

An Asean Summit within the post-neoliberal and geoeconomic turn

The October 2025 Asean Summit in Kuala Lumpur and the concurrent US presidential tour of Asia further crystallised a phase of structural transition from neoliberal globalisation to the present geoeconomic modality. In previous decades, Southeast Asia featured primarily as a node of export-led growth, and today it is being reconfigured as a node of global supply chain resilience, exemplifying the bloc not merely through trade treaties but through peace accords and connectivity frameworks. Simultaneously, US President Donald Trump's Asia tour was not only a trade mission but also a geoeconomic mission, comprising alliances, supply-chain pivots and strategic commodity and technology flows as focal points.

Besides the Asean Summit being a platform for tariff negotiations, a constructive geopolitical-economic narrative has been crafted. The signing of what is informally called the Kuala Lumpur Peace Accord between Thailand and Cambodia, brokered at the Asean Summit, underscores the consolidation of conflict-management, border stability and observer mechanisms as part of regional economic-security architecture. Additionally, it marks an explicit fusion of geopolitical and economic objectives, at a degree of strategic integration not seen in previous Asean summits. Its importance is heightened when a priority consideration in today's geopolitical economy is the significance of bloc-based politics and supply chain resilience. What multilateralism is unable to achieve will need to be replaced by solidarity between neighbouring trade partners.

The accession of Timor-Leste as the 11th member of Asean marks a geostrategic broadening of the region's institutional architecture, situated within a continuing pattern of alliance-building across the Global South. From a world-systems perspective, the institutionalisation of South-South cooperation is likely to persist as a structural trend rather than remain a loose assemblage of narratives subordinate to the multilateral frameworks historically dominated by the global core. The broader shift in global geoeconomic posturing, driven by the dif-



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ficulties faced by multilateral institutions in advancing universally shared goals, is steering the international system towards an era of intensifying minilateralism, bilateralism and regionalism.

As such, the midpoint between neoliberal globalisation and economic nationalism can be represented by the significance of regionalism. A focus on Asean unity would be more constructive in the context of deal-by-deal minilateralism between individual countries and the US, as evidenced during the Asean Summit. The intra-regional trade share of global commerce increased from 51% in 2016 to 59% in 2024, while intra-Asean trade volume expanded significantly by 36% from US\$565 billion to US\$770 billion over the same period. Meanwhile, the US-China trade rift is telling, where US-China bilateral foreign direct investment flows dropped 43% from US\$31 billion to US\$18 billion. Even before Trump's presidency, the retreat of global trade integration was already underway, gradually supplanted by the rise of regional trading blocs. Trump's approach, however, accelerated this shift by institutionalising a bilateral, transactional negotiation framework; a model that, paradoxically, often produced more detailed and content-rich trade agreements than the loosely defined grand visions of earlier multilateral regimes. Multilateral and consensus-based frameworks were ineffective due to procedural rigidities and placed national priorities in conflict with global trade goals, producing broad and often unenforceable agreements.

That said, trade agreements are seldom linear or permanent. It would be unrealistic to assume that such arrangements endure indefinitely or that both parties will rigidly adhere to a rules-based framework. Beneath the formal architecture of intergovernmental accords lie commercial flexibilities, driven by profit motives, that ultimately shape what the actual executing entities agree upon, often diverging from policy minutiae. Ex-

pecting a consensus-driven and "optimal" policy outcome premised on a perpetually shifting trade regime is unachievable. Purchasing US goods should not be seen as a one-sided trade advantage for the US, but as a developmental investment in a reciprocal partnership that fosters technology transfer, local value creation, cross-border business ties, greater competitiveness and longer-term resilience through reduced protectionism. The choice to purchase from country A or country B is essentially a matter of cost-benefit analysis that weighs both economic and geopolitical considerations, and is ultimately a commercial judgement on whether the product fulfils its intended function and return objective.

While it is challenging to disentangle the economic losses and opportunity costs of decreased multilateralism in trade from each nation's gross domestic product, what is certain are the trends of declining global trade. Since the 2008 global financial crisis (GFC), global trade has plateaued. Growth in global trade of goods and services in 2023 based on World Bank data was close to zero, the slowest pace for about 50 years outside of global recessions.

Besides the economic trends, the Occupy Wall Street movement following the GFC signified a serious political trust deficit, a collective backlash against the inequities of advanced capitalism and the dislocations of hyper-globalisation. Localised foci on domestic economic resilience and capacity-building, as seen in Malaysia's Madani economy, are not insular reactions but extensions of these wider socioeconomic shifts on a global scale. The pursuit of economic development can no longer occur without societal buy-in but increasingly requires an addressing of accompanying risks such as rising economic inequalities.

Technological breakthroughs and the movement towards supply chain resilience may have attenuated arguments emphasising comparative advantage and specialisation, the core antecedents and motivation of trade. This is not to suggest that trade is unnecessary, but factor mobility has allowed greater resource replication across countries and industries. Technology has allowed econ-

omies of scale to operate at a smaller, more contained level. Crises such as the Covid-19 pandemic strengthened the resolve to reconfigure supply chains. On a broader scale, supply chain resilience and diversification have created new capacities and excess capacities. The focus on economies of scale has shifted to economies of scope and economies of flexibility, galvanised by technological innovation alongside economic nationalism. No single country can lay claim to absolute ownership of a key commodity resource or technology. The development of rival artificial intelligence (AI) systems between the US and China are a case in point. Furthermore, both these major economies are unwilling to rely on a single supply source for rare earths or narrow supply chain options for semiconductors.

While the current international order reflects the realities of a fragmented global system and the turn towards regional and national consolidation, the lamentation arises not from the fact of change itself but from the accompanying contraction of aspiration. The pursuit of expansion has given way to the management of vulnerability, and the ambition for growth has been replaced by the imperative of endurance. In other words, the age of "how much can we grow" is giving way to the age of "how much can we protect". Within this transformation lies a Hobbesian turn in the logic of governance and statecraft. Resilience and security have become the defining expression of sovereignty, measured not by the scale of accumulation but by the capacity to maintain stability amid systemic uncertainty. Asean's emphasis on regional supply-chain resilience, institutional cohesion and peace architecture reflects this evolution. The Leviathan of our time is not an empire of expansion but a framework of security, designed to preserve order in a volatile world. In this post-neoliberal landscape, resilience itself has become a form of power, the basis on which political legitimacy and economic survival now rest.

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