

INSIGHT SOUTHEAST ASIA

Looking Eastwards From New Delhi



MANOHAR PARRIKAR INSTITUTE FOR
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Overview

2025 began with heightened geopolitical developments in the region. In a move that will be seen in the context of US-China strategic competition, Indonesia was accepted as a full member of the BRICS at a time when President Trump has been threatening 100 percent tariffs if BRICS nations attempt to undermine the dollar. Meanwhile Prabowo Subianto, Indonesia's President visited New Delhi as the Chief Guest for Republic Day and signed a wide range of agreements covering culture, health, maritime, security and digital sectors. Japan's Prime Minister Shigeru Ishiba made his first bilateral visit to Malaysia and Indonesia to strengthen economic and security ties. Malaysia which hosted the ASEAN Foreign Ministers' Retreat also announced the commencement of the Johor-Singapore Special Economic Zone. Myanmar continues to see turmoil, as the Junta extended the state of emergency for six months with no announcement on elections. In the South China Sea, the Philippine Armed Forces and the U.S. Navy participated in a bilateral Maritime Cooperative Activity (MCA) in a move to secure the Indo-Pacific region.

Brazil announces Indonesia as full member of BRICS

On January 6, 2025, Indonesia, under President Prabowo Subianto, officially became a full member of the BRICS bloc, which includes Brazil, Russia, India, China, and South Africa. This announcement, made by Brazil as the current chair, signals BRICS' aim to broaden its influence and advocate for emerging economies,

particularly in the Indo-Pacific region. According to observers for President Prabowo, joining BRICS likely presents an opportunity to assert Indonesia's role on the global stage. Economically, Prabowo likely sees BRICS membership as a way to boost Indonesia's leverage and global standing. However, with some BRICS members openly opposing Western economic powers, this move could strain Indonesia's relationships with the US and other Western nations. Indonesia's Foreign Minister, Sugiono, emphasized that full BRICS membership reflects the nation's "free and active" foreign policy. A spokesperson from Indonesia's Parliament described it as a "brave breakthrough," suggesting that the country could serve as a balancing force and a key indicator of global power dynamics.

President Prabowo Subianto visits India for Republic Day, signs key agreements

On January 25, 2025, Indonesia and India signed a series of agreements covering culture, health, maritime security, defense, digital sectors, and more. The signing ceremony, which took place ahead of India's Republic Day celebrations, was attended by Indonesian President Prabowo Subianto and Indian Prime Minister Narendra Modi. President Prabowo emphasized his government's commitment to deepening economic ties with India, aiming to prioritize long-term cooperation across key sectors. He also thanked India for supporting Indonesia's BRICS membership, highlighting the bloc's potential for global stability and regional

collaboration. Prime Minister Modi mentioned that both countries would collaborate on defence manufacturing, enhancing supply chains, and improving maritime security. He also noted their joint efforts in cybersecurity, counter-terrorism, and de-radicalization.

Japan's Prime Minister Shigeru Ishiba's first bilateral Visit to Malaysia and Indonesia

From January 9–12, Shigeru Ishiba, the prime minister of Japan, visited Malaysia and Indonesia on official business. The significance of the Association of South-East Asian Nations (ASEAN) nations for Japan amid a period of growing concern over geopolitical shifts involving the US and China is reflected in the selection of Malaysia and Indonesia as the destinations of Mr. Ishiba's first bilateral foreign visits. The Japanese PM committed to strengthening security ties with both nations, including through joint military drills and Japan's Official Security Assistance program, which furnishes like-minded countries with military hardware, such as high-speed patrol boats for Indonesia and warning and surveillance systems for Malaysia. Improving cooperation in Southeast Asia is a top priority for Japanese diplomacy since this region continues to be the hub of global growth with steady economic expansion. Both nations are essential to maintaining maritime freedom in Japan's Free and Open Indo-Pacific vision because of their advantageous locations in the Strait of Malacca, where many cargo shipments travel on their way to Japan.

The ASEAN Foreign Ministers' Retreat (AMM Retreat) convened in Malaysia

On January 19, 2025, the ASEAN Foreign Ministers' Retreat (AMM Retreat) was held in Langkawi, Malaysia. The Retreat, was the first significant gathering held under Malaysia's ASEAN Chairmanship 2025. The foreign minister of Timor-Leste also attended the retreat as an observer. Under the theme "Inclusivity and Sustainability," Malaysia outlined the deliverables and focus areas for its chairmanship during the retreat. Priority areas and deliverables covering the three pillars of political-security, economic, and socio-cultural aspects were discussed including , Malaysia's vision for , strategic direction, and initiatives to fortify the ASEAN Community. The Myanmar crisis, geopolitical tensions, and other concerns impacting regional peace and stability were among the current regional and global issues on which ASEAN foreign ministers also shared their perspectives.

The Johor-Singapore Special Economic Zone announced

Malaysia and Singapore announced an agreement to establish a special economic zone (SEZ) in Johor, southern Malaysia, aimed at fostering investment and easing the movement of goods and people between the two nations. The initiative, which had been in principle since the previous year, was formalized during a visit by Singapore's Prime Minister Lawrence Wong and key ministers to Malaysia. Prime Minister Wong emphasized that the SEZ would enhance competitiveness, attract

more investments, and create long-term growth opportunities for both countries. Malaysian Prime Minister Anwar Ibrahim highlighted the uniqueness of the project, noting that it was rare for two countries to jointly develop such an initiative. The SEZ will focus on high-value investments in sectors like manufacturing, logistics, tourism, and energy transition, with a goal of attracting 50 projects within its first five years and creating 20,000 skilled jobs. To support businesses, Malaysia will manage an infrastructure fund, while Singapore will establish its own fund to assist its companies operating in Johor. The initiative aims to ease congestion at one of the world's busiest border crossings.

Myanmar junta extends state of emergency

A day before the fourth anniversary of a coup that sent Myanmar into disarray following 10 years of fragile democracy, state media announced on January 31 that the ruling military had prolonged a state of emergency for an additional six months. Myanmar's prolonged state of emergency has effectively concentrated all legislative, judicial, and executive powers under the control of Min Aung Hlaing, the country's military leader. According to the constitution, the military is required to hand over government functions to the president at least six months before elections. Initially, the military had planned to hold elections in August 2023, but the date has been repeatedly postponed, with the latest announcement suggesting they might take place sometime in 2025. Critics argue that the elections will not be free or fair, citing

the lack of a free press and the widespread detention of leaders from Aung San Suu Kyi's National League for Democracy (NLD) party. Many view the election process as a way for the military to legitimise its control, ensuring that the outcome favours the generals and maintains their grip on power. This extended emergency and delayed election timeline have fuelled concerns that the military is further entrenching its dominance over Myanmar's political landscape.

Philippines and U.S. hold joint maritime drills in South China Sea

On January 17–18, 2025, the Philippine Armed Forces and the U.S. Navy participated in a bilateral Maritime Cooperative Activity (MCA) in the South China Sea. The purpose of this MCA was stated to highlight the two military' longstanding maritime collaboration and usefulness in maintaining a free and open indo pacific. The Carl Vinson Carrier Strike Group of the United States, two guided missile destroyers, two helicopters, and two F-18 Hornet aircraft participated in the cooperative maritime exercise. The Philippine side sent out two FA-50 fighter fighters, the Andres Bonifacio patrol ship, the Antonio Luna frigate, and air force search and rescue resources. The initiatives "reinforced bilateral maritime cooperation and interoperability". Their coordinated action coincided with the Philippines' criticism of China for having Chinese coast guard ships within its maritime borders, including the 165-meter (541-foot)-long vessel that it refers to as "the monster" due to its size.