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A new Asian triad:

ASEAN, China, and the Persian Gulf align

As western trade wars squeeze the Global South, the first ASEAN–GCC–China summit signals a new economic realignment built on shared development goals and strategic autonomy.



Photo Credit: The Cradle

On 26–27 May, the Malaysian capital, Kuala Lumpur, hosted the first-ever Association of Southeast Asian Nations (ASEAN)–Gulf Cooperation Council (GCC)–China [summit](#), bringing together three of the Global South’s most economically dynamic regions for a trilateral meeting of immense strategic consequence.

While not formalized as a binding alliance, the summit marks the beginning of a bold realignment – one that unites East and West Asia via economic interdependence, shared development visions, and a collective desire to escape western economic coercion.

The summit is historic not only because of its trilateral format, but because it signals the emergence of a flexible Global South bloc capable of recalibrating regional and global power balances.

Malaysia's Prime Minister Anwar Ibrahim set the tone of the event, [stating](#), "I believe the ASEAN–GCC partnership has never been more important than it is today, as we navigate an increasingly complex global landscape marked by economic uncertainty and geopolitical challenges."

In earlier remarks, Ibrahim had highlighted the breakdown of multilateralism, pointing to Washington's unilateral tariffs and growing protectionism as catalysts for this realignment. The US-led order, he argued, is unraveling – its trade wars forcing emerging economies to chart their own course.

China and the Gulf deepen ASEAN ties

Chinese Premier Li Qiang used the occasion to call for stronger macroeconomic coordination among the three blocs and proposed building regional industrial and technological ecosystems, transforming Asia and the Persian Gulf into a single economic zone.

His message was clear: ASEAN, GCC, and China must move beyond transactional ties to "strengthen coordination and cooperation and jointly uphold open regionalism and true multilateralism."

The three economies' alignment is not merely reactive to US-led trade wars – it is rooted in shared development models that prioritize state-led growth, strategic planning, and economic sovereignty.

This summit builds on rapid diplomatic momentum. ASEAN–China ties date back to 1991, but gained speed in 2022 with the launch of a China–GCC roadmap. ASEAN and the GCC followed with a strategic cooperation framework in 2023. The May summit consolidated these efforts into a trilateral format with historic potential.

In 2023, trade between ASEAN and China reached \$700 billion, reaffirming Beijing's role as the bloc's top trading partner. ASEAN–GCC trade stood at \$130.7 billion, while China–GCC trade surpassed \$316 billion the previous year.

Chinese foreign direct investment into ASEAN totaled \$17.7 billion in 2023. Persian Gulf investment in ASEAN, though smaller in scale, rose from \$265.8 million in 2018 to [\\$390.2 million](#) in 2023, concentrated in the wholesale, retail, and financial sectors.

According to the World Bank, the ASEAN, GCC, and China bloc represents nearly a quarter of global GDP – around \$24.87 trillion – and an enormous consumer market of 2.15 billion people, a quarter of the global population.

Their cooperation spans key sectors, including clean and renewable energy, electric vehicle (EV) manufacturing, digital economies, finance, halal production, and infrastructure. These alignments are as political as they are economic, offering a counterweight to US-led trade regimes and Atlanticist influence. ASEAN also makes up eight percent of international goods and services trade, highlighting its global economic heft.

Strategic hedging in an unstable world

But this emerging bloc must also traverse deep geopolitical fault lines. ASEAN states are [divided](#): Cambodia and Laos are closely aligned with China, while the Philippines remains firmly within the US security umbrella. Others – like Malaysia and Indonesia – walk a tightrope, engaging both Beijing and Washington to maximize leverage.

For GCC states, diversifying partnerships is a strategic necessity. Energy-rich and capital-laden, Persian Gulf countries like the UAE and Saudi Arabia are strengthening ties with China through initiatives like the Belt and Road Initiative (BRI). Yet they tread carefully to avoid alienating western patrons. [US military presence](#) in West Asia remains entrenched, and Tel Aviv continues to act as an extension of US power.

Tensions in the South China Sea, especially near the Philippines, remain a flashpoint. Any escalation could fracture ASEAN unity and derail economic plans. In a full-blown conflict involving the US, UK, or Australia, ASEAN members could find themselves forced to choose sides – compromising their development trajectories.

A federation of economic autonomy

Despite these risks, the Kuala Lumpur summit signals a clear break with western economic orthodoxy. The ASEAN–GCC–China bloc does not aim to mirror EU-style integration, but to form a flexible, pluralistic economic coalition anchored in Global South priorities – and based on mutual respect.

ASEAN's [Vision 2045](#) and China's [BRI](#) intersect in their emphasis on sovereignty, infrastructure, and regional connectivity. GCC economies, flush with surplus capital, see in Southeast Asia a high-growth, youthful, stable market ready for long-term investment.

Beijing is facilitating institutional frameworks, including discussions on an ASEAN–GCC Development Fund and a Halal Innovation Council. China's Islamic finance models are gaining traction in ASEAN, where they resonate with local social and ethical norms. Under Beijing's guidance, ASEAN is exploring a range of these alternative financing instruments to invest in its energy grid, and set global standards for ethical development to enhance partnerships with the more conservative societies of Arab, Islamic, and Persian Gulf countries

The potential for joint investment in energy networks and sustainable technologies is also being explored. The BRI continues to fund large-scale infrastructure across the region, further linking ASEAN with Persian Gulf energy grids and Chinese logistics chains.

Notably, ASEAN has become one of the fastest-growing hubs for data centers, with projections indicating that it will soon surpass North America and the Pacific region in digital infrastructure.

Major US tech companies like Google and Amazon are also expanding operations in the region. Global Foundries invested \$4 billion into expanding its microchip facilities in Singapore in 2023. Electric vehicle investments in ASEAN jumped from \$2.7 billion in 2021 to \$18.1 billion in 2022, transforming the region into a manufacturing hub.

The road ahead: Multipolarism or confrontation?

This economic triad may well become a model for south–south cooperation. Yet its durability depends on regional stability. US-aligned states may attempt to undercut trilateral efforts through military entanglements or technology embargoes. Washington’s containment strategy toward China puts ASEAN directly in the line of fire. But as with US President Donald Trump's tariffs, aggressive economic constraints can backfire and drive historic US partners further into the Eurasian sphere.

Today, ASEAN is evolving into one of the world’s most influential economic zones. Its 10 member states boast a population of 600 million and a GDP exceeding \$3 trillion, making the bloc the third-largest economy in Asia and the fifth-largest economy in the world after the US, China, Japan, and Germany. By 2030, 65 percent of ASEAN’s estimated 750 million people are projected to be middle class.

Its share of global foreign direct investment rose to \$228.9 billion in 2023, up from \$118.7 billion in 2015. ASEAN accounts for 34 percent of all Foreign Direct Investment (FDI) flowing into Asia. Trade with both China and the Persian Gulf will further expand ASEAN’s centrality.

According to [World Trade Organization \(WTO\) data](#), trade between developing economies – commonly referred to as south–south trade – rose from 17 percent of global trade in 2005 to 28 percent by 2021.

Last week, in Kuala Lumpur, a new axis of the Global South was sketched – one that seeks independence from declining western markets and sets the stage for a multipolar global economic order.

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