



A Multidimensional Predicament: ASEAN Reacts to U.S. “Reciprocal Tariffs” with Caution

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Since the Trump 2.0 administration introduced “reciprocal tariffs” on April 2, 2025, Southeast Asia has been the most seriously hit across the globe. All ASEAN economies have been severely affected, as reflected in sharply declining orders received by many companies, quickly narrowing profit margins, a growing unemployed population and rising economic uncertainties. For this reason, some ASEAN member states tried to take certain countermeasures via ASEAN as a platform, but this move again underscored the predicament they face in responding to relevant risks and challenges.

I. ASEAN’s cautious reaction to U.S. “reciprocal tariffs”

ASEAN is a regional intergovernmental organization that makes decisions on all matters based on consensus. Therefore, it did not promptly make explicit response to the U.S. “reciprocal tariffs.” Immediately after America’s tariff move, Anwar Ibrahim, Prime Minister of Malaysia, the 2025 ASEAN Chair, had phone calls with leaders of Indonesia, Singapore, the Philippines and Brunei to work out a joint response, but it seemed that they failed to reach consensus.

On April 10, 2025, ASEAN economic ministers had a video conference and released the *Joint Statement of the ASEAN Economic Ministers on the Introduction of Unilateral Tariffs of the United States*. On May 26, the 46th ASEAN Summit opened and adopted the

ASEAN Leaders' Statement on Responding to Global Economic and Trade Uncertainties and the ASEAN Economic Community (AEC) Strategic Plan 2026–2030, among other papers. On June 5, the 34th Meeting of the ASEAN Directors-General of Customs (DGs) was held and issued a joint media statement. To sum up, ASEAN's reaction to U.S. "reciprocal tariffs" is roughly reflected in the following aspects:

(I) Concerns over the shocks of the U.S. tariff policy to global and regional economic and trade scenarios. America's unilateral launching of higher tariffs and its subsequent decision to pause it led to rising geoeconomic uncertainties, added to capital and exchange rate fluctuations, and posed complex, multidimensional challenges to ASEAN's economic growth, stability and integration. Specifically, it posed major challenges to businesses, especially medium, small and micro enterprises (MSMEs), and global trade. It disrupted regional and global trade, investment and supply chains, affected regional economic security and stability and the livelihood of millions, hence hindering ASEAN's economic development and ASEAN-U.S. economic and trade relations.

(II) Expecting the U.S. to cherish and promote a comprehensive strategic partnership that is conducive to both sides. ASEAN believes that its comprehensive strategic partnership with the U.S. is very crucial to both sides. In 2024, the U.S. was ASEAN's biggest source of FDI and second-largest trading partner, while ASEAN was the fifth-largest trading partner of the U.S. An ASEAN-centered regional framework has promoted regional peace, stability, economic growth, investment and trade. The U.S. has also played a big role in this and benefited a lot from it.

(III) Wanting to further work with the U.S. to build a robust, balanced and sustainable economic cooperation framework. In the spirit of open communication and cooperation and promoting balanced, sustainable relations, ASEAN vowed not to take any retaliatory measures in response to U.S. tariffs. Instead, it expected to have candid, constructive dialogues with the U.S. to work out solutions acceptable to both

sides, such as promoting two-way trade and investment, deepening strategic trade partnership, enhancing supply chain connectivity and resilience, and facilitating regional cooperation, in a bid to safeguard ASEAN's economic interests and its mutually beneficial trade ties with the U.S.

(IV) Supporting a multilateral trade system that creates a more inclusive policy environment for ASEAN's development. ASEAN supported the statement of WTO Director-General on substantial implications of U.S. tariff policy for global trade and economic growth prospects and urged the WTO to help prevent the escalation of trade conflicts and provide solutions to cooperation. ASEAN will try to keep its regional economic environment predictable, transparent, nondiscriminatory, equitable, inclusive and open, provide support for regional trade, development and growth, and strengthen and expand economic ties with ASEAN partners, including the U.S.

In the meanwhile, some ASEAN countries, especially Vietnam, Cambodia and Indonesia, sent large trade delegations to the U.S. for tariff negotiations. It is reported that staged progress has been made. Some other ASEAN countries proposed to have talks with the U.S. and are actively planning for such talks. Some ASEAN countries only expressed concerns over U.S. tariffs, but have not disclosed any plans or taken any concrete actions to talk with the U.S. yet. It remains to be seen if ASEAN countries' "wait-and-see" policy moves through procrastination or negotiation will work.

II. ASEAN's multidimensional predicament shown by its countermeasures

The weak responses of ASEAN countries in general to U.S. "reciprocal tariffs" again expose ASEAN's lack of toughness and execution and the fact that ASEAN is powerless and unable to address the disputes between its member states and other countries. They also reflect that ASEAN countries have not yet agreed upon a decision to take a unified stance of pressuring the U.S. and work out a deal with the U.S. through negotiations.

First, ASEAN countries are not capable and bold enough to challenge U.S. hegemony through ASEAN. Cambodia became the coordinator of ASEAN-U.S. relations in August 2024, which gave it a certain degree of privilege over whether or not it would prompt the U.S. to develop its ties with ASEAN. Nevertheless, Cambodia was imposed higher tariff rates at 49% by the U.S., with a hefty rate of 3,521% imposed on new energy products because it was unwilling to cooperate with the U.S. on traceability. However, Hun Manet, Prime Minister of Cambodia, still wrote Trump a letter immediately to express his desire to talk with the U.S. over tariffs and sent a delegation to the U.S. for such talks. The prime minister also presided over the 37th U.S.-ASEAN Dialogue, fulfilling the duties of Cambodia as a coordinator.

Then, the disagreements between ASEAN member states make it hard to forge consensus and measures against U.S. bullying. ASEAN is not a supra-sovereign regional organization, rather member states are independent countries with absolute sovereignty and can delegate powers to ASEAN, but not the other way round. Some member states, especially the Philippines and Singapore, are unwilling to cede the right to manage disputes between member states and other countries to ASEAN, let alone doing so at the price of displeasing the U.S. who is their closest friend.

Third, ASEAN's policy of neutrality can hardly intimidate the Trump administration. Even if most ASEAN member states wanted to prompt ASEAN to take collective action against U.S. tariff policy and force Trump to reconsider the possibility of annoying the entire ASEAN, the final neutral stance and policy were not coercive at all. As a result, President Trump surely would not care much about the stances and responses of ASEAN and its member states since he dared to take a hardline approach even toward the EU.

Finally, ASEAN's institutional limitations mean that it can hardly make any difference when under enormous pressure. The *Treaty of Amity and Cooperation in*

Southeast Asia (TAC) agreed upon a dispute resolution mechanism for ASEAN, but this mechanism has not been used yet. When facing conflicts or disputes between nations in the course of development, ASEAN often tended to ease tensions through cooperation and create conditions for solving problems, instead of opting for direct intervention or interference. ASEAN hates to see conflicts between its member states or with other countries, nor does it want to intervene in such conflicts in order to avoid any damage to its diplomatic tradition of staying neutral.

III. Observations and thoughts on the next steps

The countermeasures ASEAN and its member states took against U.S. “reciprocal tariffs” further exposed its weakness. This flaw of ASEAN in responding to risks and challenges was amplified when some ASEAN member states yielded to the coercive U.S. tariff policy for fear of their own interests being compromised by a deal reached between China and the U.S. upon negotiation. In light of this, China should build on the comprehensive strategic partnership with ASEAN to facilitate further institutional cooperation and create favorable conditions for sustainable, common development in the region.

First, China should beefup cooperation with ASEAN to sustain the momentum of regional integration. More interaction and cooperation within existing frameworks are a vital guarantee for steady development and improvement of relations between China and ASEAN and all its member states. With progress in China-ASEAN Free Trade Area (CAFTA) Version 3.0 and the Regional Comprehensive Economic Partnership (RCEP), Asian countries, including China and ASEAN member states, can boost their capacity and confidence in responding to internal and external economic and financial risks and challenges through closer economic, trade and investment ties.

Second, China should push some ASEAN countries to jointly respond to the

challenges posed by U.S. “reciprocal tariffs.” Although ASEAN as a whole failed to forge consensus in response to U.S. “reciprocal tariffs,” some ASEAN countries, especially those with closer economic, trade and investment ties with China, like Malaysia, Vietnam, Cambodia, Laos, Thailand and Indonesia, can to a certain extent form a community of shared interests with China while maintaining strategic communication over tariffs imposed on the U.S. Doing so would prompt the U.S. government to consider the negative effects of “reciprocal tariffs” with more caution.

Third, China should actively speak for “Global South” countries via global and regional multilateral platforms and protect the interests of developing regions and countries, including ASEAN. As a responsible major developing country, China can leverage multilateral dialogue mechanisms, including the UN, G20, APEC and ASEAN Plus N, to urge the U.S. government to cease and even drop irresponsible acts like levying “reciprocal tariffs” and withdrawing from the WHO and the Paris Agreement on climate change, lest such acts would compromise the interests of Global South countries and jeopardize the stability of global economic and trade and the international order.

Fourth, when talking with the U.S. over easing trade tensions, China should also factor in the interests of broader developing countries to avoid negative spillovers of U.S. economic coercion against China to ASEAN countries. In its negotiations with the U.S., China can emphasize its identity as a developing country and the importance of China-U.S. consensus to Global South countries. China should also work with other developing countries to jointly denounce and boycott U.S. acts of destroying the international economic order and push for more collective actions to safeguard the fairness and justice of the order.