/03/06/prime-minister-carney-forges-new-comprehensive-strategic-partnership>
- ¹⁵ <https://www.canada.ca/en/department-national-defence/news/2026/01/canadian-armed-forces-deliver-military-cyber-security-operations-course-to-th>
- ¹⁶ https://www.reuters.com/world/china/great-indo-pacific-hedge-deeper-defence-ties-us-doubts-grow-china-ascends-2026-05-31/?utm_source=chatgpt.com
- ¹⁷ <https://www.japantimes.co.jp/news/2026/04/08/japan/japan-australia-defense-minister-marles-interview/>
- ¹⁸ https://www.japantimes.co.jp/commentary/2026/05/28/japan/indo-pacific-military-industrial-coordination/?utm_medium=social&utm_source=face
- ¹⁹ <https://www.defensenews.com/global/asia-pacific/2025/12/26/japans-cabinet-oks-record-defense-budget-that-aims-to-deter-china/?u>
- ²⁰ https://www.japantimes.co.jp/commentary/2026/05/28/japan/indo-pacific-military-industrial-coordination/?utm_medium=social&utm_source=facebook&utm_typ
- ²¹ <https://www.iiss.org/online-analysis/online-analysis/2026/05/japans-update-of-its-free-and-open-indo-pacific-framework/?fbclid=IwDGRleAR-ZWfLeHRuA2>
- ²² <https://www.bbc.com/news/articles/cp8p4ejy8ppo>
- ²³ <https://www.japantimes.co.jp/news/2025/12/12/japan/politics/takaichi-taiwan-unscripted/>
- ²⁴ https://lb.ua/world/2025/11/10/706080_premierka_yaponii_zayavila_shcho.html
- ²⁵ <https://foreignpolicy.com/2025/11/12/trump-trade-tariff-agreement-deal-asia-japan-south-korea-asean/>
- ²⁶ https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2025-6-southeast-asia-navigates-trumpian-storms-disruptions-recalibrations-and-adaptations-by-hoang-thi-ha?utm_source=chatgpt.com
- ²⁷ https://www.statista.com/chart/34479/chinese-trade-surplus?utm_source=chatgpt.com
- ²⁸ https://www.csis.org/blogs/latest-southeast-asia/latest-southeast-asia-trumps-pause-reciprocal-tariffs-southeast-asia?utm_source=chatgpt.com
- ²⁹ https://us.china-embassy.gov.cn/eng./zgyw/202510/t20251031_11744706.htm?utm_source=chatgpt.com
- ³⁰ <https://modern diplomacy.eu/2026/05/27/taiwan-the-most-dangerous-flashpoint-in-the-world/>
- ³¹ <https://www.csis.org/analysis/lights-out-wargaming-blockade-taiwan>
- ³² <https://www.scmp.com/news/china/military/article/3353604/xi-warns-trump-about-extremely-dangerous-risks-if-taiwan-issue-mis>
- ³³ <https://english.nv.ua/nation/us-pauses-14-billion-taiwan-arms-sale-amid-iran-war-50610098.html>
- ³⁴ <https://www.reuters.com/world/china/rubio-no-change-us-policy-taiwan-2026-06-02/>
- ³⁵ <https://www.scmp.com/news/china/military/article/3355401/how-us-defence-chief-hegseth-softened-his-tone-towards-china-after-trump-xi-meeting>

The Author

Nataliya Butyrskaya

Expert on the Asia-Pacific, Senior Analyst of the New Europe Center

Imprint

Konrad-Adenauer-Stiftung Ukraine (Kyiv)

kas.de

Publisher: Konrad-Adenauer-Stiftung Ukraine (Kyiv), 2026, Kyiv
wul. Akademika Bohomoltsia 5, Office 1, 01024 Kyiv, Ukraine
Telephone: +380444927443
<https://www.kas.de/en/web/ukraine>

All rights reserved. Requests for review copies and other enquiries concerning this publication are to be sent to the publisher. The responsibility for views, conclusions and recommendations expressed in this publication rests exclusively with the author(s) and their interpretations do not necessarily reflect the views or policies of the Konrad-Adenauer-Stiftung.

The publication is prepared under the project "Strengthening the Analytical Capabilities of the Foreign Policy Decision-Making with the Civil Society" of the Centre for International Security with the support of the Konrad-Adenauer-Stiftung Ukraine (Kyiv).



The text of this publication is licensed under the Creative Commons license:
«Creative Commons Attribution-ShareAlike 4.0 International», CC BY-SA 4.0
(<https://creativecommons.org/licenses/by-sa/4.0/legalcode.de>)