



PRESIDENT TRUMP'S TRIP TO SOUTHEAST ASIA: OVERVIEW AND EXPECTATIONS

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SUMMARY

- On November 3, U.S. President Donald Trump will embark on a ten-day trip to Asia, which includes events in Vietnam and the Philippines after stops in Japan, South Korea, and China. His trip begins with a stop at U.S. Pacific Command (PACOM) in Hawaii.
- In Vietnam, he will participate in APEC meetings in Danang and meet with Vietnamese President Trần Đại Quang and other government officials in a state visit to Hanoi. In the Philippines, Trump will attend a gala celebrating the 50th anniversary of ASEAN, the annual U.S.-ASEAN Summit, and the East Asia Summit (EAS), as well as meet with Philippines President Rodrigo Duterte. Trump added an extra day to the trip in order to participate in the main EAS meetings on November 14 after criticism from foreign policy pundits.
- Trump's agenda in Southeast Asia will have a heavy emphasis on security issues, but the president will also seek to secure bilateral commercial deals.
- Regional leaders will look for clarity on the president's vision for U.S. economic engagement in the region from Trump's speech at the APEC CEO Summit and U.S. positioning on ministerial and leaders' statements. This will be of consequence to U.S. companies, which may be at a disadvantage if the U.S. remains disengaged from regional economic integration efforts.
- Members of the two mega-regional FTA negotiations, RCEP and TPP 11, will meet on the margins of APEC and EAS. TPP members are expected to make an announcement, likely that negotiations over revisions to the agreement following U.S. withdrawal are close to or are substantially concluded.

ABOUT ASG

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INTRODUCTION

President Trump will travel to Asia on November 3-14, on a five-country trip that includes Vietnam and the Philippines following stops in Japan, South Korea, and China. According to the White House, the trip will be the longest visit to the region by a U.S. president in 25 years. On the Southeast Asia leg, Trump will participate in the Asia-Pacific Economic Cooperation (APEC) meetings in Danang and meet with Vietnamese President Trần Đại Quang in Hanoi before traveling to Manila to meet with Philippines

President Rodrigo Duterte, attend a 50th anniversary celebration of ASEAN (Association of Southeast Asian Nations), co-chair the annual U.S.-ASEAN Summit, and, in a late addition, attend the EAS.

The Trump administration has been very engaged in Southeast Asia to date, but largely on a bilateral basis. The administration has already hosted four head of state visits (Vietnamese Prime Minister Nguyễn Xuân Phúc, Malaysian Prime Minister Najib Razak, Thai Prime Minister Prayut Chan-o-cha, and Singaporean Prime Minister Lee Hsien Loong), made numerous phone calls to regional leaders and senior officials, and sent several senior officials to the region. President Trump also met with Indonesian President Joko Widodo (“Jokowi”) on the sidelines of the G20 in July. These efforts have been well-received, particularly by Thailand, Malaysia, and the Philippines, which had strained relations with the Obama administration over human rights and other issues.

Trump's agenda in Southeast Asia will have a heavy emphasis on security issues, including North Korea's nuclear program, the territorial disputes in the South China Sea, and cooperation on counter-terrorism efforts. The humanitarian crisis in Rakhine State in Myanmar will also likely be on his agenda. On the economic front, Trump is expected to focus primarily on bilateral commercial deals. The White House has said he will also “reaffirm the U.S. commitment to a rules-based international economic system,” but it remains unclear whether that will be backed up with new initiatives or policies.

VIETNAM

The annual APEC Leaders' Meeting gathers the leaders of 21 Asia-Pacific economies to discuss regional economic integration efforts. Given the Trump administration's preference for bilateral rather than multilateral frameworks and negotiations, particularly on trade, it is unclear to what extent the administration will utilize the forum. It is still unknown how receptive Trump is to APEC's overarching goal of creating the Free Trade Area of the Asia-Pacific (FTAAP), and whether his still-developing agenda for bilateral free trade agreements (FTAs) can fit into this vision. The outcome of bilateral trade discussions with Japan, South Korea, and China at preceding stops will also impact the dynamics at APEC, particularly if discussions sour.

The Trump administration injected uncertainty over the future of U.S. economic engagement in the region with its decision to withdraw from the Trans-Pacific Partnership (TPP), which has an open accession clause and was put forth as a platform for building towards FTAAP. The administration's strong focus on reducing the U.S. trade deficit and apparent willingness to take unilateral trade actions outside the World Trade Organization (WTO) have added to this uncertainty.

Ten of the fifteen economies that account for the largest U.S. trade in goods deficits are APEC members: Canada, China, Indonesia, Japan, South Korea, Malaysia, Mexico, Taiwan, Thailand, and Vietnam. Trump's counterparts at the forum will likely try to foster a sense of cooperation on trade to minimize potential trade disruptions as the administration looks to reduce the U.S. trade deficit. The administration has launched a renegotiation of the North American Free Trade Agreement (NAFTA); threatened a trade war with China; and pushed South Korea to agree to amending the Korea-U.S. Free Trade Agreement (KORUS).

Most of these economies are strong supporters of U.S. engagement in the region as a counterweight to China's growing power and influence, and will look for clarity on the Trump administration's trade agenda and vision for U.S. economic engagement in the region. One key question is whether the administration's



vision even includes multilateral economic engagement. The uncertainty around the U.S. position stands in marked contrast to China and Japan, which already have massive regional infrastructure financing programs (e.g., China's Belt and Road Initiative and Japan's Quality Infrastructure Initiative) and are leading efforts to advance RCEP and TPP 11. There is a real risk that further U.S. disengagement from regional economic integration efforts will put U.S. companies at a disadvantage vis-à-vis their competitors in the region. Furthermore, the Trump administration needs to increase U.S. private-sector commercial diplomacy efforts in developing Asia, where China, Japan, and other countries such as South Korea are ahead in positioning themselves to share in the benefits of infrastructure and consumer spending booms.

Trump is scheduled to address the APEC CEO Summit, where he will "present the United States' vision for a free and open Indo-Pacific region and underscore the important role the region plays in advancing America's economic prosperity" according to the White House. Asian leaders will undoubtedly look to this speech and U.S. positioning in negotiating APEC's joint ministerial and leaders' statements for more clarity. The White House has only previewed that Trump will "reinforce the U.S. commitment to an equitable, sustainable, and rules-based international economic system based on market principles." Earlier this year, the APEC trade ministers were unable to finalize a statement for the first time reportedly due to the Trump administration's objection on language rejecting protectionism and insistence on adding "fair" to standard language in support of free trade.

On the sidelines of APEC, the remaining TPP members (TPP 11) will meet to push forward the agreement without the U.S. They have been meeting on a regular basis to agree to a list of desired revisions, mainly to provisions that were driven by U.S. demands. Japan and some other members have sought to limit the revisions in the hopes that the U.S. can join at a future date. The TPP 11 are not expected to finalize the agreement in time to hold a signing ceremony at APEC, but are expected to make an announcement on progress, potentially that negotiations over revisions are substantially concluded. Meanwhile, ASEAN and its six FTA partners (Japan, China, India, South Korea, Australia, and New Zealand) will meet to discuss the Regional Comprehensive Economic Partnership (RCEP), another path to establishing the FTAAP, at the EAS in the Philippines.

Bilateral Meeting with Vietnam

Following the APEC meetings, Trump will travel to Hanoi to meet with President Trần Đại Quang and other Vietnamese officials. The visit underscores the importance the U.S. places on its partnership with Hanoi, who likewise views the U.S. as a key economic and security partner. Vietnam acted swiftly to engage the Trump administration and Prime Minister Nguyễn Xuân Phúc was the first Southeast Asian leader to visit Trump at the White House. President Trump and President Trần Đại Quang will likely discuss and reaffirm the commitments made in the joint statement by President Trump and Prime Minister Phúc in May.

The Vietnamese will likely seek more specifics from Trump on strengthening cooperation in key areas such as defense technology, maritime security in the South China Sea, and ongoing war legacy issues such as dioxin remediation efforts. The president will likely seek Vietnam's support for increasing international pressure on North Korea as well as U.S. counter-terrorism efforts. Both sides will look to advance the growing bilateral trade and investment relationship, but will likely stop short of announcing FTA negotiations given the outstanding issues under the U.S.-Vietnam Trade and Investment Framework Agreement (TIFA) and the Office of the U.S. Trade Representative (USTR)'s full plate with NAFTA, KORUS, and China.



THE PHILIPPINES

President Trump will travel to Manila, Philippines, on November 12 to attend a gala celebrating ASEAN's 50th anniversary, participate in the annual U.S.-ASEAN Summit and EAS, and meet with Philippines President Rodrigo Duterte.

Reports that Trump would leave the Philippines before the main meetings of the EAS on November 14 triggered a barrage of criticism from foreign policy pundits in the U.S. and in the region. These pundits argue that the White House is ceding regional influence to China and opting out of important regional discussions central to its agenda, including on North Korea, the South China Sea, and counter-terrorism. The EAS includes the leaders of ASEAN, China, India, Japan, New Zealand, South Korea, Russia, and the U.S. (North Korea is only included the ASEAN Regional Forum, which took place in August). On November 3, Trump changed course and announced he would stay the extra day to participate in the full EAS meetings.

The current regional approach to resolving the territorial disputes in the South China and Sea and North Korea will be topics of discussion at the EAS, with both the Chinese and the U.S. approaches likely to be discussed. Many ASEAN countries retain some trade and diplomatic ties to North Korea, and some, such as Cambodia, have long and special bonds of friendship. ASEAN nations are likely to be more sympathetic to the Chinese approach.

ASEAN discussions and the U.S.-ASEAN Summit will also likely include a focus on ASEAN's humanitarian response to the plight of Rohingya Muslims in Rakhine State in Myanmar. ASEAN has traditionally avoided taking strong stands on internal issues of its member states, but Muslim majority countries such as Malaysia and Indonesia are facing domestic pressure to respond more forcefully. Myanmar's Aung San Suu Kyi is the only leader of one of ASEAN's six "major" countries that President Trump has not reached out to, a notable change after the Obama administration's focus on the country.

On the economic front, again, regional leaders will closely watch for indications of the administration's overarching regional strategy. While Trump's counterparts will be eager to oblige his wishes for securing bilateral commercial deals, they also may press for signs of a more long-term strategic approach.

Bilateral Meeting with the Philippines

This will be the first meeting between President Trump and Philippines President Duterte. The U.S. is the Philippines' oldest treaty ally and the two countries have historically enjoyed exceptionally strong bilateral security, economic, and people-to-people ties. However, relations with the U.S. under the Duterte administration started off rocky as Duterte made disparaging public comments about the U.S., in response to strong criticism of Duterte's anti-drug campaign by the Obama administration.

The waters in the bilateral relationship have calmed thanks to the Trump administration's relatively softer criticism of Duterte's anti-drug campaign; U.S. Ambassador to the Philippines Sung Kim, who has been well-received in Manila; and shared concerns about the Islamic State establishing a foothold in the southern Philippines. Duterte has toned down his rhetoric about the U.S. since the election of Trump, who has praised Duterte's performance and invited him to visit the White House (Duterte has not committed to visiting).



The two leaders are expected to reaffirm their commitment to strong economic and security ties, and will likely focus their discussions on key security concerns such as North Korea and counter-terrorism efforts. Trump and Duterte will almost certainly discuss their individual strategies for constructive engagement with Beijing on the South China Sea and North Korea. However, Duterte will likely reiterate his commitment to charting a more independent foreign policy than his predecessor, President Benigno Aquino III, who Duterte has accused of kowtowing to the U.S. on regional security matters. Duterte has engaged more with China and Russia, visiting both within his first year in office and working to enhance security and economic cooperation, and has taken a markedly more conciliatory approach to resolving the territorial disputes with Beijing than his predecessor. His interest in attracting Chinese foreign direct investment and his distaste for U.S. interference in Filipino affairs undoubtedly shaped this approach.

CONCLUSION

President Trump's first Southeast Asia trip will be a key opportunity for him to reassure allies and partners that the U.S. is committed to the region. Observers throughout the region will look for policy specifics that provide a framework for understanding how the U.S. will approach Asia for the remainder of Trump's term. His remarks on trade, security, and ASEAN centrality will be closely watched.

[ASG's East Asia and Pacific Practice](#) has extensive experience helping clients navigate markets across Asia. For questions or to arrange a follow-up conversation please contact [Anthony Nelson](#).

