



RCAS Commentary

A New Power Triangle?

The Potential Alliance between ASEAN, the GCC and China

Ghulam Ali

Deputy Director, The Hong Kong Research Center for Asian Studies (RCAS)

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About RCAS

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RCAS aims to become a leading research institute and think tank on Asian affairs in the Indo-Pacific region. To date, RCAS has conducted research programs on maritime disputes in the South China Sea (SCS), China's relations with the Indo-Pacific states, the Belt and Road Initiative (BRI), terrorism/counterterrorism in the Afg-Pak region, and so on. It is committed to promoting maritime cooperation, regional integration, and regional peace in the Indo-Pacific region at large.

RCAS has published nearly ten books in Chinese and English and more than 20 papers in SSCI/SCOPUS/CSSCI-indexed journals. Recent English publications include *Populism, Nationalism and South China Sea Dispute: Chinese and Southeast Asian Perspectives* (Singapore: Springer Nature, 2022); *Pakistan's Foreign Policy: Contemporary Developments and Dynamics* (London: Routledge, 2022); *Crossing the Himalayas: Buddhist Ties, Regional Integration and Great-Power Rivalry* (Singapore: Springer Nature, 2021); *The Reshaping of China-Southeast Asia Relations in Light of the COVID-19 Pandemic* (Singapore: Springer Nature, 2021); *Territorial Disputes, The Role of Leaders and The Impact of Quad: A Triangular Explanation of China-India Border Escalations* (2023); *Managing the South China Sea Dispute: Multilateral and Bilateral Approaches* (2022); *China-Pakistan Cooperation on Afghanistan: Assessing Key Interests and Implementing Strategies* (2022); *Hedging Against the Dragon: Myanmar's Tangled Relations with China since 1988* (2021); and *China-Pakistan Conventional Arms Trade: An Appraisal of Supplier's and Recipient's Motives* (2020).

RCAS has also published hundreds of articles, and its researchers have been interviewed in various local and international media outlets, such as *The Diplomat* in the United States, *East Asian Forum (EAF)* in Australia, *Bangkok Post* in Thailand, *Jakarta Post* in Indonesia, *Lian He Zao Bao*, *Think China* in Singapore, *South China Morning Post (SCMP)*, *China-US Focus* in Hong Kong, *CGTN*, *Global Times*, *World Affairs* in China. RCAS researchers have actively participated in international conferences or study visits in the United States, India, Pakistan, Sri Lanka, Nepal, Myanmar, Cambodia, and other places.

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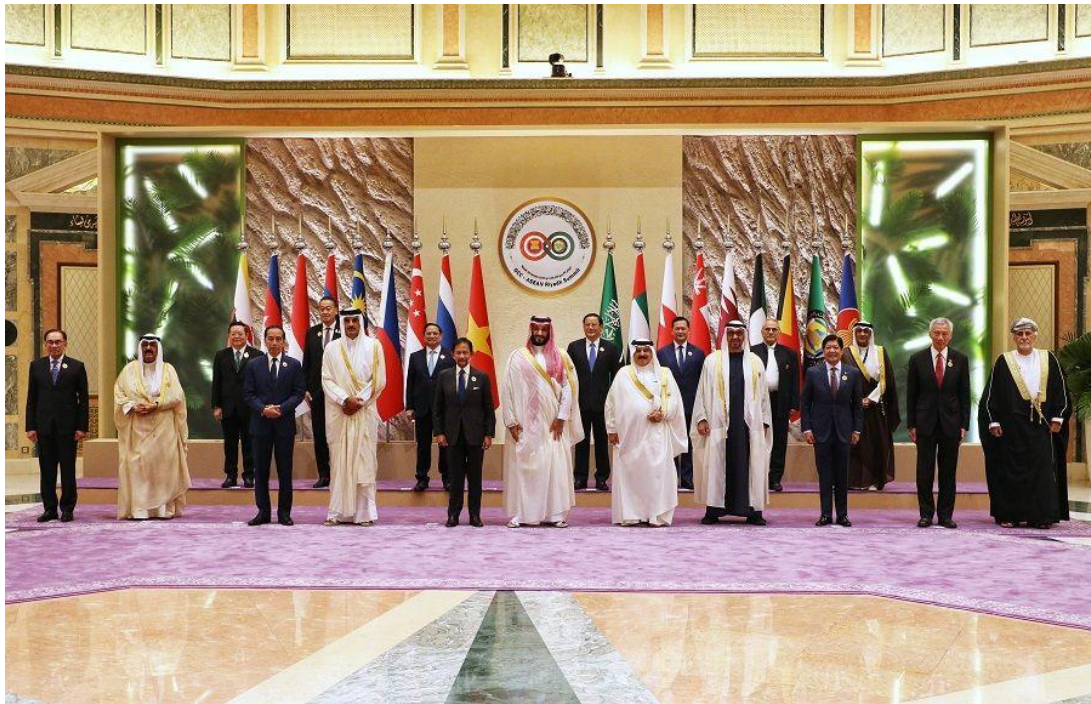
Address: 1507B, EASTCORE1, No.398, Kwun Tong, Kooloon, Hong Kong
Ph: 00852 2397 7886|Email: hkrcas@163.com|Web: www.rcas.top

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During his visit to China on 4-7 November 2024, Malaysian Prime Minister Anwar Ibrahim invited Chinese President Xi Jinping to participate in the second summit between the Association of Southeast Asian Nations (ASEAN) and the Gulf Cooperation Council (GCC), or the ASEAN-GCC summit which would take place in Kuala Lumpur in 2025. To ensure the participation of heavyweight leaders in the summit, Ibrahim, during his visit to Riyadh a few days later, also invited Saudi Arabia's Crown Prince Mohammad bin Salman.



▲ Delegates at the Asean-Gulf Cooperation Council Summit in Riyadh on 20 October 2023. (Ministry of Communications and Information of Singapore).

Anwar's formation of an informal advisory board for the ASEAN summit, which includes former Thai premier Thaksin Shinawatra as an adviser, reflects his intentions for its success. While the Malaysian opposition is skeptical, Thaksin's expertise can help navigate the China-US rivalry and the Myanmar crisis-two main challenges that could impact the summit under Malaysia's chair.

Among them, the China-ASEAN partnership is the oldest, most mature and most multifaceted.

On 13 December, Foreign Minister Datuk Seri Mohamad Hasan reiterated Malaysia's commitment to the trilateral summit and elaborated on the strength of each component. He stated that the GCC possessed significant capital, ASEAN possessed rich natural resources and development potential, and China boasted of a vast market, manufacturing capabilities and investment potential. He added that cooperation among these three could "form a new, substantial bloc with a significant impact on the global economy".

The first ASEAN-GCC summit took place in Riyadh in 2023. On that occasion, both regional blocs outlined their five-year agenda and decided to hold a biennial summit, alternating between the GCC and ASEAN regions. The upcoming Kuala Lumpur summit is a part of that agreement. Malaysia, which officially assumes the chair of ASEAN on 1 Jan 2025, intends to make the summit highly impactful.

China's involvement in ASEAN

Three separate components of this emerging strategic triangle — the China-ASEAN, the ASEAN-GCC and the GCC-China — have developed to summit levels. Among them, the China-ASEAN partnership is the oldest, most mature and most multifaceted. The cooperation goes back to 1996, when China joined ASEAN as a full dialogue partner. Currently, China is one of the 17 dialogue partners of the ASEAN Regional Forum (ARF) and one of ASEAN Plus Three (APT), along with Japan and South Korea.

China and ASEAN have established the ASEAN-China Free Trade Area (ACFTA) and are currently negotiating to upgrade and expand its provisions. The level of engagement could be measured by the fact that in 2023, the China-ASEAN trade volume reached an impressive US\$911.7 billion, making China and ASEAN each other's largest trading partners for four consecutive years. In October 2024, Chinese Premier Li Qiang participated in the 27th China-ASEAN and ASEAN Plus Three summits.

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The second component of the triangle, China-GCC cooperation, has also developed to a summit level. The first China-GCC summit took place during President Xi Jinping's visit to Saudi Arabia in December 2022. This led to increased bilateral cooperation, doubling their trade from 2015 to 2002, reaching US\$316 billion in 2022.

The third ASEAN-GCC component has also evolved into summit-level cooperation. Cooperation between the two regional blocs started in the late 1980s with the

first ministerial meeting convened in June 2009 in Manama, Bahrain, and the first ASEAN-GCC summit held in October 2023 in Riyadh, as mentioned before.

The plan to invite China to the second ASEAN-GCC summit was conceived before the US elections, in which Donald Trump won a landslide victory. The election results prompted these partners to expand their coordination. All three have varying degrees of uncertainty and concerns about future US policies. While GCC members are generally positive about Trump's return to power, they, like the rest of the world, remain perplexed about how a triumphant Trump reshapes the Gulf region.

Trump's potential tariffs and impact

Geopolitically, although ASEAN does not feature as prominently in US policies as the Middle East and China, it remains apprehensive, being the fourth-largest trading partner after Mexico, Canada and China, with US\$269.8 billion in exports to the US in 2023. Thus, ASEAN would not have escaped the effects if Trump had enacted his proposed 10% tariff policy or if there had been shocks in other parts of the world.

Out of these three components of this triangle, China will bear the brunt of the Trump administration's second-term policies. Trump is likely to impose heavy tariffs, up to 100% tariffs, along with additional restrictions on China's access to critical technologies. Like the first term, the Trump administration might push China to enter into a trade agreement to address the trade deficit and invest in the US.

Ripples from US policies are occurring at a time when several ASEAN and GCC member states are already drifting toward the China-led Shanghai Cooperation Organization (SCO) and BRICS (Brazil, Russia, India, and South Africa), of which China is a founding member. At the 12th BRICS Summit held in Russia in October this year, four ASEAN countries-Malaysia, Indonesia, Vietnam, and Thailand-joined BRICS as partner countries, while Laos and Myanmar have expressed interest. From the GCC, the UAE has been a full member of BRICS since January 2024, while Saudi Arabia has been invited to join BRICS but has not yet formally done so.

Five GCC members-Saudi Arabia, Qatar, Bahrain, the UAE, and Kuwait (with the exception of Oman)-and two ASEAN members, Cambodia and Myanmar, are dialogue partners of the SCO. On the other hand, the US applied for observer status in the SCO in 2005 but was rejected.

Strategic considerations

The upcoming Kuala Lumpur summit will potentially connect two regional blocs and China into a strategic triangle. Malaysia is pursuing this objective wholeheartedly. While the nature of China's engagement, whether as a dialogue partner or full member, is yet to be decided, the possibility of becoming a full partner of the

ASEAN-GCC summit cannot be ruled out for the future. The fact that many member countries of the two blocs have close partnerships with China will facilitate this.

By the time of the summit, Trump's policies will have been clear to all three and might bring them together to protect their interests. In addition to geopolitical ripples, the two regional blocs and China have several complementarities. They are geographically closer, share mutual interests and are connected through energy surpluses and demands, labour surpluses and demands, two-way investments, market forces, and a non-interference approach to each other's internal affairs.

Any major development begins with an idea, and that idea has emerged. If ASEAN-GCC Plus China forms a strategic triangle, it would create a significant bloc that would impact the Asia-Pacific political landscape.

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About Author



Dr. Ghulam Ali is currently Deputy Director of the Hong Kong Research Center for Asian Studies (RCAS), Hong Kong. Before joining RCAS, he was Associate Professor at the Department of Political Science, Sichuan University of Science and Engineering, Zigong, PR China. He obtained his PhD from Monash University in Australia in 2013 and his Postdoc from Peking University, China. He is the author, editor or co-editor of four books: *Pakistan's Foreign Policy: Contemporary Developments and Dynamics*(London: Routledge, 2022); *Perspectives on Contemporary Pakistan: Governance, Development and Environment*(London: Routledge, 2020); *Crossing the Himalayas: Buddhist Ties, Regional Integration and Great-Power Rivalry*(Singapore: Springer, 2022); *China-Pakistan Relations: A Historical Analysis*(Karachi: Oxford University Press, 2017). His articles have been published in SSCI-and Scopus-indexed journals such as *Issues&Studies*, *The Pacific Review*, and *Pacific Focus*. Email: ghulamali74@yahoo.com.