PODCAST

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Beyond Excellence

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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.

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Switzerland

In 2025, Switzerland's small, open, and export-dependent economy faced a perfect storm of external shocks, leading to significant growth headwinds. The year was dominated by a severe trade crisis with the United States, which imposed punitive 39% tariffs on Swiss exports in August, triggering a 22.1% month-on-month collapse in sales to its largest single market. This exposed Switzerland's high vulnerability, with exports to the US accounting for 6.7% of GDP.

In response to this demand shock and battling deflationary pressures (CPI turned slightly negative in May) exacerbated by a soaring Swiss Franc (up over 11% against USD), the Swiss National Bank (SNB) took a radical dovish turn, cutting its policy rate to 0%—the first major developed economy to return to the zero lower bound. Domestically, the political debate raged over a comprehensive framework agreement with the European Union, highlighting deep divisions about the country's future relationship with its biggest trading partner.

Simultaneously, Switzerland's status as the world's premier cross-border wealth hub was challenged, with capital flowing to Singapore, Hong Kong, and the UAE following the Credit Suisse debacle and tax uncertainties. Despite these macro pressures, the domestic entrepreneurial spirit remained vibrant, with a record number of new company registrations in the first half of the year. Through a combination of high-level and unconventional "CEO diplomacy," Switzerland made significant progress by year-end in negotiating a potential reduction of US tariffs to 15%. The year 2025 underscored Switzerland's acute exposure to geopolitical and trade policy shifts while testing its renowned institutions and adaptability in preserving economic stability and its global role.

Bahrain

In 2025, Bahrain's economy demonstrated steady progress under its Economic Vision 2030, navigating fiscal pressures while advancing diversification.Key drivers included robust financial services, a recovering tourism sector, and strategic investments in logistics and advanced manufacturing.Major initiatives included the launch of a **National Innovation Strategy (2025-2035)**, enhanced SME support programs with AI-powered customs, and the implementation of a 15% supplementary tax on large multinationals. Despite public debt exceeding 100% of GDP, which led to an S&P credit outlook revision to "negative," Bahrain benefited from GCC development funds and maintained remarkably stable inflation around 2.5-3.0%. Regionally, Bahrain strengthened fintech corridors with the UAE and Saudi Arabia, while internationally, it deepened ties with the UK and prepared for a UN Security Council term. Overall, Bahrain reinforced its position as a regional hub for finance and innovation, focusing on sustainable and inclusive growth amidst ongoing economic transformation.

Bangladesh

In 2025, Bangladesh navigated a year of significant economic deceleration and political transition. Growth estimates were progressively revised downward from initial projections of 6.0-6.4% to approximately 3.97% for the fiscal year, as the economy grappled with persistently high inflation (peaking near 10%), substantial public debt (reaching 112% of GDP), and pre-election political uncertainties. Strong worker remittances and a notable recovery in foreign exchange reserves (to nearly $32 billion) provided crucial external stability. The government pursued strategic initiatives under the **"Smart Bangladesh 2041"** vision, including advancing mega-infrastructure projects like the Padma Bridge Rail Link, promoting renewable energy with a revised 20% target by 2030, and securing international financing for climate adaptation and public sector transparency. However, deep-seated challenges including banking sector vulnerabilities, high youth underemployment, and tensions in trade relations with the U.S. and India posed headwinds. With the nation under an interim government preparing for 2026 elections, Bangladesh's economic trajectory hinges on restoring political stability and implementing essential structural reforms to foster job creation and sustainable, inclusive growth.

Bhutan

In 2025, Bhutan's economy experienced robust growth and transformative diversification. This acceleration was driven by a strong recovery in tourism and the commissioning of the major 1,020 MW Punatsangchhu-II hydropower plant, which boosted electricity exports to India. Most notably, Bhutan emerged as a global pioneer in the digital economy, strategically leveraging its abundant hydropower for large-scale cryptocurrency mining. The state-backed 500MW Jigmeling bitcoin facility began operations, adding to national reserves exceeding 10,000 BTC (valued over $1.28 billion), while a national crypto payment system for tourism was established. The government aggressively promoted investment through new FDI rules allowing 100% foreign ownership in key sectors, tax holidays for green tech startups, and the launch of the ambitious Gelephu Mindfulness City special administrative zone. Despite this progress, public debt remained high at 122% of GDP, and youth unemployment required focused attention through forums and job creation programs. Throughout the year, Bhutan maintained its unique development path, balancing economic modernization and digital innovation with the steadfast preservation of its Gross National Happiness philosophy, Buddhist cultural heritage, and high-value, low-impact tourism model supported by a mandatory Sustainable Development Fee.

Brunei

In 2025, Brunei's economy demonstrated a pattern of modest recovery followed by anticipated moderation, with GDP growth projected around 2.0-2.3% for the year. The nation continued its challenging journey of economic diversification away from overwhelming dependence on oil and gas, which still accounted for over 65% of state revenue. Positive signs included the non-oil sector's contribution to GDP rising to 58% in Q1, driven by downstream expansion like the **Hengyi refinery project** (boosting petrochemical exports by 18%) and a recovery in tourism (arrivals at 90% of pre-pandemic levels). The government actively promoted new sectors through its **Digital Economy Masterplan** 2025, offering tax exemptions for tech startups and investing in AI and blockchain, while also advancing green initiatives like a hydrogen plant and coral restoration projects. Key ongoing challenges included addressing youth unemployment (9.2%) and stimulating private sector growth to ensure the long-term success of the Wawasan Brunei 2035 vision

Central Asian Region

In 2025, the Central Asian region demonstrated remarkable economic resilience and accelerated growth, with collective GDP expansion projected at approximately 5.9%, surpassing initial forecasts.Key infrastructure projects like the China-Kyrgyzstan-Uzbekistan railway and the enhanced Trans-Caspian International Transport Route ("Middle Corridor") solidified the region's role as a vital Eurasia logistics hub. The region adeptly navigated great-power relations via "multi-vector diplomacy," securing major investments from China, the EU, and the U.S. while maintaining traditional ties with Russia. The transformation of the "C5" format to include Azerbaijan as the "C6" symbolized deeper regional integration.

- **Kazakhstan:** Kazakhstan cemented its status as Central Asia's leading economy in 2025, with projected GDP growth of 5.9%. Growth was driven by a strong non-oil sector expansion (5.2%). The country pursued an ambitious dual-track strategy of economic diversification and digital transformation under President Tokayev's vision to become a "digital nation" within three years. The Astana International Financial Centre (AIFC) solidified its role as a regional financial hub, while the "Middle Corridor" logistics route saw cargo volumes surge. Kazakhstan balanced its strategic partnerships, securing a landmark $4.2 billion rail deal with the U.S. while deepening energy and infrastructure cooperation with China. Despite managing inflation (peaking above 11%) and fiscal deficits, Kazakhstan's focus on innovation, infrastructure, and multi-vector diplomacy reinforced its pivotal role as a bridge between Europe and Asia.
- **Uzbekistan:** In 2025, the country's growth was fueled by robust industrial production, a tourism surge, and record foreign direct investment, particularly in energy and infrastructure. Major milestones included the operational launch of the Tashkent-Samarkand high-speed rail and the Sardoba solar plant, alongside pioneering a green hydrogen project. In foreign policy, a landmark achievement was the signing of the Enhanced Partnership and Cooperation Agreement (EPCA) with the European Union, while simultaneously strengthening ties with Russia and regional neighbors. Through continued market-oriented reforms under the "Uzbekistan-2030" strategy and active multi-vector diplomacy, Uzbekistan successfully enhanced its regional connectivity and global integration, transitioning from a landlocked nation to a emerging hub for trade, innovation, and sustainable development.

Mongolia

In 2025, Mongolia's economy demonstrated robust and steady growth, with annual GDP expansion projected between 5.5% and 6.5%, primarily fueled by its dominant mining sector and substantial infrastructure investments. The mining industry, contributing over 20% to GDP and 80% to exports, saw record copper shipments to China and stable coal production, bolstered by the landmark approval of the Gashuunsukhait-Gantsmod cross-border railway with China after 17 years of negotiation. The government's "New Recovery Policy" aimed at diversification attracted significant foreign investment ($1.8 billion by April) into infrastructure and renewable energy, including the completion of the 450MW Salkhit wind farm expansion. Mongolia continued its balanced "Third Neighbor" foreign policy, strengthening ties with both traditional partners (China, Russia) and Western nations. Domestically, efforts in cultural revival (promoting traditional script), technological advancement (5G network launch), and addressing urban-rural disparities were ongoing.

China

In 2025, China's economy demonstrated resilience and achieved its targeted growth of around 5%, with GDP expanding by 5.2% year-on-year in the first three quarters. The government implemented a proactive fiscal policy, issuing 1.3 trillion yuan in ultra-long-term special treasury bonds and investing nearly 500 billion yuan in major national projects. Monetary policy remained accommodative, including a reserve requirement ratio cut that released 1 trillion yuan in liquidity. The economy underwent a significant structural shift, with high-tech manufacturing and the digital economy emerging as primary growth drivers, recording a 9.5% increase in the first half. Exports of the "new three" – **electric vehicles, lithium batteries, and solar panels** – surged by 27% in the first four months. While the property market adjustment and local government debt posed challenges, stimulus measures and consumption promotion, evidenced by 295 million domestic trips during the May Day holiday, supported domestic demand. Internationally, China advanced multilateral engagement through initiatives like the Global Development Initiative and navigated complex relations with major powers, maintaining a focus on technological self-reliance and high-quality development amidst evolving global dynamics.

- **Chinese Taipei (Taiwan):** Taiwan's economy maintained moderate growth of 3.2%-3.8% in 2025, driven by its export-oriented semiconductor sector and recovering domestic demand. TSMC commenced mass production of 2nm chips, solidifying the island's lead in advanced semiconductor manufacturing. A historic shift occurred in trade patterns, with exports to the United States surging 43.1% to $61.6 billion in January-May, while dependence on the Chinese mainland market fell below 30% for the first time since 2001. The government promoted industrial upgrading through the "2035 Advanced Technology Initiative," allocating NT$150 billion for AI and quantum computing R&D. However, the energy vulnerability, alongside geopolitical tensions and fluctuating global chip demand, presented key risks to Taiwan's economic sustainability and industrial resilience.
- **Hong Kong:** Hong Kong's economy experienced a steady recovery in 2025, with GDP growth projected between 3.0% and 3.5%. The government introduced measures to revitalize the capital markets, including exploring optimized listing rules and a shortened T+1 settlement cycle, while BYD's $5.6 billion IPO marked the largest in four years. The 2025 Policy Address emphasized enhanced governance and deeper integration into national development, notably accelerating the Northern Metropolis project, with the Hetao Shenzhen-Hong Kong Tech Zone expected to generate significant economic value and jobs. Challenges persisted, including high office vacancy rates, external trade uncertainties, and profound social concerns following a tragic public housing fire in Tai Po in November, highlighting the need for balanced development between economic advancement and social welfare.

Macao: Macao's economy staged a robust recovery in 2025, with Q1 GDP soaring 15.6% year-on-year, led by a strong rebound in gaming and tourism. The "1+4" economic diversification strategy showed progress, as non-gaming revenue accounted for 42% of integrated resort income, driven by MICE business and luxury retail. Visitor arrivals surged, supported by mainland Chinese travelers and enhanced regional connectivity via the Hong Kong-Zhuhai-Macao Bridge. The government advanced infrastructure projects like the Light Rail Transit expansion and accelerated development in the Hengqin cooperation zone. Macao also reinforced its status as a cultural and events hub by hosting the Macao International Music Festival, the Food Festival, the Macau Grand Prix, and co-hosting the 15th National Games. Continued welfare measures, including the MOP 10,000 cash handout for permanent residents, supported social stability amidst rapid economic revival.

Cambodia

In 2025, Cambodia's economy demonstrated resilience amidst significant challenges, maintaining growth though with downward revisions from initial projections of 6-6.2% to around 5.2-6.2%, with the World Bank cutting its forecast to 4.0% mid-year. Growth was driven by a recovering tourism sector (arrivals reaching 85% of pre-pandemic levels), steady agricultural exports, and manufacturing, particularly garments and footwear, which accounts for 38% of merchandise exports but faced severe threats from potential U.S. tariffs of up to 49%. The government aggressively pursued infrastructure development under its "Pentagonal Strategy," advancing mega-projects like the controversial $1.7 billion Funan Techo Canal and the Phnom Penh-Bavet Expressway. However, the year was dominated by a major border military conflict with Thailand from May to October, which disrupted trade, tourism, and supply chains before a peace agreement was signed on October 26. While maintaining strong ties with China and engaging with ASEAN, Cambodia navigated a complex landscape of economic diversification, digital transformation, and fraught diplomacy, balancing long-term development goals against immediate geopolitical and financial stability risks.

India

In 2025, India solidified its status as the world's fastest-growing major economy, with projected GDP growth between 6.3% and 6.8%, following a robust 7.1% expansion in Q1. This performance was driven by strong domestic demand, a resurgent manufacturing sector (9.2% growth in Q1) fueled by the Production-Linked Incentive (PLI) scheme, and a dynamic services sector led by IT exports and digital innovation. India's digital economy stood out, with the Unified Payments Interface (UPI) processing 172 billion transactions in 2024. However, the economy faced persistent challenges including high wealth inequality (top 1% holds 40% of wealth), job losses in the IT sector, uneven rural recovery, and the urgent need for massive climate-resilient infrastructure investment. Navigating complex geopolitics with strategic autonomy, India balanced relationships with major powers while pushing its Viksit Bharat' vision to become a developed nation by 2047, aiming to translate rapid growth into sustainable and inclusive development.

Indonesia

In 2025, Indonesia's economy demonstrated resilience with steady growth, projected between 4.6% and 5.4%, though facing downward revisions from international bodies like the World Bank (to 4.7%). The government's downstreaming policy bore fruit, with nickel-based exports surging 28%, while overall export growth remained modest at 4.1%. To stimulate the economy, a IDR 24.44 trillion fiscal stimulus package was launched in mid-2025, and Bank Indonesia cut interest rates to 5.25% amid low inflation. Key structural initiatives included a new export proceeds retention rule to boost reserves, the establishment of a $20 billion sovereign wealth fund (Danantara), and proposed VAT adjustments. However, challenges persisted: public debt approached 22.4% of GDP, external risks from U.S. tariffs and geopolitical tensions loomed, and the energy transition plan faced criticism for permitting new coal plants until 2033 despite lofty renewable targets.

Japan

In 2025, Japan's economy navigated a fragile and uneven recovery, marked by the official end of deflation but challenged by persistent inflation and political upheaval. GDP growth was weak and volatile, contracting at an annualized rate of 1.8% in Q3 after modest expansion earlier in the year. The political landscape was transformed as the ruling LDP lost its parliamentary majority, leading to Prime Minister Shigeru Ishiba's resignation in September and ushering in a new coalition government under Sanae Takaichi. Geopolitical tensions with China escalated dramatically over Taiwan-related remarks, resulting in canceled flights and projected tourism losses of up to ¥2.2 trillion. Structural headwinds remained severe, including a record-low fertility rate (1.26), acute labor shortages affecting 36% of firms, and the world's highest public debt burden exceeding 260% of GDP. Japan's path forward hinges on balancing monetary normalization with fiscal sustainability, implementing productivity-enhancing reforms, and managing complex external relations amid domestic political realignment.

Laos

In 2025, Laos maintained steady economic growth of 4%-4.5%, driven by robust hydropower exports, a recovering tourism sector and the transformative impact of the China-Laos Railway. However, the economy faced significant headwinds, including high public debt (72% of GDP), persistent inflation (around 6%), currency depreciation (12% since 2024), and low foreign reserves ($1.2 billion). The government prioritized infrastructure development, opening the Fifth Thai-Lao Friendship Bridge and implementing cost-cutting policies for road projects. Major foreign investment was secured for a landmark refinery and SEZ project in Vientiane Province through a Chinese partnership. Laos also advanced its regional integration, gaining partner state status in the Shanghai Cooperation Organisation (SCO) and deepening ties with Vietnam. Balancing economic growth driven by regional connectivity with fiscal sustainability and inclusive development remained Laos' central challenge as it navigated its path as a land-linked ASEAN hub.

Malaysia

In 2025, Malaysia's economy demonstrated remarkable resilience and accelerated growth, with annual GDP expansion projected to reach at least 5%, exceeding initial forecasts. The government advanced ambitious industrial policies under the **New Industrial Master Plan 2030** and **National Semiconductor Strategy**, including a $250 million investment in Arm Holdings to develop domestic chip manufacturing. Fiscal reforms were a cornerstone, with targeted subsidy savings and the expansion of sales and service taxes to new sectors, projected to generate RM10 billion in 2026 while protecting low-income groups. The National Energy Transition Roadmap progressed, with renewables reaching 28% of the energy mix. However, challenges persisted: public debt remained high (64.6%-76.5% of GDP), a corruption probe tested political integrity, and severe flooding exacerbated by climate change displaced thousands. Malaysia also navigated complex geopolitics, deepening ties with China while balancing relations with major powers. Overall, the year marked significant strides in economic modernization and competitiveness, though sustaining inclusive growth amid fiscal, environmental, and governance challenges remains the critical task ahead.

Middle East Region

In 2025, the Middle East region displayed a dual economic reality: Gulf Cooperation Council (GCC) nations advanced steadily on diversification paths while conflict-affected economies faced severe distress. Overall regional growth was projected between 2.6% and 3.3%, driven by structural reforms under ambitious national visions. The non-oil sector became the dominant GDP contributor in the GCC (averaging 53%, with UAE reaching 73%), fueled by booming tourism (Dubai visitors exceeding 18.7 million, Saudi Arabia reaching 18.5 million), fintech expansion, and massive renewable energy investments ($28 billion annually). The region also deepened "Eastward" economic ties, particularly with China, while navigating a complex security landscape.

- **Saudi Arabia:** Saudi Arabia made substantial progress in its Vision 2030 transformation in 2025, with the non-oil sector driving GDP growth of 3.8%-4.1% and now constituting 45%-53% of the economy. Key achievements included a tourism surge (18% increase to 18.5 million visitors), significant advancement in giga-projects like NEOM and the Red Sea project, and attracting $12.3 billion in FDI focused on technology and renewables. Social reforms accelerated, with female labor force participation rising to 34.5%-35%. Challenges such as housing shortages, Saudization pressures (unemployment at 7.8%-7.9%), and potential cost overruns in mega-projects highlighted the complexities of balancing ambitious development with economic stability. Saudi Arabia also actively engaged in regional diplomacy, fostering reconciliation with Iran while deepening strategic economic partnerships with China.
- **United Arab Emirates (UAE):** The UAE solidified its position as a global hub for business, innovation, and tourism in 2025, with the economy growing 4.0%-4.3% led by a 5.1%-5.8% expansion in non-oil sectors. The country made strategic leaps in technology, securing a landmark deal for 1.8 million AI chips from NVIDIA and planning a $100 billion semiconductor manufacturing complex. Its green transition advanced with major solar expansions, and it leveraged free zone advantages to attract Chinese EV manufacturers for "Made in UAE" exports. Fintech flourished within the DIFC, hosting over 1,000 firms. The UAE's active economic diplomacy, through Comprehensive Economic Partnership Agreements (CEPAs) and hosting major international events, reinforced its role as a critical node in the global economy.

Myanmar

In 2025, Myanmar's economy endured a catastrophic year, crushed under the triple weight of protracted civil war, political turmoil, and a devastating natural disaster. The World Bank projected a GDP contraction of 2.5% for FY2025-26, worsening from an earlier forecast of -1%, following the March 2025 earthquake that caused $11 billion in direct damages (14% of GDP). While Q1 showed fragile signs of stabilization from an extremely low base, the economy remained approximately 9% smaller than pre-coup levels. Hyperinflation raged, peaking at 34.1% in April, and the kyat depreciated sharply by 18% since 2024. The financial system was paralyzed, with chronic cash shortages pushing an estimated 65% of economic activity into the informal sector. Politically, the country descended into full-scale civil war, with anti-junta forces controlling about 42% of the territory. The military regime extended its "state of emergency," prepared for a tightly controlled, AI-surveilled election, and deepened alliances with Russia and Belarus. With a collapsing economy, a deepening humanitarian catastrophe, and no political resolution in sight, Myanmar's crisis posed severe stability risks for the wider Southeast Asian region.

North Korea

In 2025, North Korea's economy remained mired in severe stagnation and isolation, with estimated GDP growth of only 0.8%-1.2%. The nation's economic life was utterly dominated by the "military-first" policy, with military-industrial production estimated to grow 5-7%, diverting critical resources from civilian needs. International sanctions crippled normal trade, leaving China as the sole major partner, with bilateral trade volumes remaining far below pre-sanction levels despite a modest 12% increase. Chronic energy shortages caused frequent blackouts outside Pyongyang, and infrastructure decay was rampant, with rail networks operating at just 30% capacity. The regime achieved significant military advancements, including showcasing its first nuclear-powered submarine and breaking ground on its largest-ever military production complex in Jagang Province. A strategic partnership with Russia deepened, potentially providing economic lifelines through arms trade and technology transfers in violation of sanctions. Diplomatically, Pyongyang rejected dialogue with the US and South Korea, instead conducting missile tests and military exercises.

Pakistan

In 2025, Pakistan's economy achieved fragile stabilization under the strict supervision of a $7 billion International Monetary Fund (IMF) Extended Fund Facility, with GDP growth projected between 2% and 3%. The IMF program helped avert a balance of payments crisis, bolstering foreign exchange reserves to $9-12.5 billion and bringing inflation down from a peak of 38% to around 12.3% by July, though food inflation remained high at 15.2%. However, the adjustment came with significant pain: austerity measures, energy subsidy cuts, and a debt burden consuming 65% of government revenue. The country faced severe climate shocks, notably monsoon floods causing hundreds of deaths, and ongoing political instability. Externally, Pakistan relied heavily on remittances ($2.4 billion monthly) and deepened trade ties with China under CPEC Phase-II and with the EU via the GSP+ scheme. The path to sustainable recovery remains narrow, dependent on continued tough reforms, political stability, and resilience against climate and geopolitical shocks.

Philippines

In 2025, the Philippines sustained its position as one of Southeast Asia's fastest-growing economies, with projected GDP expansion of 5.3%-6%, following a robust 6.1% growth in Q1. The growth was primarily driven by strong domestic consumption, buoyed by steady remittances ($3.2 billion monthly) and a vibrant labor market, alongside significant government-led infrastructure investment under the "Build Better More" program. The government advanced strategic reforms, including restructuring its economic planning agency, implementing the **Corporate Recovery and Tax Incentives for Enterprises Act** (cutting corporate tax to 20%), and launching a sustainable finance strategy. Externally, the Philippines secured a new bilateral trade arrangement with the U.S., deepened its security alliance, and navigated tensions with China in the South China Sea while preparing to assume the ASEAN Chairmanship in 2026.

Singapore

In 2025, Singapore's economy demonstrated resilience and steady growth, with full-year GDP expansion projected within the government's forecast range of 2-3%. The nation secured record fixed asset investments (S$18.2 billion in advanced manufacturing) and attracted significant green economy investments. The government advanced strategic initiatives including the National AI Strategy 2.0, the **Singapore Green Plan 2030**, and strengthened the Progressive Wage Credit Scheme to support low-income workers. However, challenges included slowing export growth (2.1% in Q1), persistent labor shortages in construction and healthcare, a cooling property market, and geopolitical uncertainties. Under Prime Minister Lawrence Wong's leadership, Singapore continued to balance its role as a global financial and innovation hub with domestic priorities like housing affordability and cost of living, while navigating complex international relations and deepening regional partnerships, such as the Johor-Singapore Special Economic Zone.

South Korea

In 2025, South Korea's economy experienced a moderate and uneven recovery, with GDP growth projected between 2.3% and 3.1%. The rebound was largely powered by a strong resurgence in semiconductor exports (jumping 18% in Q1), driven by global AI demand, alongside a gradual improvement in domestic consumption. The government aggressively supported strategic industries, establishing a $34 billion policy fund and enhancing tax credits for chip investments through the K-Chips Act. However, the year was marred by unprecedented political turmoil following the imprisonment of former President Yoon Suk-yeol on corruption charges, which deepened societal divisions. In foreign policy, Seoul navigated complex relations: strengthening security ties with the U.S. and Japan, managing economic dependencies with China, and cautiously exploring dialogue with North Korea while facing pressure to secure favorable trade terms with Washington to avoid high tariffs. Despite political instability, South Korea's cultural influence continued to expand globally through K-pop and other cultural exports. The nation's path forward hinges on its ability to reconcile political strife, address deep-seated demographic and financial vulnerabilities, and maintain its technological edge amidst intensifying geopolitical competition.

Thailand

In 2025, Thailand's economy navigated a path of moderate recovery amidst significant headwinds, with full-year GDP growth estimated around 3.2%, down from earlier optimistic forecasts due to external shocks. The recovery was primarily fueled by a sustained tourism rebound, with arrivals reaching 85% of pre-pandemic levels and revenue increasing 4.5% in Q1, alongside steady growth in automotive exports and agricultural shipments. Foreign investment attraction showed promise, with $5.3 billion FDI secured in Q1 focusing on EVs and digital sectors, supported by incentives in the Eastern Economic Corridor. However, the year was severely marred by a border military conflict with Cambodia, which led to casualties, diplomatic downgrades, and a sharp mid-year growth forecast cut to 1.7%. Under Prime Minister Chaithawat Tulathon's coalition government, political stability improved, and Thailand maintained its traditional non-aligned foreign policy while balancing ties with major powers. The country continued to advance infrastructure projects like the Land Bridge and position itself as a regional hub for medical tourism and digital assets. Thailand's economic trajectory highlighted its resilience but also underscored its vulnerability to external shocks and the critical need for balanced and sustainable policy implementation.

Vietnam

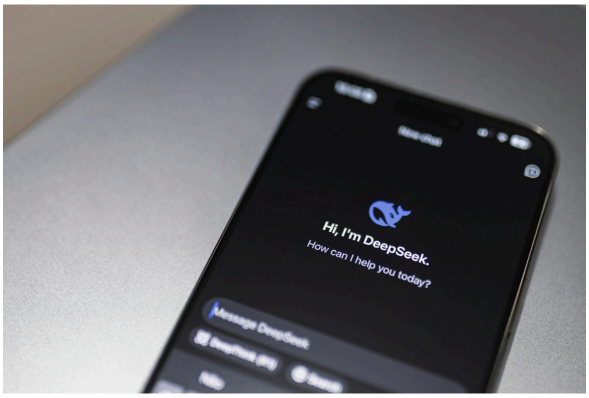
In 2025, Vietnam solidified its status as one of Asia's fastest-growing economies, with GDP expanding robustly at 6%-6.5% throughout the year, driven by surging manufacturing exports, a strong rebound in foreign direct investment (FDI up 12.8% in the first three quarters), and resilient domestic consumption. The government aggressively pursued strategic initiatives under the "Make in Vietnam" campaign, the National Digital Transformation Program (including plans for an AI-powered city in Ho Chi Minh City), and a green energy transition targeting 16% solar power by 2030. However, significant challenges emerged, including new U.S. tariffs of 20-40% on key exports, a cooling property market, energy security concerns, and structural bottlenecks like low tax revenue (19% of GDP) and skilled labor shortages. Geopolitically, Vietnam joined BRICS in June 2025 to secure development financing and deepened comprehensive partnerships with both China (45 new agreements on semiconductors and railways) and the United States, while practicing its flexible "bamboo diplomacy."

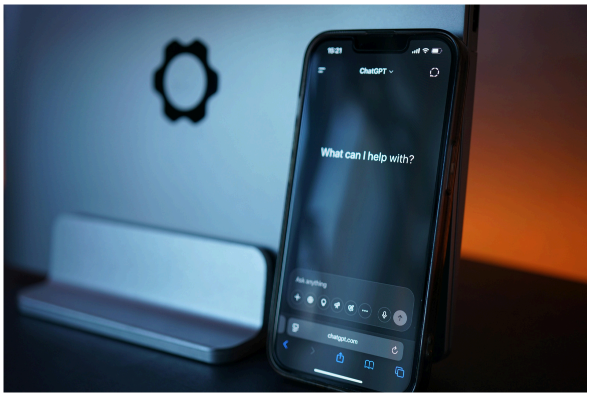
COLUMN REPORT

G L O A L T R E N D S : 2 0 2 5

1. Technology & Innovation: China's DeepSeek Advancements and Global Response

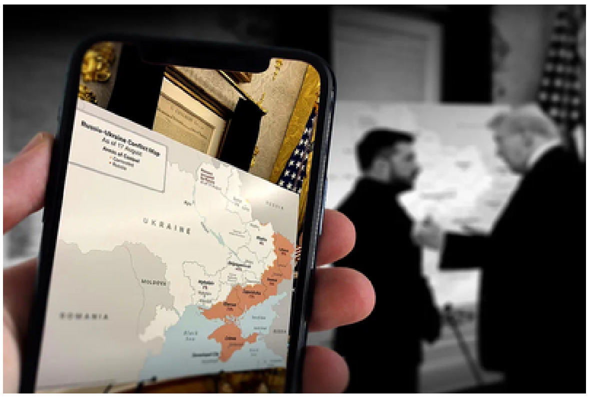
China has achieved breakthroughs in AI, quantum computing, biotechnology, and sustainable innovation, reshaping global technological leadership. The U.S. and Europe have responded by strengthening tech sovereignty, tightening export controls, and accelerating domestic R&D (e.g., EU Quantum Leap Initiative, U.S. CHIPS Act 2.0). Global competition for STEM talent intensifies, with both sides overhauling education and retention strategies.





2. Geopolitics: Ukraine Crisis and Great Power Rivalry

The U.S.-Ukraine minerals agreement has strained transatlantic relations, sidelined Europe, and delayed Ukraine's NATO aspirations. Russia continues to influence the conflict, controlling key mineral resources and complicating peace talks. The G20 summit in Johannesburg highlighted multilateral cooperation but was marked by the absence of the U.S. and Russia, revealing global divisions.

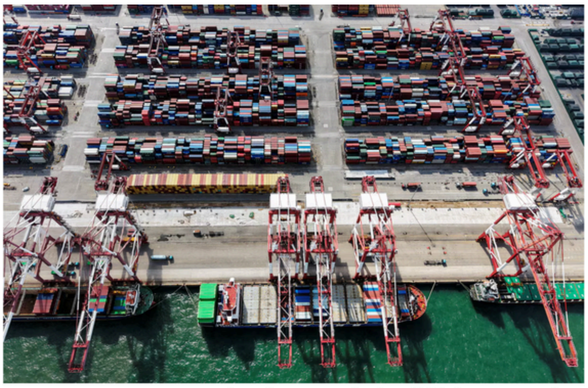


3. Trade & Globalization: Protectionism and Regional Cooperation

The Trump administration's "reciprocal tariffs" disrupted global supply chains, particularly in Asia. ASEAN+3 nations reaffirmed support for the WTO system and strengthened regional financial safety nets (e.g., Chiang Mai Initiative Multilateralization). The U.S. and China reached a temporary tariff de-escalation in Geneva, though structural tensions remain.

4. Energy & Resources: Critical Minerals as Strategic Assets

China's restrictions on rare earth exports and processing technology have spurred global supply chain diversification. Pakistan and Southeast Asian nations are emerging as alternative mineral suppliers but face technical, governance, and environmental challenges. Europe is pursuing energy autonomy to reduce reliance on Russian and Chinese critical minerals.



A drone view shows ships and containers at the port in Qingdao, Shandong province, China October 30, 2025. China Daily via REUTERS

5. Security & Conflict: Middle East and South Asia Tensions

Escalating Israel-Iran conflict disrupted energy markets, tech supply chains, and financial stability. Renewed India-Pakistan clashes revealed shifting regional power dynamics and the limits of unilateral dominance. The U.S. remains a key mediator in global crises, while China and Russia exercise strategic restraint.

6. Economic Policy: U.S. OBBBA Act and Global Spillovers

The "One Big Beautiful Bill Act" combines tax cuts, social spending reductions, and increased defense outlays, raising U.S. deficit and debt levels. The Federal Reserve's successive rate cuts aim to balance growth and inflation amid rising economic uncertainty. The Swiss franc strengthened as a safe-haven currency amid global trade volatility.

7. Regional Dynamics: European Strategic Autonomy and ASEAN Expansion

Europe is pursuing "sovereign interoperability," balancing between the U.S. and China while enhancing defense and supply chain resilience. ASEAN welcomed Timor-Leste as its 11th member, deepening regional economic integration. The U.S. re-engaged Asia through APEC and bilateral deals, seeking to counter China's influence in the Indo-Pacific.

8. Society & Ideology: Polarization and Mobilization

The assassination of conservative activist Charlie Kirk in the U.S. galvanized right-wing movements globally. International efforts revived the Israeli-Palestinian two-state solution, with several Western nations recognizing Palestinian statehood. Thailand maintained political stability but faced economic headwinds from declining tourism and U.S. tariffs.

9. Technology & Industry: The China Model and Global Competition

China's "deep infrastructure"—digital networks, advanced power grids, and a skilled industrial workforce—underpins its tech leadership in EVs, clean tech, and AI. U.S. export controls and tariffs have had limited success in curbing Chinese technological progress. Global industrial policies are shifting toward strategic autonomy and supply chain restructuring

China's Foreign Minister Wang Yi and Swiss Foreign Minister Ignazio Cassis walk during an official visit at Castelgrande in Bellinzona, Switzerland, October 10, 2025. ELIA BIANCHI/Pool via REUTERS Purchase Licensing Rights

10. Outlook: Cooperation and Competition in a Multipolar World

The global order is fragmenting into competing blocs, with the U.S., China, and Europe as central actors. Technology, resources, and finance are key arenas of great power competition. Regional cooperation frameworks (ASEAN+3, SCO) are gaining importance as buffers against global instability.

2025 emerged as a pivotal year of global realignment, marked by technological disruption, resource nationalism, trade fragmentation, and regional conflicts. Nations and businesses are adapting through strategic diversification, resilient supply chains, and calibrated diplomacy. The path forward will demand agility, cooperation, and a clear-eyed assessment of risks in an increasingly multipolar world.

Partnership

Partnering with SwissCham ASIA provides your organization with access to an influential network of Swiss and Asian businesses, enabling collaboration, innovation, and growth across key industries. SwissCham ASIA serves as a strategic bridge between cultures and economies, offering partners unique opportunities to engage through exclusive events, thought leadership forums, and curated networking sessions with decision-makers and industry leaders in Asia and Switzerland. We offer tailored partnership categories to meet your organization's specific needs and aspirations:

- **Silver Partnership:** Build your brand with event participation and visibility in SwissCham ASIA's communications and platforms, connecting you to Swiss and Asian business leaders.
- **Gold Partnership:** Participate in exclusive networking opportunities, gain visibility at key events, and benefit from promotional features across SwissCham ASIA's platforms.
- **Platinum Partnership:** Maximize your influence with premium visibility, priority access to strategic initiatives, and the opportunity to co-develop bespoke programs and events tailored to your objectives.

Through these partnerships, SwissCham ASIA ensures your organization is well-positioned to navigate challenges, seize emerging opportunities, and drive sustainable growth in the dynamic Swiss-Asian business landscape.