



ASIAN ANGLE TENGKU ZAFRUL AZIZ

Why Asean's neutrality is our greatest asset in an increasingly divided world



IN 2025, MALAYSIA will again assume the chairmanship of the Association of Southeast Asian Nations, population 676 million. While our region and the world have changed so much since Asean's founding via the Bangkok Declaration of 1967, I would argue that the organisation is more relevant now than it has ever been.

As we approach six decades of existence, Asean has every reason to take pride in how far it has come, where it is now and where it is headed. Together, its member states form the world's fifth-largest economy,

with a combined gross domestic product of US\$3.8 trillion and a sizeable market.

Our region also plays a pivotal part in the global supply chain, with total trade in goods and services reaching US\$3.5 trillion and US\$1.083 trillion in 2023. Foreign direct investment inflows into Asean remained strong last year at US\$229.8 billion.

Malaysia itself is a crucial player in the global semiconductor

supply chain, ranking sixth in exports within this sector. For decades, most of our region has enjoyed relative peace and stability.

Asean should thus talk itself up rather than down. We should recognise ourselves for what we are: a valued global partner with an attractive market base and a nascent middle-power broker, not only bringing the world together but also helping to secure our own economic prosperity.

ASEAN CAN TALK TO EVERYONE

At the heart of this potential lies Asean's neutrality, the Asean way, and Asean centrality. We refused to take sides during the Cold War, and we will not do so now amid the ongoing US-China rivalry.

While we do not, and will not, agree on everything, our collective neutrality and role as a channel for engagement are sources of strength, not weakness.

In a polarised world where countries are pressured into taking sides, Asean's commitment to remain open to all – particularly in trade and investment – is perhaps the most principled stance there is.

US president-elect Donald Trump is said to enjoy making deals. While I believe it's unwise to prejudge his actions upon returning to the White House, it's clear that Asean is increasingly ready to engage and find mutually beneficial paths forward.

This readiness extends to Chinese President Xi Jinping and other world leaders. Truth be told, engaging with these superpowers will not only benefit Asean but also the rest of Asia.

In addition to the Regional Comprehensive Economic Partnership, several Asean members are part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Asia-Pacific Economic Cooperation, as well as being partner countries of Brics.

This highlights Asean's versatility, as well as the bloc's neutrality, non-alignment and friendliness towards all, in support of freer and more open international trade.

Globalisation may be on its way out, but international trade is here to stay. Certainly, this approach is more conducive to achieving the inclusive growth and change envisaged by the UN's 17 Sustainable Development Goals, instead

of contributing to the current multipolarised world that is value-destructive for humanity.

TRADE NEEDS TO REMAIN OPEN

But Asean still has a lot of work to do to become a more integrated economic community. This is why Malaysia has chosen its 2025 chairmanship theme as "inclusivity and sustainability", because we believe these two underlying principles will help Asean remain dynamic.

More must be done to encourage intra-Asean trade which, almost a decade after the Asean Economic Community (AEC) was established, remains far too modest at merely 23 to 25 per cent.

We must continue to remove trade barriers and avoid inward-looking, protectionist policies. This can be achieved by significantly amending the Asean Trade in Goods Agreement in 2025 as well as concluding negotiations over the Asean Digital Economy Framework Agreement.

Further connectivity and diversification – the best hedges against geopolitical volatility – can come through upgrading free-trade agreements within Asean and with key partners such as China and India. We're likewise planning to initiate economic cooperation between Asean and the Gulf Cooperation Council countries and present the AEC strategic plan for 2026–2030.

Through entrepreneurship and leadership initiatives, we can help Asean's benefits reach the region's micro, small and medium enterprises; women and youth; and rural communities.

Pursuing regional efforts like an Asean semiconductor framework and an Asean electric-vehicle implementation road map will not only allow us to tackle emerging economic activities collectively and secure strategically important industries.

ONWARDS, ASEAN

But no best-laid plans will protect these critical supply chains if geopolitical tensions cannot be kept in check. And this is perhaps what Asean needs to bear in mind most: that our neutrality is our greatest asset, and we should oppose any efforts to derail either it or our economic integration and prosperity.

But this neutrality is not the same thing as running in place. Asean must guard against inertia. As Malaysia's former deputy prime minister and prime minister Tun Abdul Razak said in 1967, the peoples of Southeast Asia must realise "that we cannot survive for long as independent but isolated peoples unless we also think and act together ... imbued with our own ideals and aspirations and determined to shape our own destiny".

Asean's challenges will not be resolved in a single year. But surely issues like the conflict in Myanmar as well as the South China Sea dispute are better resolved "among friends", rather than "as enemies".

As such, these are issues we need to face collectively, rather than in isolation.

Perhaps calls to maintain Asean's neutrality contradict a simultaneous imperative to strengthen its unity, sense of purpose and willingness to act in concert with each other. Time will tell. All the same, I strongly believe that Asean matters and is – if it can remain united – a force for good for our region and the wider world. ■

Tengku Zafrul Aziz is Malaysia's Minister of Investment, Trade and Industry.

NEUTRALITY IS NOT RUNNING IN PLACE. ASEAN MUST GUARD AGAINST INERTIA

LAOS HANDS OVER THE POSITION OF ASEAN CHAIR TO MALAYSIA AT A SUMMIT LAST MONTH. Photo: AP