Asia Brief

[Asia Brief | 2025 November Issue]
Published on November 26th, 2025, Zurich, Switzerland
by SwissCham Asia
www.swisscham.asia

The [Asia Brief] is meticulously crafted to give Swiss-Asian business stakeholders a comprehensive understanding of Asia's rapidly changing economic and business landscapes. This region presents a dynamic blend of challenges and opportunities crucial for Swiss businesses and their global counterparts. Through the [Asia Brief], we aim to empower SwissCham ASIA's members with enhanced strategic positioning and informed decision-making, fostering success for Swiss and Asian businesses within the dynamic Asian market.

[Asia Brief] is scholarly supported and published by the Singularity Academy and distributed by the SwissChamASIA.

[Asia Brief] is structured into three sections: Switzerland, Asian Countries, and Column Report.

Bonus:

1. *Summary: A Nation of Partners: Ethnic Chinese and the founding of the Thai nation (Claude Jaeck)*
2. *America returns to Asia (Farhat Ali)*

To Cite: Asia Brief. SwissCham ASIA & Singularity Academy, 2025 November Issue. Zurich, Switzerland.

Switzerland

In a significant push led by Swiss business leaders, Switzerland is getting closer to a tariff agreement with the United States. Recently, numerous Swiss companies actively travelled to Washington to advance trade talks, breaking a months-long deadlock in negotiations.

Reports from informed sources suggest Switzerland is nearing a deal where US tariffs on its goods could be lowered to 15%. If achieved, this would put US tariffs on Swiss exports on par with those the EU faces for its exports to the US.

Some observers are optimistic about a deal within weeks, while others caution that the situation is fluid and talks could take longer.

This breakthrough comes after a period of frustration. Swiss negotiators, led by President Keller-Sutter, initially believed they were close to a deal maintaining tariffs around 10%. They were shocked when the White House suddenly imposed a 39% tariff on most Swiss goods in August – one of the highest rates faced by any developed economy.

The Swiss business community, feeling the pressure from these high tariffs, decided to take a direct approach. They moved from behind-the-scenes lobbying to direct engagement with the Trump administration. A delegation of high-profile Swiss CEOs, including the heads of Rolex, Partners Group, and commodities trader Mercuria, met with President Trump at the White House.

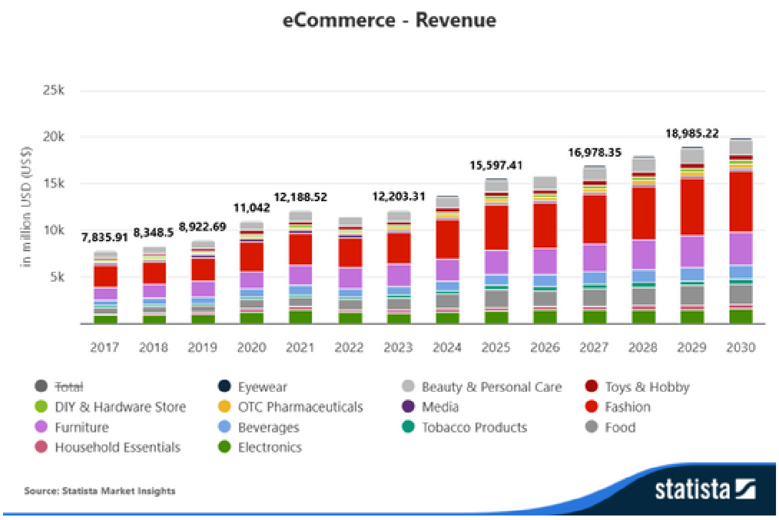
This "CEO diplomacy" appears to have been a smart move. President Trump, who values business leaders, subsequently confirmed the meeting on social media, calling it an "honour" and noting that trade was discussed. Experts point out that Switzerland, a nation where exports account for over 70% of GDP, is playing to its strengths by leveraging its global corporate influence.

Professor Simon Evenett from IMD noted, "It seems the CEOs are more effective... The Swiss are playing their strongest card." The strategy aligns with Switzerland's traditional diplomatic skill in navigating between larger powers.

A key sticking point in the talks has been the US focus on its goods trade deficit with Switzerland, which stood at $38.3 billion in 2024. Switzerland argues that the US overlooks its substantial service trade surplus. Interestingly, Switzerland's gold refining industry, while small in domestic economic output, contributes significantly to this goods trade imbalance, drawing particular US attention.

Some Swiss companies have reportedly offered to invest in the US gold refining sector as part of efforts to persuade the administration to lower tariffs. This aligns with the view that the Trump administration ultimately seeks both tariff rebalancing and increased Swiss investment in the US.

Separately, Switzerland presents an attractive opportunity for online businesses. Despite its small population of just over 9 million, it boasts one of the highest per capita GDPs globally, creating a mature and valuable e-commerce ecosystem. With high disposable income, excellent digital infrastructure, and widespread internet use (over 96% of the population), Switzerland is a prime market for cross-border sellers. Statista projects its e-commerce market will grow from $15.6 billion in 2025 to nearly $20 billion by 2030.



Two key trends are driving growth:

1. Gen Z Power: A significant 75% of Swiss Gen Z consumers have shopped on Asian online platforms like Temu or AliExpress. This price-sensitive, socially-influenced generation is a major force for cross-border market growth.

2. Rise of Social Commerce: With 6.7 million social media users, social commerce is becoming a major sales channel, accounting for over 10% of the total e-commerce market.

Popular platforms include the local leader Galaxus, Zalando for fashion, and global giant Amazon. Temu has also seen rapid growth by focusing on low prices. Swiss consumers value quality, sustainability, and convenience. A remarkable 56% regularly buy second-hand goods online. They also prioritize simple payment processes, free delivery, and good customer service. Top product categories are electronics, fashion, and home goods. For sellers, challenges remain, particularly in logistics. Switzerland's mountainous terrain makes delivery to remote areas expensive. Understanding import taxes, like the 8.1% standard VAT rate, is also crucial. In summary, Switzerland's e-commerce market is characterized by high value, high penetration, and strong competition. Success for cross-border sellers will depend on focusing on the right product categories, meeting high consumer expectations for quality and service, and navigating logistical and regulatory requirements effectively.

Bahrain

As of November 2025, Bahrain's economy demonstrates robust growth, with the non-oil sector now constituting 85.2% of real GDP. The IMF projects overall GDP growth to reach 2.9% for the year, despite ongoing fiscal challenges. Politically, the kingdom is strengthening its international role, recently concluding the second Bahrain-UK Strategic Dialogue and preparing for its upcoming term on the UN Security Council. Concurrently, Bahrain is bolstering its innovative profile with the launch of its National Innovation Strategy (2025-2035), a decade-long plan to establish the nation as a regional hub for research, development, and creative industries. These strategic diplomatic and economic initiatives collectively underpin Bahrain's trajectory toward resilient and diversified growth, reinforcing its position as a stable and evolving player in the region.

Bangladesh

As of November 2025, Bangladesh is navigating a complex period of political transition and economic adjustment. Politically, the country is preparing for general elections scheduled for February 2026, overseen by an interim government. Economically, the country is demonstrating resilience despite challenges; GDP growth for the 2025 fiscal year is estimated at 3.97%, with the World Bank projecting a rise to 4.8% in FY26, supported by strong exports and record remittances. However, the economy faces headwinds including high inflation and the urgent need for reforms in revenue mobilization and the banking sector to foster job creation, particularly for youth and women. Concurrently, the nation is actively engaging on global issues, recently calling for sustained international climate finance to support and ensure a just transition for its progress in green garment manufacturing.

Bhutan

As of late 2025, Bhutan is actively navigating a path of economic transformation while steadfastly upholding its unique development philosophy of Gross National Happiness. A cornerstone of this effort is the ambitious Gelephu Mindfulness City project, a special administrative zone designed to attract foreign investment in sustainable sectors like green technology, wellness, and education, aiming to curb youth unemployment and reverse brain drain.

Politically, the constitutional monarchy is strengthening its international ties, as evidenced by a significant state visit to Vietnam in August 2025, where agreements on aviation, trade, and investment were discussed. Despite these modernizing steps, the nation continues to leverage its cultural heritage through a high-value, low-impact tourism model, requiring visitors to pay a daily "Sustainable Development Fee" to preserve its environment and traditions. This balanced approach, facing challenges like climate change impacts and economic dependencies, defines Bhutan's ongoing journey as a distinct actor in the region.

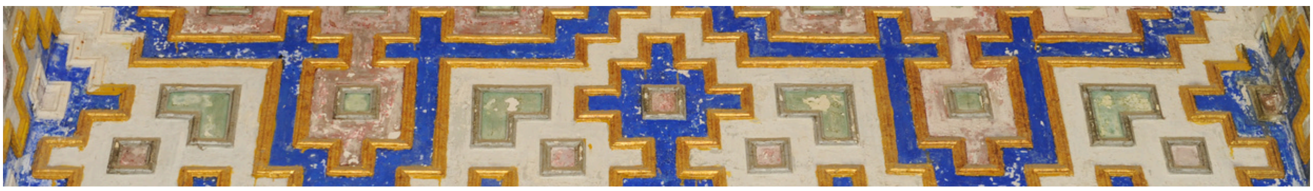
Brunei

As of late 2025, Brunei maintains political stability under the long-standing. The Legislative Council convened in 2025 and approved a government budget of BN$6.35 billion for the 2025/2026 fiscal year. Economically, the country is navigating a path of diversification away from its heavy reliance on oil and gas, which historically contribute over 60% to its GDP. The nation's high per capita GDP, approximately US$35,400 as of 2024, underscores its significant consumer purchasing power. Culturally, Brunei's social life is deeply guided by the Malay Islamic Monarchy (MIB) philosophy, with Islamic traditions influencing daily customs, from dress codes to the absence of alcohol sales nationwide. The government actively promotes cultural preservation alongside strategic international partnerships and domestic initiatives, aiming to balance modern economic development with its entrenched religious and cultural values.

Central Asian Region

As of late 2025, the Central Asian region is charting a course of robust economic growth, with GDP expansion projected at 5.9% for 2025, driven by strong domestic demand, remittance inflows, and hydrocarbon exports. Politically, countries are increasingly asserting their strategic autonomy by pursuing multi-vector foreign policies, actively engaging with major powers like the US, EU, Russia, and China to maximize their own agency. This is complemented by deepening regional integration, notably with the transformation of the "C5" format into the "C6" by including Azerbaijan as a full member. On the energy front, nations are actively rebalancing their energy mixes; Kazakhstan and Uzbekistan are advancing nuclear power plans, while Uzbekistan is also developing record levels of solar and wind capacity.

- **Kazakhstan:** In 2025, Kazakhstan is advancing a transformative national agenda focused on becoming a fully digitalized country within three years, as outlined in President Tokayev's address . This strategy includes modernizing the economy through AI, creating a Digital Code, and establishing a new Ministry of AI and Digital Development. Economically, growth is projected to temporarily accelerate to 4.5–5.0% in 2025, supported by oil production and fiscal stimulus. The nation is actively pursuing foreign investment and diversification, highlighted by the Kazakhstan Global Investment Roundtable (KGIR-2025) which fostered new economic partnerships with Middle Eastern nations and companies.
- **Uzbekistan:** Uzbekistan is demonstrating significant progress in economic diversification and international engagement. Its startup ecosystem entered the global Top 100 for the first time, recognized as the fastest-growing in Central Asia with record-breaking growth of over 132%. The country is actively strengthening its global ties, with the Enhanced Partnership and Cooperation Agreement (EPCA) with the EU set for signing in October 2025. On the cultural front, Uzbekistan successfully showcased its blend of tradition and innovation at Expo 2025 Osaka, attracting over 100,000 visitors to its "Garden of Knowledge" pavilion.



Mongolia

In 2025, Mongolia's economical growth forecasts have been tempered; the World Bank projects GDP growth at 5.9% for 2025, a reduction from its earlier estimate, citing global trade uncertainties and weaker exports. On the technological front, the country is advancing its infrastructure, having officially launched its 5G network in May to foster new technological capabilities. Culturally, Mongolia continues to promote its unique heritage and tourism through events like the strategic Mo Tou Rally 2025 motorcycle adventure across the steppe. Concurrently, the nation is engaging with the international community on governance, with its human rights record scheduled for review during the UN's Universal Periodic Review in November 2025.

China

As of late 2025, China's economy is navigating a path of steady growth amidst a complex transition, with its GDP expanding by 5.2% year-on-year in the first three quarters of the year, positioning it well to achieve the full-year target of around 5% growth. This performance occurs as the country contends with moderating domestic consumption, fluctuations in industrial production, and targeted policy interventions designed to stabilize demand. A significant shift in economic structure is underway, underscored by the robust growth of the high-tech manufacturing sector, which saw an increase of 9.5% in the first half of 2025, signaling the tangible development of new quality productive forces.

Despite facing challenges such as the property market adjustment and global trade uncertainties, strategic policies, including a moderately loose monetary stance and initiatives to boost innovation and consumption, are expected to underpin the nation's trajectory toward more resilient and high-quality development.

- **Chinese Taipei (Taiwan):** November 2025 in Taipei was marked by significant activities in innovation and culture. The month saw a strong focus on technology and entrepreneurship, highlighted by the "Taipei Entrepreneurs Annual Forum" on November 7, which centered on how AI is driving industry futures and featured key players from academia, venture capital, and corporations like Microsoft Taiwan. Culturally, the city hosted the all-night art festival "Taipei Nuit Blanche" in the Yuanshan area at the start of the month , alongside a vibrant lineup of concerts from international artists such as M2M, Hatsune Miku, and Suchmos throughout November.
- **Hong Kong:** The city is actively strengthening its role as a global financial hub and a "super connector" between Mainland China and international markets. However, this period has been profoundly marred by one of the city's deadliest tragedies in decades—a catastrophic fire at the Hung Fuk Court public housing estate in Tai Po on November 26, which has cast a somber shadow over the community. The government's focus on economic integration and development continues alongside the emergency response and recovery efforts for the fire. Authorities are working to align with China's national "15th Five-Year Plan" while managing the aftermath of the disaster.

Macao: Macau is showcasing a vibrant blend of major events and sustained economic support. The city is currently hosting the 15th National Games, co-hosted with Guangdong and Hong Kong, and preparing for the high-speed 72nd Macau Grand Prix, transforming its streets into a racing circuit. These sporting events are complemented by the popular 25th Macau Food Festival, drawing food enthusiasts to the city. Beyond these attractions, the government is continuing its comprehensive welfare and tax relief measures into 2025, including the Wealth Partaking Scheme, which provides 10,000 patacas to each permanent resident, and a range of tax reductions and exemptions aimed at supporting both individuals and businesses.

Cambodia

As of November 2025, Cambodia is navigating a complex landscape marked by regional tensions, economic challenges, and international scrutiny. The country recently concluded a military conflict with Thailand over long-standing border disputes, which lasted from May and ended with a peace agreement signed on October 26. Domestically, the government is actively combating its international image problem related to large-scale scam compounds, asserting that it has dismantled 24 major fraudulent parks and defending its record against external criticism. However, Cambodia continues to face significant human rights issues, including allegations of government complicity in slavery and torture within the scam compounds, and land rights disputes linked to development projects. These challenges are compounded by a fragile relationship with Thailand and the ongoing task of aligning nationalistic sentiments with diplomatic resolutions.

India

India's economy continues its robust growth trajectory, with its services sector being a dominant force, contributing approximately 55% to the Gross Value Added (GVA). The nation is actively pursuing its 'Viksit Bharat' (Developed India) vision, aiming to become a developed country by 2047. The Union Budget for 2025-26 focuses on fiscal consolidation, targeting a fiscal deficit of 4.4% of GDP, while introducing tax relief for individuals and boosting key sectors like agriculture, MSMEs, and manufacturing.

A significant push is being made to strengthen global trade ties, with ongoing and recently concluded negotiations for Free Trade Agreements (FTAs) with partners including the UK, the EU, and Oman. This is complemented by a recalibration of its foreign policy towards strategic autonomy, as it navigates its relationships with major powers like the US, Russia, and China.

Indonesia

As of November 2025, Indonesia's economy is on a trajectory of steady growth. The central bank (Bank Indonesia) projects that growth will further improve in the fourth quarter, supported by government fiscal stimulus, accelerated spending on priority projects, and a package of economic policies. Key drivers include an expected rise in household consumption, buoyed by increased social assistance and year-end holiday activities, alongside sustained investment, as indicated by the manufacturing PMI remaining in expansionary territory. Major sectors like manufacturing, wholesale and retail trade, and information & communication continue to perform well.

Japan

As of late November 2025, Japan is navigating significant political and economic challenges. Politically, tensions with China have escalated due to Prime Minister Takaichi Sanae's remarks on Taiwan, leading to a series of Chinese countermeasures including travel and study advisories, and the suspension of some agricultural imports. This has resulted in substantial economic fallout, with over 540,000 flight tickets to Japan canceled and a projected loss of up to ¥2.2 trillion in tourism revenue.

Economically, Japan's GDP experienced a 1.8% annualized decline in Q3 2025, prompting the government to announce a ¥21.3 trillion stimulus package to combat inflation and support households. Domestically, the government's "Japanese-first" rhetoric conflicts with the acute need for foreign labor to counter a shrinking population and sustain key industries.

Laos

As of November 2025, Laos is actively strengthening its international ties and regional partnerships. A key diplomatic achievement was the decision to grant Laos partner state status in the Shanghai Cooperation Organisation (SCO), a move that underscores its growing engagement with major regional powers . Concurrently, Laos continues to deepen its special solidarity with Vietnam, exemplified by the Vietnam - Laos Trade Connection and Product Exhibition 2025 held in Vientiane, which aimed to boost economic cooperation and bilateral trade. Domestically, Laos faces economic challenges, including high public debt, as it continues to pursue its national development goals . These recent activities collectively portray a nation navigating its development path through strategic diplomacy and reinforced traditional alliances.

Malaysia

As of late November 2025, Malaysia is navigating a complex landscape marked by economic ambition and domestic challenges. The economy, projected to grow at least 5% in 2025, is being driven by strategic national roadmaps like the New Industrial Master Plan (NIMP) 2030 and the National Semiconductor Strategy (NSS), which aim to position the country as a high-tech, innovation-driven hub. However, this growth agenda faces headwinds. Politically, the government is contending with a corruption probe into a former senior aide to Prime Minister Anwar Ibrahim, testing its anti-graft commitment. Simultaneously, the nation is reeling from severe flooding that has displaced thousands, a crisis exacerbated by urbanization and climate change, altering terrain and intensifying flood impacts. Amid these challenges, the government continues to emphasize the synergy between economic and cultural empowerment.

Middle East Region

The Middle East is undergoing a significant structural transformation, moving from a "resource-driven" to a "structural reform-driven" economy, heavily influenced by ambitious national visions like Saudi Arabia's Vision 2030 . The World Bank projects regional economic growth to improve, reaching 2.8% in 2025. Key non-oil sectors, particularly tourism and hospitality, are booming and set to contribute hundreds of billions to regional GDP, driven by major infrastructure projects and policy reforms. Politically, the region is building a more balanced and multipolar order, with countries increasingly pursuing strategic autonomy and deeper economic integration amongst themselves and with global partners like China.

- **Saudi Arabia:** The Kingdom is actively pursuing its green transition through the Saudi Green Initiative, a massive effort involving $187 billion in investment to combat climate change and enhance sustainability. Concurrently, the country is boosting its cultural and creative industries, which are among the fastest-growing non-oil sectors, supported by significant government investment in cultural infrastructure.
- **United Arab Emirates (UAE):** Key growth areas include tourism, advanced manufacturing, and artificial intelligence, supported by major projects like the Khalifa Economic Zones (KEZAD) and a thriving startup ecosystem. In its foreign policy, the UAE is actively advancing its economic diplomacy, strategically signing Comprehensive Economic Partnership Agreements (CEPAs) to deepen global trade ties and attract foreign investment. Concurrently, the UAE is bolstering its global profile as a hub for technology and innovation, highlighted by hosting major events like the "GITEX Global 2025" tech exhibition.

Myanmar

As of late 2025, Myanmar remains entrenched in a severe and intensifying civil war five years after the 2021 coup, with anti-junta forces, including ethnic armed organizations and the shadow National Unity Government, making significant gains and controlling an estimated 42% of the territory. Regionally, the regime continues limited engagement within ASEAN frameworks. However, a series of converging developments point to a deepening, militarized authoritarian trajectory. Key signals include the normalization of partnerships with other authoritarian states like Belarus, the junta's orchestration of a tightly controlled, AI-surveilled election process, and continued military procurement. The situation is further compounded by a collapsing humanitarian and economic landscape, characterized by obstructed aid, severe currency depreciation, and widespread poverty. Looking ahead to 2026, the nation risks a destabilizing convergence of crises: the consolidation of a surveillance-based dictatorship under an electoral guise, a deepening humanitarian catastrophe, the hybridization of military and criminal power in border regions, and significant spillover risks—including refugee flows, trafficking, and business disruptions—for neighboring countries.

North Korea

As of late 2025, North Korea, under the leadership of Kim Jong-un, continues to navigate a path defined by centralized control, strategic diplomatic alignment, and domestic economic challenges. The government is expected to declare the completion of its current Five-Year Plan in 2025 and announce a new economic strategy. While strengthening economic ties with Russia and China serves as a strategic buffer, the domestic economy faces instability due to fiscal constraints, state intervention in markets, and potential public discontent over issues like food distribution. Concurrently, Kim Jong-un's daughter, Kim Ju-ae, has been increasingly prominent in public life and official media, with some analysts suggesting she is being groomed as a potential successor in the family's dynastic rule.

Pakistan

The nation is currently implementing a stringent reform program under a $7 billion IMF Extended Fund Facility, which has been crucial for macroeconomic stability but continues to exert pressure on the populace through high inflation and utility costs. Key economic indicators show modest progress, with GDP growth stabilizing around 2.4% and a notable increase in remittances, yet the country remains vulnerable to external shocks and domestic structural issues. In foreign policy, Pakistan is actively pursuing strategic balance, maintaining its crucial relationship with China through CPEC infrastructure projects while cautiously managing its historically complex ties with the United States.

Philippines

The government is aggressively pursuing its "Build Better More" infrastructure program, allocating ₱1.3 trillion for 2024-2025 to enhance transportation, digital connectivity, and climate-resilient projects. Manila continues to strengthen its alliance with the United States through expanded military exercises and security cooperation, while simultaneously managing tensions with China in the South China Sea through diplomatic channels. The country is also enhancing its disaster preparedness and climate adaptation measures, recognizing its vulnerability to natural calamities.

Singapore

The government is actively implementing its ambitious Singapore Green Plan 2030, with recent initiatives accelerating decarbonization efforts and promoting sustainable energy. Concurrently, the "Forward Singapore" exercise continues to shape the national agenda for inclusive growth and social mobility. In foreign policy, Singapore maintains its role as a neutral international hub, recently hosting the 2025 Shangri-La Dialogue and strengthening bilateral ties through agreements with countries like Australia. The nation is also enhancing its digital infrastructure and AI capabilities to secure its status as a global innovation leader. Singapore's strategic focus on adaptation, talent development, and international cooperation continues to underpin its trajectory as a stable global hub.

South Korea

Under the Yoon Suk Yeol administration, the government is aggressively pursuing its "K-ESG" strategy and digital transformation initiatives, establishing a new Ministry of Industry, Energy & Technology to drive innovation in key sectors like batteries and biotechnology. In foreign policy, Seoul is strengthening its alliance with the United States and Japan through enhanced security cooperation while cautiously managing relations with China. The nation continues to amplify its global cultural influence, with the K-culture sector evolving beyond entertainment into education and lifestyle exports. Concurrently, South Korea is addressing significant domestic challenges, including one of the world's lowest fertility rates and a rapidly aging population, which threaten long-term economic sustainability.

Thailand

The nation is prioritizing economic recovery through stimulus measures, including a flagship digital wallet scheme aimed at boosting domestic consumption, alongside efforts to attract foreign investment and high-value industries through "strategic roadshows" abroad. The government is concurrently advancing major infrastructure projects, most notably the long-anticipated Land Bridge, and pushing its national agenda for a greener, digital-driven economy. Thailand continues to strengthen its strategic neutrality, balancing ties with major powers like China and the United States while actively engaging within the ASEAN framework.

Vietnam

As of late 2025, Vietnam continues to demonstrate remarkable economic resilience, with its GDP growing at a robust 6.5% year-on-year in the third quarter, positioning it among Southeast Asia's fastest-growing economies. This sustained expansion is primarily driven by a strong recovery in export-oriented manufacturing, a significant rebound in foreign direct investment (FDI) which has increased by 12.8% over the first three quarters, and resilient domestic consumption. Politically, the nation is preparing for its 14th National Congress of the Communist Party of Vietnam scheduled for early 2026, which will set the strategic direction for the coming years. Vietnam continues to pursue its "bamboo diplomacy," actively deepening comprehensive strategic partnerships with major powers including the United States, China, and Japan, while strengthening its central role within ASEAN. Despite facing global economic headwinds and internal challenges such as bureaucratic inefficiencies and climate change vulnerabilities affecting the Mekong Delta, Vietnam's coordinated focus on economic modernization, technological adoption, and strategic international integration continues to underpin its trajectory as a dynamic and increasingly influential player in the global supply chain.

COLUMN REPORT

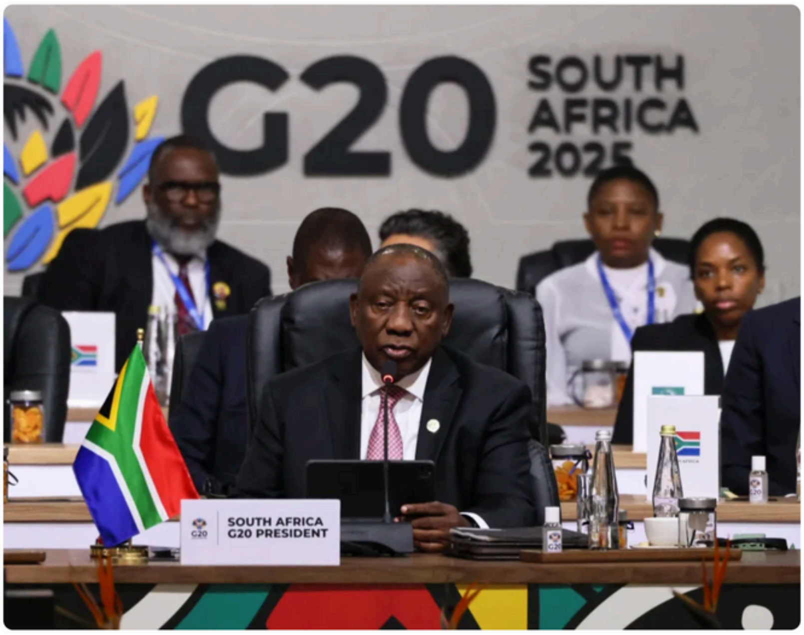
G20 UNITY AND THE LONG ROAD TO ENDING THE WAR IN UKRAINE

The G20 summit in Johannesburg, which concluded on November 22, 2025, achieved a historic milestone by adopting its declaration on the first day—an unanimous show of multilateralism amid global divisions. However, the absence of the U.S., Russia, and Argentina underscored the geopolitical rifts shaping today's world. As leaders gathered under the theme of "Unity, Equality, Sustainability," the urgency of ending the war in Ukraine dominated closed-door discussions, even as the summit spotlighted broader challenges like climate change and economic inequality.

The G20's Balancing Act

While the U.S. boycotted the summit, criticizing host South Africa, and Russia stayed away due to Western sanctions, the remaining members rallied to pass a 122-point declaration emphasizing multilateral cooperation. This rare consensus, however, masked deep tensions. European leaders, including those from the UK, France, and Germany, used the platform to coordinate their response to America's controversial 28-point peace plan for Ukraine, which had leaked just days earlier. The draft proposal, pushed by the Trump administration, faced criticism for its perceived concessions to Russia, such as recognizing its control over Crimea and parts of eastern Ukraine, limiting the size of Ukraine's military, and barring NATO expansion.

For many Global South nations, the focus remained on development and climate finance, but the war in Ukraine—and the West's insistence on prioritizing it—highlighted a growing divide between "the democratic West" and "the Global South".



South Africa President Cyril Ramaphosa makes closing remarks at the G20 Summit in Johannesburg *(Kaname Yoneyama/The Yomiuri Shimbun/AP)*

"This gavel of this G20 summit formally closes this summit and now moves on to the next president of the G20, which is the United States, where we shall see each other again next year," Ramaphosa said as he closed the summit, making no reference to the U.S. absence in his speech.

Geneva Talks: Progress Amid Skepticism

Parallel to the G20, diplomatic efforts accelerated in Geneva, where U.S., Ukrainian, and European officials met to refine the American peace roadmap. Following negotiations, the U.S. and Ukraine issued a joint statement announcing an "updated and improved" framework that would "fully respect Ukraine's sovereignty". U.S. Secretary of State Marco Rubio called the talks "highly productive," though he acknowledged that "more work remains".

Key points of contention included:

- Territorial concessions: The original draft required Ukraine to withdraw from parts of Donetsk, Luhansk, and Crimea—regions now under Russian control.
- Security guarantees: The proposal offered Kyiv "reliable security assurances" but omitted specifics, while limiting Ukraine's army to 600,000 troops.
- Russia's reintegration: It suggested lifting sanctions and inviting Russia back into the G7, a move opposed by European allies.

European leaders, particularly from France and Germany, resisted what they saw as a "capitulation" to Moscow.

They emphasized that any agreement must ensure Ukraine's long-term defense capabilities and align with EU interests. Ukrainian President Volodymyr Zelensky, while calling for "more effort" to achieve "real peace," cautiously welcomed the revised framework as a sign that "Trump's team is listening to us" .

Image — Britain's Prime Minister Keir Starmer, France's President Emmanuel Macron and German Chancellor Friedrich Merz meet at the G20 summit in Johannesburg on 22 November 2025.

The Economic Toll of War

The negotiations unfolded against a backdrop of escalating costs for both Ukraine and Russia. Ukraine's economy, though stabilizing after a 30% contraction in 2022, relies heavily on foreign aid to cover a budget deficit exceeding 19% of GDP. Its energy infrastructure lies in ruins, and millions have fled the country, creating a demographic crisis that could shrink the population by up to 31% by 2052.

Russia, meanwhile, faces mounting pressure from sanctions and military spending. Its defense budget for 2025 is set at $145 billion—over 7% of GDP—while inflation and interest rates remain high. The World Bank projects meager growth of 0.9% in 2025, with non-defense sectors shrinking by 5.4%. Though oil exports to China and India have softened the blow, sanctions have forced Russia to rely on a "shadow fleet" of tankers, raising costs and delaying critical imports.

A Path Forward?

The Geneva talks and G20 summit revealed a fragile consensus: all sides want the war to end, but disagreements over terms and trust remain deep. Europe, which has contributed €167 billion in aid to Ukraine—more than the U.S.—is determined to shape the outcome. However, internal divisions over funding, defense integration, and strategic autonomy persist.

For now, the revised U.S. peace plan offers a starting point, but as Secretary Rubio noted, "Russia also has a vote". With Moscow yet to formally respond, and Ukraine insisting on "guarantees, not just promises," the path to peace remains uncertain. The world now watches whether diplomacy can overcome the scars of war—or if the conflict will escalate anew.

Summary: A Nation of Partners: Ethnic Chinese and the founding of the Thai nation

(Claude Jaeck)

Thailand's official narrative foregrounds monarchs and "ethnic Thai" subjects as the principal authors of modern nationhood. Building on Wasana Wongsurawat's "The Crown and the Capitalists" and other scholarly material, this essay argues that the Thai nation was co-founded by a historically durable strategic alliance between the throne and ethnic Chinese merchants. From the refounding under Taksin in the 1760s, through tax-farm finance and the Bowring Treaty export boom, to 20th-century assimilation and Cold War realignments, Sino-Thai commercial networks supplied the fiscal muscle, logistics, and transnational linkages that underwrote state-building. A recurring ideological device - distinguishing "good" loyalist Chinese from "bad" radicals - enabled selective inclusion, repression, and, ultimately, historical amnesia. Re-centering this alliance clarifies Thailand's political economy and the persistence of royalist-capitalist hegemony into the present.

Wasana Wongsurawat's seminal work reveals a fundamental historical truth: modern Thailand emerged not from a singular ethnic Thai origin but through a symbiotic partnership between the monarchy and ethnic Chinese entrepreneurs. This constitutive alliance, both material and ideological, formed the bedrock of Thai sovereignty—a reality later softened in national narratives to fit ethnocentric origin stories.

The first critical "refounding" of Siam occurred under King Taksin (1767-1782), who leveraged his Teochew Chinese heritage and commercial networks to rebuild the state from Ayutthaya's ashes. Historical accounts by scholars like Baker and Phongpaichit document how Taksin integrated Chinese merchants into his military command and revived state revenues through their maritime trade networks, establishing the blueprint for royal-Chinese collaboration.

During early Rattanakosin, the state's fiscal architecture relied fundamentally on tax farms—monopolies on opium, alcohol, and gambling leased to Chinese syndicates. As Hong Lysa's archival research demonstrates, these farms effectively outsourced revenue collection to Chinese operators under noble oversight, creating the financial foundation for state operations until Chulalongkorn's centralizing reforms. The Bowring Treaty (1855) catalyzed Siam's commercial transformation, triggering a rice export boom that amplified Chinese economic dominance. Chinese merchant houses controlled milling, shipping, and credit networks, connecting Siam to regional trade hubs while Chinese immigrants swelled Bangkok's population—comprising half the city by 1850.

King Taksin the Great
พระเจ้าตากสินมหาราช
King of Thonburi

Statue of Taksin the Great at Hat-Sung Palace (Wat Khung Taphao), Uttaradit province

Rattanakosin Kingdom[a]
อาณาจักรรัตนโกสินทร์ (Thai)
Anachak Rattanakosin
Kingdom of Siam[b]
ราชอาณาจักรสยาม (Thai)
Ratcha-anachak Sayam

1782–1932

Top: Flag (1832–1916)
Bottom: Flag (1917–1932)

Top: Coat of arms (1873–1910)
Bottom: Emblem (1911–1932)

Bowring Treaty

Treaty of Friendship and Commerce between the British Empire and the Kingdom of Siam

The original document, with decorated cover

From the late 19th century, the state systematically integrated Chinese elites through ennoblement, official appointments, and strategic marriages. Family firms like the Wanglee and banking dynasties (Thai Farmers Bank by Choti Lamsam, Bangkok Bank by Chin Sophonpanich) exemplify how Sino-Thai capital evolved into "national" finance.

Twentieth-century nation-building enforced assimilation through naming laws, cultural mandates, and strict regulation of Chinese schools—particularly during the 1930s-40s when closures intensified amid anti-communist fears. This created the ideological "good Chinese/bad Chinese" binary that rewarded loyalty while suppressing cultural autonomy.

The Cold War cemented a tripartite military-monarchy-Chinese business alliance that crushed leftist alternatives and curated public memory around Chinese loyalty. Violent episodes challenging this narrative—the Yaowarat Incident (1945) and Phlapphlachai Riot (1974)—were systematically muted in official history.

This historical downplaying served three purposes: ethnicized pedagogy preferred singular Thai origins; legal sensitivities avoided highlighting dependence on unequal treaty arrangements; and class management required maintaining the "good Chinese" framework for elite cooperation.

Ultimately, Thai nation-building repeatedly stabilized itself by incorporating Chinese capital while disciplining Chinese difference—a hybrid genesis retold as royal-centered romance rather than contested co-founding.

America returns to Asia

Farhat Ali

The United States has re-entered Asia's power game under Donald Trump, balancing China's decade-long dominance and reshaping the region's trade, technology, and strategic balance. After years of strategic drift, Washington is back in Asia — and not quietly.

Trump's re-entry at the APEC summit, followed by visits to Japan and key ASEAN states, marks America's most forceful Indo-Pacific push since the Obama era pivot. His message was clear: "The US is back in Asia" — determined to reclaim its economic and strategic footprint. For over a decade, America's absence allowed China to make deep inroads through its Belt and Road Initiative (BRI), regional lending, and infrastructure investments, tying Southeast Asian economies into its orbit. From Myanmar's ports to Indonesia's industrial corridors, Chinese capital built both bridges and influence.

At APEC, Trump projected warmth and assertiveness in equal measure. He called his trip a "mission of friendship and goodwill" while pledging US commitment to a "free, open, and thriving Indo-Pacific." He announced new partnerships in energy, artificial intelligence, critical minerals, and advanced technology. Critical minerals deals remain his priority and a number of countries of the region have volunteered to work with the US on its supply chain.

Two trade deals and two framework agreements unveiled during his tour cover about 68 percent of America's $475 billion two-way trade with the ASEAN — an ambitious bid to re-anchor US commerce in the region's booming markets. Yet Trump's approach remains vintage: diplomacy through deals. "Asian economies open markets for US in exchange for tariff relief.

Trump's visit to Japan underscored the country's pivotal role in Washington's Indo-Pacific revival. Tokyo remains America's most reliable ally in the region, sharing concerns over China's maritime expansion and technological ambitions. During the visit, Trump pushed Japan to assume a more assertive economic and security posture — both as a regional counterweight to Beijing and as a trusted partner in high-end technology cooperation.

Japan, already a core member of the QUAD alliance, is expected to deepen defence and semiconductor coordination with the US. Tokyo views Trump's outreach as a chance to consolidate its role as Washington's anchor in Asia's shifting power equation. Japan's enhanced role and India's reduced visibility appears to be the hallmark of Trump's Asia pivot. In contrast, India's role appears muted. Despite its size and ambition, India remained largely out of Trump's current Asia outreach, signaling either a deliberate US focus on Southeast Asia's faster-growing economies or a cooling of bilateral chemistry since earlier QUAD enthusiasm. New Delhi's inward economic focus and cautious diplomacy — balancing ties with Russia and managing border tensions with China — may have kept it on the sidelines of Trump's early Indo-Pacific agenda. This limited Indian visibility suggests that the US under Trump may prioritize economic pragmatism over broad strategic partnerships, choosing to engage directly with countries where immediate trade and investment gains are tangible.

America's renewed Asian push coincides with Europe's quiet drift away from Washington. Frustrated by tariffs and oscillating US foreign policy, European powers are pursuing strategic autonomy. The Ukraine war and NATO's uncertain role have deepened this shift. Asia, by contrast, offers both growth and leverage. For Washington, returning to Asia is not just about trade — it's about reclaiming influence in the world's most dynamic region, where the next global balance of power will be decided.

Beijing may not watch passively as Washington reclaims lost ground. Its response will likely combine economic deepening and strategic containment. Economically, China is expected to double down on Belt and Road Initiative projects, offer debt relief to struggling partners, and accelerate trade under the Regional Comprehensive. Economic Partnership (RCEP) — where the US has no seat. Beijing may remind its neighbors that Chinese markets are geographically closer, and its financing, while firm, comes with fewer political strings.

For Southeast Asia, America's return is both welcome and challenging. The ASEAN economies want US investment to balance China but fear being caught in another trade war. Their current approach is pragmatic hedging, engaging both powers while avoiding full alignment with either. Vietnam, Indonesia, and Malaysia already benefit from US-China decoupling by attracting relocated manufacturing, while Singapore remains the region's financial bridge.

Pakistan, being a strategic partner of China in the region, while sourcing its defense and economic needs largely from China, has carved out a place for itself in the Trump's circle of partners and has hedged its influence in Asia and the Middle East, which calls for a cautious approach as economic dividends and geopolitical dynamics are quite challenging.

> *The most likely outcome is competitive coexistence — Washington and Beijing contesting influence without open conflict. Europe, meanwhile, stands between the two: wary of American unpredictability yet cautious of Chinese dependence.*

The US-China rivalry is no longer about military might alone; it is a contest for technological, trade, and strategic dominance. Both powers know that Asia's markets and supply chains will define global leadership in the coming decades. For China, maintaining influence means recalibrating partnerships with greater transparency and sustainability. For the US, rebuilding trust after years of inconsistency will require more than trade pressure; it needs a coherent, long-term presence that respects regional priorities.

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