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GEOPOLITICAL TUSSLES ACROSS THE TAIWAN STRAIT AND THE SOUTH CHINA SEA UNDER TRUMP 2.0: IS UNCERTAINTY THE ONLY CERTAINTY?

Abstract

This paper examines how Donald Trump's second presidency reshapes US foreign policy toward China and its implications for two critical flashpoints—the Taiwan Strait and the South China Sea. Trump 2.0 signals a departure from traditional bipartisan consensus, favouring a transactional "America First" approach marked by deviation in US commitment towards its allies and prioritising homeland protection. These dynamics create incoherence in US policy, opening both opportunities and constraints for China's regional manoeuvring. The study highlights how Taiwan faces growing pressure to bolster its defence capabilities and civil resilience, while the South China Sea witnesses intensified clashes, particularly between China and the Philippines, in the absence of a consistent US posture. Drawing on qualitative analysis, key informant interviews, and extensive secondary sources, the paper argues that Trump 2.0 introduces new uncertainties in Sino-US security relations. It concludes that understanding these shifts is essential to anticipate future trajectories of competition, cooperation, or conflict in the Indo-Pacific.

Keywords: Trump 2.0, Taiwan, South China Sea, Geopolitics, Indo-Pacific

1. Introduction

Donald Trump, within only a few months of his arrival at the Oval Office for the second term of the US presidency, has seemingly made quite dramatic changes that are redrawing the contours of the post-World War II order based on America's alliance pattern and leading key international institutions. The biggest change can be marked in the transatlantic relations and how the European allies perceived the burden-sharing of European security. America under Trump seems principally to be concerned with its own borders and the Western hemisphere. However, Trump 2.0 does not imply a withdrawal from the Indo-Pacific region; rather, it implies a different modality of foreign policy, mostly inferring a transactional approach by putting 'America First' above everything else.

From the US perspective, the Sino-US strategic competition often lies in the narratives of perceiving China as the most pressing geopolitical challenge to the US. And the Chinese strategic narrative often portrays constraints the US puts on the transformation of the former into a global power, implying fairness in the Asia Pacific region.¹ China sees its rise as a positive influence to democratise

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¹ Yan Xuetong, "The Rise of China in Chinese Eyes," *Journal of Contemporary China* 10, no. 26 (2001): 33–39.

the international relations dominated by the hegemonic rules of Western nations.² These competing views are often manifested in two geopolitical flashpoints – the Taiwan Strait and the South China Sea. These two tipping points bear the strategic significance of being theatres for great power competition with the potential of escalating into a military conflict.³

The Taiwan Strait serves as a vital maritime corridor not only for China and Taiwan but also for international trade, as nearly all major container vessels navigate through this channel. To its north lies the Miyako Strait, positioned between Taiwan and the Japanese islands, while to the south stretches the Bashi Strait, linking Taiwan and the Philippines. For Beijing, these waterways flanking Taiwan act as crucial passageways to the wider Pacific. Geographically, Taiwan sits at the centre of China's eastern coastline, separated from the mainland by just about 130 kilometres (km.). China sees Taiwan as an inseparable part of its territory and is committed to the reunification of Taiwan with mainland China. The United States (US) has had a somewhat ambiguous policy, but it has projected its interests in protecting the island from any Chinese advancement. The US has some of its key bases in South Korea, Japan, and the Philippines. If the dots are connected, the US bases form a chain. Taiwan sits at the heart of what is called in the US the 'first island chain' against Chinese military installations in the region.

Bordering several East and Southeast Asian countries, the South China Sea represents a strategic Sea Lines of Communication (SLOC), carrying US\$ 3 trillion worth of goods, on which many regional and extra-regional powers depend on a large scale.⁴ The water body is also home to untapped natural gas and oil deposits under the seabed, a thriving fish stock accounting for more than 12 per cent of global fish catch,⁵ over 200 bodies of land in the shape of islands, islets, and rock features, giving strategic depth. China's territorial claims covering both land features and the surrounding waters have sparked strong opposition from rival claimants such as Vietnam, the Philippines, Indonesia, Taiwan, Malaysia, and Brunei. China claims the largest share of the area, marked by its so-called "nine-dash line," a boundary made up of nine marks stretching hundreds of miles south and east from Hainan, its

² Zheng Bijian, "China's 'Peaceful Rise' to Great-Power Status," *Foreign Affairs*, (September/October, 2005): 18–24.

³ Graham Allison, "Taiwan, Thucydides, and US-China War," *The National Interest*, August 05, 2022.

⁴ John Quiggin, "Myths that Stir Trouble in the South China Sea," Lowy Institute, Last modified December 23, 2021, <https://www.lowyinstitute.org/the-interpreter/myths-stir-trouble-south-china-sea>.

⁵ Eric Ang, "Combating Fisheries Related Crime in the South China Sea: Leveraging Maritime Information Sharing Centers," Asia Maritime Transparency Initiative, Last modified July 12, 2023, <https://amti.csis.org/combating-fisheries-related-crime-in-the-south-china-sea-leveraging-maritime-information-sharing-centers/>.

southernmost province.⁶ The hotly contested water body has been experiencing an alarming rise in clashes between China and the Philippines in 2025.

The geopolitical dynamics of the Taiwan Strait and the South China Sea cannot be viewed in isolation, as they are intertwined in many ways. The newer dynamics introduced by Trump 2.0 have further implications for these geopolitical hotspots in the Indo-Pacific region. Nevertheless, the extent of deviation and changes in US policies towards Sino-US security dynamics needs a deeper understanding and rigorous research. This paper is designed to fill that contemporary research gap and will link the findings with the future trajectory of geopolitical tussles across the Taiwan Strait and South China Sea. Therefore, it asks two fundamental questions: How will US foreign policy orientation toward Sino-US security dynamics evolve under Trump 2.0? How does Trump 2.0 reshape the geopolitical tussles across the Taiwan Strait and South China Sea? The paper argues that Trump 2.0 provides different dynamics in Sino-US relations, leading to an incoherent US policy towards China. It analyses the diverging voices inside the Trump administration that shape and are influenced by the President's transactional diplomacy, putting 'America First' above everything else. This will provide China with some strategic opportunities and challenges in pursuing its interests across the Taiwan Strait and the South China Sea. As a consequence, the paper analyses that the South China Sea will experience more clashes and skirmishes in the absence of a coherent US policy against Chinese interests in the region. Moreover, Taiwan has to strengthen its national defence capability and indigenous defence industry, while focusing on civil defence resilience in the face of an asymmetric conflict. The changes in the domestic political dynamics in Taiwan are important to understand its future, and China will intensify its manoeuvring to reshape these domestic dynamics of Taiwan to further its agenda of reunification.

This paper follows a qualitative methodology, built on an interpretive research approach. Data were gathered through two main sources: Key Informant Interviews (KII) and an extensive review of secondary literature. For the primary data, semi-structured interviews were conducted with carefully chosen informants who possess deep expertise and practical experiences in areas such as geopolitics in the Indo-Pacific region, Sino-US relations, Taiwan, and Southeast and East Asian affairs. The participants were selected purposively to ensure they brought informed expert opinion to the discussion. The semi-structured format allowed conversations to flow openly while keeping the core themes of the study in focus, resulting in detailed and insightful responses. On the secondary sources, the study engaged with a wide range of sources, including books, journal articles, dissertations, monographs,

⁶ "What is the South China Sea Dispute?" *BBC News*, July 07, 2023, <https://www.bbc.com/news/world-asia-pacific-13748349>.

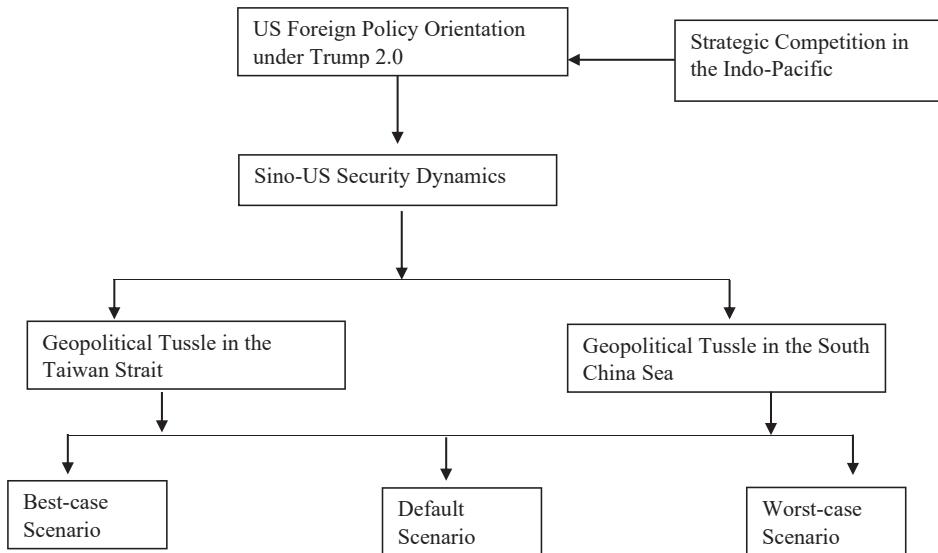
opinion pieces, and media reports. Both regional outlets—such as those from China, Taiwan, and the Philippines—and international sources were consulted. By weaving together insights from interviews with diverse written materials, the paper builds a richer and more nuanced understanding of the security challenges in the region.

This paper is divided into seven sections. After the introduction, it explains the analytical framework used to explain the future trajectory of geopolitical tussles across the Taiwan Strait and South China Sea during Trump 2.0. The third section analyses the foreign policy formulation of Trump 2.0 and how it shapes the US policy towards Sino-US strategic competition. The fourth and fifth sections respectively deal with the impact of Trump 2.0 on Taiwan and the South China Sea. Each section also provides an analysis of how China will react to the uncertainties of Trump 2.0. The sixth section provides a sketch of how the regional security dynamics will be shaped by these changing realities of US policy towards China and the Indo-Pacific region. The paper concludes with some future research directions on this subject matter.

2. Analytical Framework

This paper examines the likely unfolding of the Trump administration's foreign policy towards China, and therefore, its primary analytical component is the foreign policy dynamics of Trump 2.0. It then links this with the US policy dynamics on the Taiwan issue and the disputes in the South China Sea. Therefore, one of the primary features of this analytical framework is to provide plausible scenarios to analyse the impact of Trump 2.0 on the dynamics of two geopolitical flashpoints in the Indo-Pacific region.

Figure 1: Analytical Framework⁷



This framework maps how Trump 2.0's foreign policy orientation feeds into broader US–China rivalry in the Indo-Pacific (see Figure 1). At the starting point, Trump 2.0's foreign policy orientation is shaped by deviation in US commitment towards its allies and prioritising homeland protection, occasionally recalibrated by the broader dynamics of Indo-Pacific competition. At its core, the framework highlights Sino-US security dynamics, which play out in two critical flashpoints—the Taiwan Strait and the South China Sea. These tensions can evolve into different outcomes: a best-case scenario where confrontation is prevented, leading to successful negotiations; a default scenario of sustained rivalry with limited escalation; or a worst-case scenario of military conflict. In short, the framework shows how US policy choices under Trump 2.0 could shape the trajectory of regional stability through different pathways of competition and conflict with China. It also underlines that the Indo-Pacific remains the central arena where power politics and strategic competition unfold. It highlights that policy interaction between Washington and Beijing will directly influence peace, stability, or crisis in the region.

⁷Author's Creation, 2025.

3. US Foreign Policy Orientation under Trump 2.0 and Sino-US Security Dynamics

The arrival of Donald Trump at the White House for the second time has already provided a major platform for some notable shifts in US foreign policy. However, while Trump might sound more confrontational in his speeches, it does not provide conclusive evidence that US foreign policy follows the same provocative line. The strategic disengagement by putting “America First” and a transactional style has the potential of de-escalating some of the geopolitical flashpoints. On the question of China, Trump is surrounded by people with contrasting views on US foreign policies and Sino-US relations. There are people who are aligned with a hawkish view that China presents the most pressing threat to the national security of the USA. On the other hand, there are dominating views on the significance of securing the homeland first, aligning with the essence of the ‘America First’ principle. This debate is also reflected in the development of the National Defence Strategy (NDS) of Trump 2.0, the draft of which is reported to be more concerned with the protection of the homeland and the Western hemisphere.⁸ According to those reports, the NDS will prioritise domestic and regional priorities over countering foreign adversaries like China and Russia. However, it is in the drafting phase, and the Secretary of Defence Pete Hegseth, who holds a hawkish view about China and has highlighted the significance of the threat posed by China to the US vision in the Indo-Pacific, will have his option to insert his views after reviewing. Undersecretary of Defence for Policy Elbridge Colby had the primary responsibility of drafting the NDS, who is often labelled as ‘Asia-firsters’ and known for advocating for a defence strategy focusing on deterring China.⁹ However, during his confirmation hearing, he labelled the Taiwan issue as important, but not an existential threat to the US.¹⁰ Colby’s views are aligned with those of Vice President Vance, who personally endorsed the former’s candidacy for the position in the administration. Apart from personal attachment, Colby’s prioritising approach is aligned with the cohort led by the Vice President, who advocates for American disengagement from military conflicts around the globe. The initial draft of NDS 2025 marks a resemblance to the Vice President’s speeches in different forums, like the Munich Security Conference,

⁸ Paul McLeary and Daniel Lippman, “Pentagon Plan Prioritizes Homeland over China Threat,” Politico, 05 September, 2025, https://www.politico.com/news/2025/09/05/pentagon-national-defense-strategy-china-homeland-western-hemisphere-00546310?fbclid=IwZXh0bgNhZW0CMTEAAR4fpqyjT5MzDLbBoyUGuPdBX51ocEglW5YQIqs0ZYbt7KT_Zfd1ndLG-y7BfA_aem_wH_xpZx1lMv5EVVC4ZNKqrg.

⁹ Ken Moriyasu, “Pentagon’s National Defense Strategy Draws from Vance Speeches,” Nikkei Asia, August 28, 2025, <https://asia.nikkei.com/spotlight/trump-administration/pentagon-s-national-defense-strategy-draws-from-vance-speeches>.

¹⁰ Jonathan Cheng, Joyu Wang and Alexander Ward, “Taiwan Dares to Hope Trump Will Back It Against Beijing,” The Wall Street Journal, March 29, 2025, <https://www.wsj.com/world/asia/trump-taiwan-support-china-8041630d>.

where he outlined the significance of the biggest threat coming from the retreat of Europe from conservative or traditional values rather than from any external actor like China and Russia.¹¹ This approach is often known as ‘come home, America’ views to which Director of National Intelligence Tulsi Gabbard subscribes, along with the Vice President. In contrast to this, Secretary of State Marco Rubio and former National Security Adviser Mike Waltz advocated for aggressive containment and a reinvigorated Monroe Doctrine to combat Chinese influence.¹² However, Marco Rubio’s stance on many things, like Putin’s role in the Russia-Ukraine War, has dramatically changed during his tenure under Trump 2.0.

These differences in foreign policy views get reshaped and revised by what President Trump expresses on social media and through traditional media outlets. While the key personnel of the Trump administration differ on US foreign policy, they rarely contradict the President’s views. They do lobby their views to be dominant in the administration, but the dynamics seem to be incoherent and inconsistent. In addition to the differences in ideologues, the competing forces between institutionalists and anti-institutionalists who prioritise populist sentiments shape the trajectory of US foreign policy. It is also applicable in the case of Sino-US relations, where the most likely outcome would be a political stalemate in deciding US policy.¹³ On the economic front, Trump’s policies resemble attempts to bring production jobs back to the US and generate revenues to cover tax cuts. On the security issue, Trump wants to redesign American defence policy by focusing more on the burden-sharing from the allies and overhauling US military readiness to showcase ‘peace through strength’. In the case of US policies on Sino-US security issues under Trump 2.0, there are both continuities and diversions from Trump 1.0. During his first term at the Oval Office, there were high-level reciprocal visits between the two countries in the first year. However, from 2018, a series of events deteriorated the bilateral relations – trade war, sanctions on Huawei, diplomatic row over protests in Hong Kong. In the last year of Trump 1.0, the global pandemic saw the near-total breakdown in Sino-US relations. During his successive administration’s tenure, the strategic competition continued in different modalities. The Biden administration followed a strategy of outcompeting China as articulated in the 2022 National Security Strategy and as demonstrated by controlling the transfer of high technology to China.¹⁴ This strategy, nonetheless, put the strategic competition with China in the first place while apprising the security environment.¹⁵

¹¹ Moriyasu, “Pentagon’s National Defense Strategy Draws from Vance Speeches”.

¹² Hal Brands, “Every President has a Foreign Policy. Trump has Five,” *Bloomberg*, February 03, 2025, <https://www.bloomberg.com/opinion/articles/2025-02-03/trump-s-foreign-policy-team-contains-5-camps>.

¹³ Steve Chan and Weixing Hu, “Sino-American Relations: Enduring a Turbulent Trump 2.0 Presidency,” *Asian Survey* 65, no. 04–05 (2025): 525–554.

¹⁴ “National Security Strategy,” The White House, Last modified October 2022, <https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.

¹⁵ US Department of Defence, 2022 National Defense Strategy (Washington, D.C: US Department of

In contrast to Trump 1.0 and the preceding Biden administration, Trump 2.0 so far symbolises an incoherent strategy, despite adopting a more rhetorical and transactional approach. Unlike Biden, who sought to counterbalance China through close coordination with allies and a long-term strategy of managed competition, Trump's second term points to a more unilateral and deal-driven approach, with an emphasis on securing quick economic advantages.¹⁶ As mentioned earlier, Trump's aides also represent diverging ideas and political objectives. The battles among these factions will significantly shape how the US policy towards China on security issues will evolve. How this will evolve and impact the trajectory of US-China relations in the long run remains to be seen. However, it will present both opportunities and challenges for China. The worst-case scenario in the bilateral relations will be military escalation, in the form of a naval blockade, or direct military conflicts, where the Taiwan Strait and the South China Sea will be the geopolitical flashpoints. However, this scenario is unlikely due to the presence of strong restraining voices in the Trump administration and its disengaging trend from military conflicts. Nevertheless, this scenario gets support from perspectives of some of the former officials of the Trump administration, which put the president in the spotlight as a political figure with an impulsive temperament and diplomatic brinksmanship. One such account was the recollection of General Mark Milley, the head of the US Joint Chiefs of Staff during Trump 1.0, portrayed in the book by Bob Woodward and Robert Costa. In this book, General Milley shared his experience of calling his Chinese counterpart General Li Zuocheng, bypassing all protocols, on October 30, 2020, in fear that Trump might go rogue by starting a nuclear war with China in his final days.¹⁷

The most optimistic pathway for bilateral relations in Trump's second presidency is also highly unlikely—economic and technological cooperation, de-escalation of tension, and potential breakthrough over Taiwan. This possibility is supported by Trump's style of leadership, as he, unlike a Democratic leader, does not come with the baggage of rhetoric on human rights and democratic values. These rhetorics often put the first barrier in terms of dealing with a foreign counterpart with a different governance system. Due to this trait and his transactional diplomacy, Beijing would prefer him to dealing with Biden. While Trump might be the most suited for reaching a deal over Taiwan, as he boasts of his credentials of being a dealmaker,¹⁸ it is still unlikely that such a groundbreaking diplomatic feat will be achieved. The current Democratic Progressive Party (DPP) administration in Taiwan

Defence, 2022), <https://media.defense.gov/2022/Oct/27/2003103845/-1/-1/2022-NATIONAL-DEFENSE-STRATEGY-NPR-MDR.pdf>.

¹⁶ Chan and Hu, "Sino-American Relations".

¹⁷ Chan and Hu, "Sino-American Relations".

¹⁸ "Trump Stakes Reputation as Dealmaker," *The Daily Star*, August 03, 2025, <https://www.thedailystar.net/business/global-economy/news/trump-stakes-reputation-dealmaker-3954091>.

is unwilling to sit at the negotiation table with China on its reunification with the latter and is adopting critical views of mainland China and the Chinese Communist Party (CCP). The best-case scenario here might be a negotiation brokered by President Trump, but any possibility of change in the status quo of Taiwan will face vehement opposition from American domestic politics and the European allies. The possibility of reaching a deal over the disputes in the South China Sea is also unlikely, as the competing claims of the regional countries are directly linked with their territorial integrity.

In contrast to the two scenarios, the most likely scenario will put the US in a seemingly ‘disengaged’ position, focusing more on domestic issues. This might result in frequent clashes in the South China Sea between China and countries with competing claims, especially the Philippines. In this scenario, the partners of the US in this region, like Australia, South Korea, and Japan, will try to ensure American presence here. These countries would not desire a direct confrontation between the US and China, but they would not want American absence from this strategic theatre either.¹⁹ In terms of dealing with Taiwan, Trump has been consistent in not making an exception by keeping the US ally out of his transactional policy. Therefore, the US strategic ambiguity over the Taiwan question will likely remain, with a focus on developing its defence capabilities through a transactional approach rather than providing a security net. In this scenario, the stability in this region will also depend on how China pursues its interests in the Taiwan Strait and the South China Sea. Trump’s transactional diplomacy and unilateral approach provide opportunities for Beijing to manoeuvre its strategic strength. However, it is highly unlikely that Chinese activities will produce any worst-case scenario alone, as the country is also focusing on becoming a great modern socialist country in all respects, achieving the ‘national rejuvenation’ by 2049.²⁰ Military conflict apparently does not provide any positive aspect in this regard.²¹ China will continue expanding and modernising its People’s Liberation Army (PLA) and justify the motive to ensure peace and stability in the region. On the other hand, this will be perceived by the hawks in the US political domain as an aggressive move and an existential threat to the US interest in the region, and will prompt Trump to adopt policies of active engagement against China. It will be a short-sighted perception to identify Trump as an isolationist; rather, he should be

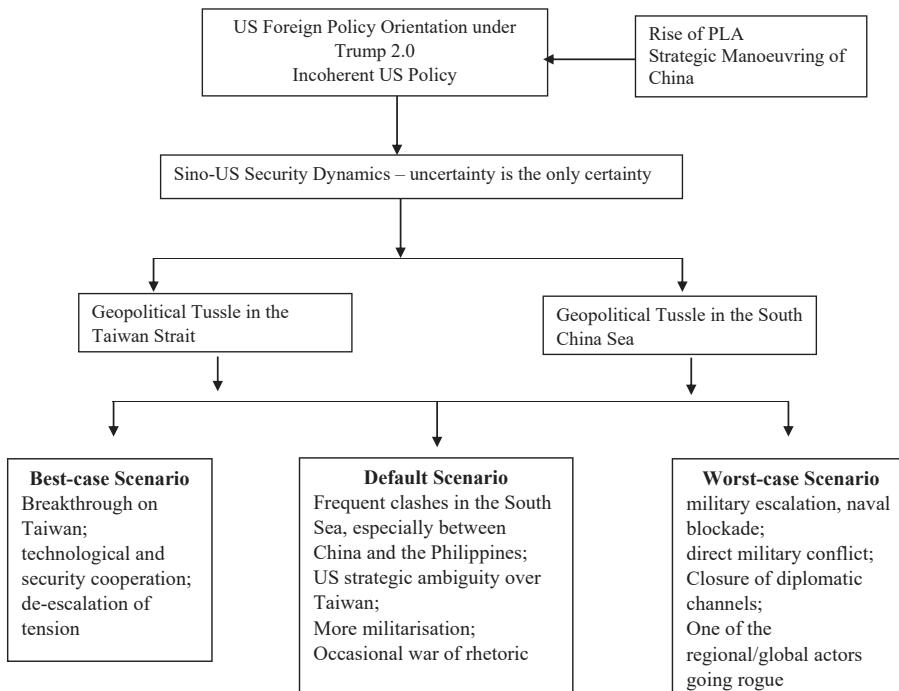
¹⁹ Interview with a senior Professor/researcher specialised in Taiwan and US affairs, September 10, 2025.

²⁰ Yi Changliang, “China’s Composite National Strength in 2049,” Council on Foreign Relations, Last modified May 01, 2020, <https://chinaopensourceobservatory.org/articles/predicting-the-future-chinas-composite-national-strength-in-2049>.

²¹ “China Says Wars should not be Fought, cannot be Won; Tones Down Ready to Fight with US Remark,” *The Economic Times*, March 06, 2025, <https://economictimes.indiatimes.com/news/international/global-trends/china-says-wars-should-not-be-fought-cannot-be-won-tones-down-ready-to-fight-with-us-remark/articleshow/118765273.cms?from=mdr>.

viewed as someone who prefers minimal engagement on the global stage instead of complete withdrawal, which will provide a window to focus more on issues to take things which are deemed ‘stolen’ by the world, back to the US.²²

Figure 2: Plausible Trajectory of Geopolitical Tussles in Taiwan Strait and South China Sea during Trump 2.0²³



4. Taiwan Question under Trump 2.0

The vocal support for Taiwan showcased during Trump 1.0 was not followed by the same zeal during his re-election campaign in 2024. It, in fact, cast doubt over the future trajectory of US support for Taiwan. Following his trademark of telling US partners to invest more in their own national defence budget, Trump also put Taiwan in the spotlight by asking them to pay the US for defence.²⁴ In an interview with Bloomberg, he flagged the idea of conceiving the US as not different than an

²² Stephen Wertheim, “Trump’s Foreign Policy: ‘He Wants to Turn the Tables, Not Leave the Room’,” Carnegie Endowment, Last modified April 17, 2025, <https://carnegieendowment.org/posts/2025/04/trumps-foreign-policy-he-wants-to-turn-the-tables-not-leave-the-room>.

²³ Author’s creation, 2025.

²⁴ “The Donald Trump Interview Transcript,” Bloomberg, July 16, 2024, <https://www.bloomberg.com/features/2024-trump-interview-transcript/>

insurance company to which ‘wealthy countries’ like Taiwan should pay for their defence against Chinese advancement.²⁵ However, the doubts tended to get mitigated with the nomination of Senator Marco Rubio as Trump’s pick for the Secretary of State, a well-known pro-Taiwan political figure²⁶ and a staunch opposing voice against China.²⁷ The possibility of an evasive US stance on Taiwan under Trump 2.0 got overshadowed by the progression of the Trump Administration’s further activities. Notable parameters can be drawn from the remarks delivered at different international forums by Secretary of Defence Pete Hegseth. Secretary Hegseth sought to establish the premise of US assurance during his Asia tour²⁸ and at the Shangri-La Dialogue, where he vowed to counter Chinese aggression in the region with special focus on Taiwan.²⁹

While there are reassuring elements in the remarks of key figures of the Trump Administration, there are also elements of the possibility of US policy shifting towards identifying the Taiwan issue as a ‘distant concern’ at the time of a crisis.³⁰ The Biden administration showed some progression from ‘strategic ambiguity’ to ‘strategic clarity’ over the question of the US commitment to defend Taiwan.³¹ Taiwan has historically remained rooted in ambiguity in US policy—officially endorsing only one China, but through the Taiwan Relations Act, Six Assurances, and subsequent legislation, the US committed to Taiwan’s protection and enhanced ties.³² Over time, this has evolved into increasingly robust economic, diplomatic, and security engagement—especially amid rising cross-strait tensions. Trump 2.0 has been termed as signalling a shift from ‘strategic ambiguity’ to ‘strategic anxiety’ on the question of US support for Taiwan.³³ This has resulted in some implications for Taiwan to readdress its relation with the US along with the following dynamics: maintaining favourable relations with the current US administration, avoiding

²⁵ Bloomberg, “The Donald Trump Interview”.

²⁶ Zhong Jinlong, “Rubio will be the US Secretary of State. His pro-Taiwan Remarks are a Look Back,” *RTI*, November 12, 2024, <https://www.rti.org.tw/news?uid=3&pid=89354>.

²⁷ Lily Kuo, “China Places Sanctions on 11 US Citizens Including Marco Rubio and Ted Cruz,” *The Guardian*, August 10, 2020, <https://www.theguardian.com/world/2020/aug/10/china-sanctions-11-us-citizens-including-marco-rubio-and-ted-cruz>.

²⁸ Sui-Lee Wee, “Hegseth Seeks to Reassure Allies on First Official Trip to Asia,” *New York Times*, March 28, 2025, <https://www.nytimes.com/2025/03/28/world/asia/hegseth-philippines-china.html>.

²⁹ “Remarks by Secretary of Defense Pete Hegseth at the 2025 Shangri-La Dialogue in Singapore,” US Department of War, May 31, 2025, <https://www.war.gov/News/Speeches/Speech/article/4202494/remarks-by-secretary-of-defense-pete-hegseth-at-the-2025-shangri-la-dialogue-in/>.

³⁰ Jude Blanchette and Gerard DiPippo, “From Strategic Ambiguity to Strategic Anxiety: Taiwan’s Trump Challenge,” RAND Corp, March 26, 2025, <https://www.rand.org/pubs/commentary/2025/03/from-strategic-ambiguity-to-strategic-anxiety-taiwans.html>.

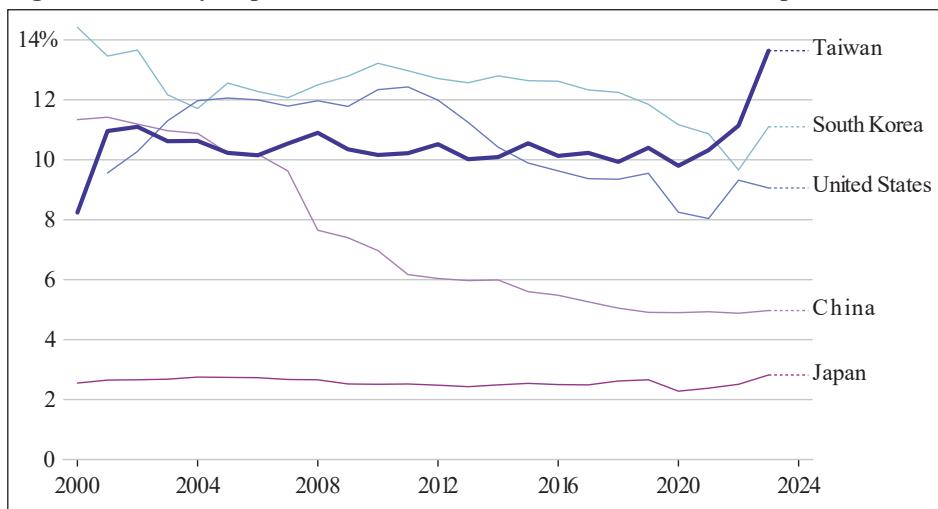
³¹ Online interview with official on September 12, 2025.

³² “Managing the Status Quo: Continuity and Change in the United States’ Taiwan Policy,” German Institute for Global and Area Studies, 2021, <https://www.giga-hamburg.de/en/publications/giga-focus/managing-status-quo-continuity-change-united-states-taiwan-policy/>.

³³ Jude Blanchette and Gerard DiPippo, “From Strategic Ambiguity to Strategic Anxiety”.

disruptions in bilateral trade and security assistance. The impact of the Trump administration's signature moves to encourage its allies to spend more on their national defence can also be detected in the case of Taiwan; however, it will take time to realise any major shift in Taiwan's defence spending. Taiwan still spends a mere 2.45 per cent of its GDP on defence, while US Under Secretary of Defence for Policy Elbridge Colby opined during his confirmation hearing that the country should elevate its spending to around 10 per cent.³⁴ Although Taiwanese president Lai Ching-te pledged to elevate it to 3 per cent by this year, there are still considerable doubts in this regard.³⁵ Comparing with other regional and extra-regional countries, Taiwan's defence budget is already larger as a share of its total governmental expenditure.

Figure 3: Military Expenditure as Share of General Government Expenditure³⁶



At the domestic front, the Taiwanese government is also focusing on a 'whole-of-society' approach under the leadership of President Lai Ching-te.³⁷ Taking the possibility of a protracted conflict and the asymmetry of Taiwan's capability into consideration, the 'Overall Defence Concept' (ODC) was conceived during Tsai Ing-wen's presidency.³⁸ The current administration has elevated the significance of civil

³⁴ "Taiwan Needs to Hike Defense Spending to 10% of GDP-Pentagon Nominee," *Reuters*, March 04, 2025, <https://www.reuters.com/world/asia-pacific/taiwan-needs-hike-defense-spending-10-gdp-pentagon-nominee-2025-03-04/>.

³⁵ "Lai Pledges to Raise Taiwan's Defense Spending to Over 3% of GDP," *Focus Taiwan*, February 14, 2025, <https://focustaiwan.tw/politics/202502140007>.

³⁶ Jude Blanchette and Gerard DiPippo, "From Strategic Ambiguity to Strategic Anxiety".

³⁷ Eric Chan and Ian Murphy, "Taiwan's Path to Whole of Society Resilience," Global Taiwan Institute, Last modified August 27, 2025, <https://globaltaiwan.org/2025/08/taiwans-path-to-whole-of-society-resilience/>.

³⁸ Lee Hsi-min and Eric Lee, "Taiwan's Overall Defense Concept, Explained," *The Diplomat*, November 03,

resilience at the time of a crisis, as President Lai Ching-te assumed the leadership of the ‘Whole-of-Society Defence Resilience Committee’ within a month of coming to power.³⁹ The initiative is backed by financial support of around US\$ 5 billion for developing national resilience and territorial defence capabilities.⁴⁰ It focuses on five key areas of national defence capabilities of Taiwan: civilian training and deployment; management of strategic resources and supply chains; maintenance of energy and key infrastructure; readiness of social services, healthcare, and evacuation systems; and protection of information, transport, and financial networks.⁴¹ The approach is also reshaping Taiwan’s military doctrines and exercises, simulating the readiness of civil defence in urban warfare during its annual Han Kuang military exercise.⁴² While this approach is ‘securitising’ civilian involvement in a protracted and asymmetric conflict, the government has to address the critical issues in the traditional domain of national security. Taiwan’s energy security is highly vulnerable at the time of a crisis, as 96 per cent of its energy supply is imported, making it vulnerable to a potential naval blockade or maritime traffic disruption.⁴³ Taiwan also has to counter what it calls ‘grey zone harassment’ by China, including the cutting of underwater communication cables vital for the national telecommunications system.⁴⁴ One of the other issues in the allegation of ‘grey zone harassment’ is in the cyber domain. Taiwan’s National Security Bureau encountered an average of 2.4 million cyberattacks per day in 2024, most of which are claimed to have originated from Chinese cyber forces, in which Beijing had routinely denied any involvement.⁴⁵ The allegations are directed towards the objective of undermining the Taiwanese government by spreading misinformation and collecting intelligence about critical infrastructure.⁴⁶ Beijing has also accused the Taiwanese government of orchestrating cyberattacks against a tech company in Guangzhou.⁴⁷ It has been alleged that the

2020, <https://thediplomat.com/2020/11/taiwans-overall-defense-concept-explained/>.

³⁹ “President Lai presides over Fourth Meeting of Whole-of-Society Defense Resilience Committee,” Office of the President, Republic of China (Taiwan), accessed June 26, 2025, <https://english.president.gov.tw/NEWS/6978>.

⁴⁰ Republic of China (Taiwan), “President Lai”.

⁴¹ Republic of China (Taiwan), “President Lai”.

⁴² Fanny Chao and Ryan Brobst, “Taiwan’s Han Kuang Drills Demonstrate its Quills are Growing Sharper,” *Defense News*, July 26, 2025, <https://www.defensenews.com/opinion/2025/07/25/taiwans-han-kuang-drills-demonstrate-its-quills-are-growing-sharper/>.

⁴³ Adrien Simorre, “Taiwan’s Energy Supply: The Achilles Heel of National Security,” IFRI, October 22, 2024, <https://www.ifri.org/en/papers/taiwans-energy-supply-achilles-heel-national-security>.

⁴⁴ Kathrin Hille, “Taiwan Catches Chinese-Owned Ship in Act of Cutting Subsea Cable,” *Financial Times*, February 25, 2025, <https://www.ft.com/content/eb4af880-be13-4e1d-b7f1-4a55848b7acf>.

⁴⁵ Yimou Lee, “Chinese cyberattacks on Taiwan government averaged 2.4 mln a day in 2024, report says,” *Reuters*, January 05, 2025, <https://www.reuters.com/technology/cybersecurity/chinese-cyberattacks-taiwan-government-averaged-24-mln-day-2024-report-says-2025-01-06/>.

⁴⁶ Neil Thompson, “China and Taiwan Trade Cybersecurity Accusations,” *The Diplomat*, June 12, 2025, <https://thediplomat.com/2025/06/china-and-taiwan-trade-cybersecurity-accusations/>.

⁴⁷ Yuan Hong and Liu Xin, “DPP Authorities Found Organizing Cyberattacks against Guangzhou Tech Company: Public Security Authorities,” *Global Times*, May 27, 2025, <https://www.globaltimes.cn/page/202505/1334896>.

government-backed hacker group was behind targeting 1000 sensitive targets, including military, energy, and government installations, in which the Taiwanese government also denied any involvement.⁴⁸ Taiwan is also dealing with a growing number of espionage cases, recording sixty six cases in the last year, two-thirds of which involve its own military officials.⁴⁹

The Trump administration's tariff policy is also affecting the US-Taiwan relations and the notion of security guarantees. Taiwan was initially faced with the announcement of a 32 per cent of reciprocal tariff on its exported goods to the US, but it was reduced to 20 per cent later and negotiations are ongoing to lower it further.⁵⁰ One of the most critical industries of Taiwan is its semiconductor industry, hosting the global giant in this sector, the Taiwan Semiconductor Manufacturing Company (TSMC). Trump threatened to impose a 100 per cent tariff on foreign semiconductors in order to bring the supply chain of electronics back to the US.⁵¹ However, like other industries, if the companies pledged to invest in the US, then they would be exempted from these high tariffs. Taiwan has already been taking initiatives to avoid any drastic impacts on its strategic lifeline. TSMC has started making advanced chips in its facilities in Arizona earlier this year. They are at the forefront of surging outward direct investment from Taiwan to the US. The company also declared plans to invest an additional amount of US\$ 100 billion in the US on top of the previously announced US\$ 65 billion worth of investment.⁵² The demand for more investment and production of cutting-edge semiconductor chips in the US is at an all-time high, but the public opinion and political opposition in Taiwan might suggest otherwise.⁵³ The transfer of its semiconductor industry to the US has also led to concerns about the diminishing value of its 'silicon shield' against any potential Chinese advancement.⁵⁴ This has also led to the growing cases of US scepticism

shtml.

⁴⁸ Enoch Wong, "Mainland China accuses Taiwan of Backing Cyberattacks on 1,000 Sensitive Targets," *South China Morning Post*, May 27, 2025, <https://www.scmp.com/news/china/military/article/3311927/mainland-china-accuses-taiwan-backing-cyberattacks-1000-sensitive-targets>.

⁴⁹ Online interview with official on September 12, 2025.

⁵⁰ "Taiwan is Continuing Tariff Negotiations with US, Cabinet Official Says," *Reuters*, August 11, 2025, <https://www.reuters.com/world/asia-pacific/taiwan-is-continuing-tariff-negotiations-with-us-cabinet-official-says-2025-08-11/>.

⁵¹ Tripp Mickle and Ana Swanson, "Trump Threatens 100% Tariff on Chips, With a Big Caveat," *The New York Times*, August 06, 2025, <https://www.nytimes.com/2025/08/06/technology/trump-chip-tariffs-semiconductors.html>.

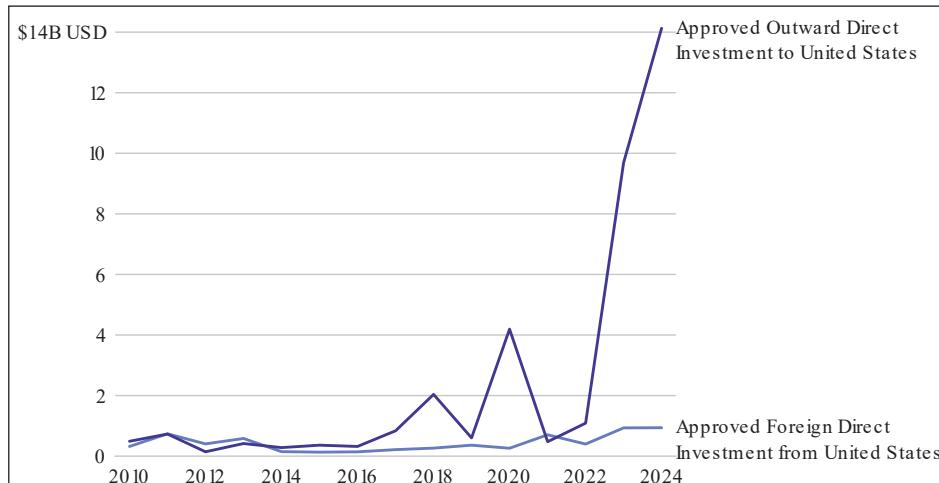
⁵² Didi Tang and Michelle L. Price, "Giant Chipmaker TSMC to Spend \$100B to Expand Chip Manufacturing in US, Trump Announces," *Associated Press*, March 04, 2025, <https://apnews.com/article/trump-tsmc-chip-manufacturing-tariffs-42980704ffca62e823182422ee4b7b83>.

⁵³ David Sacks and Adam Segal, "Unpacking TSMC's \$100 Billion Investment in the United States," Council on Foreign Relations, Last modified March 04, 2025, <https://www.cfr.org/blog/unpacking-tsmcs-100-billion-investment-united-states#:~:text=When%20Trump's%20approach%20to%20Ukraine,protects%20the%20country%20is%20gone?%E2%80%9D>.

⁵⁴ Tsai Ing-Wen, "Taiwan and the Fight for Democracy," *Foreign Affairs*, Last modified October 05, 2021,

in Taiwan, contrary to the rising support for Trump 1.0 policies towards Taiwan.⁵⁵ There are other caveats, like the fate of continued US financial support for TSMC through the Biden Administration's CHIPS and Science Act, which was repeatedly criticised by President Trump.

Figure 4: Surge in Taiwan's Approved Outward Direct Investment to the US⁵⁶



One of the corollary consequences of the Trump administration's pressure on increasing national defence expenditures is concluding arms procurement deals with the US. The Lai Ching-te government is also eying a potential arms deal to avoid any strategic shift in the Taiwan policy of the US. It was reported that negotiations were ongoing for concluding an arms deal worth of around US\$ 7 – US\$ 10 billion.⁵⁷ The deal would include a coastal defence rocket system and High Mobility Artillery Rocket System (HIMARS). This deal would also imply sending a strategic signal to the US that Taiwan is committed to the national defence of its own and would seek US security assistance and cooperation in the future. However, the current DPP government is facing domestic obstacles from opposition in the parliament, calling for cuts in government spending.⁵⁸ This led to the mass-scale 'recall campaign' urging to hold elections to oust those MPs from the parliament.⁵⁹ While it failed to do

⁵⁵ <https://www.foreignaffairs.com/articles/taiwan/taiwan-and-fight-democracy-tsai-ing-wen>?

⁵⁶ Online interview with official on September 12, 2025.

⁵⁷ Jude Blanchette and Gerard DiPippo, "From Strategic Ambiguity to Strategic Anxiety".

⁵⁸ Michael Martina, Yimou Lee and Ben Blanchard, "Taiwan Considering Multi-Billion Dollar Arms Purchase from US, sources say," *Reuters*, February 18, 2025, <https://www.reuters.com/world/asia-pacific/taiwan-considering-multi-billion-dollar-arms-purchase-us-sources-say-2025-02-17/>.

⁵⁹ From an online interview with official on September 12, 2025.

⁵⁹ Richard C. Bush and Ryan Hass, "Taiwan's Recall Vote: Implications for Taiwan, China, and the United States," *Brookings*, August 01, 2025, <https://www.brookings.edu/articles/taiwans-recall-vote-implications-for-taiwan-china-and-the-united-states/>.

so, the resistance against increased government expenditure will have a far-reaching impact on the national defence capabilities of Taiwan.

4.1 *Chinese Priorities on the Taiwan Question during Trump 2.0*

China regards Taiwan as its inseparable part and has repeatedly called for its peaceful reunification with the mainland.⁶⁰ The process of peaceful reunification is somewhat not crystal clear, and it begets different interpretations. One plausible outlook is the implementation of ‘one country, two systems’, implying the concept of power-sharing. While this is being applied to the cases of Hong Kong and Macao as Special Administrative Regions (SARs) of China, it was originally developed for Taiwan and originated from the thoughts of Chairman Mao and Premier Zhou Enlai. Chairman Mao implied that, with the exception of foreign affairs, the Taiwan authorities can exercise military and political power after the peaceful reunification.⁶¹ The concept of ‘one country, two systems’ was advanced by Deng Xiaoping, and subsequent leaders later operationalised it. There is growing distrust among Western countries and Taiwan over the differences between what China promised to Hong Kong and what it is providing.⁶² The growing concern about Hong Kong’s political freedom is often used as a vanguard by the West against the idea of reunification of Taiwan with mainland China. However, in the case of Taiwan, there has to be negotiation first between the Chinese and the Taiwanese government, the possibility of which is getting bleaker day by day.⁶³ China perceives the rhetoric of Taiwanese President Lai Ching-te as a provocative stumbling block for any negotiation.⁶⁴ China perceives the US trend as a deviation from its ‘One China Policy’, starting from the coming of Tsai Ing-wen to the power in Taiwan in 2016, since her anti-China rhetorics were not met with any rebuttals from the US.⁶⁵ This US diplomatic posture can be seen as its deliberate attempt to balance between the ‘One China Policy’ and Taiwan’s distinctiveness from the PRC, but it has added more ambiguities to its policy towards Taiwan.

⁶⁰ “Full Text: The Taiwan Question and China’s Reunification in the New Era,” *Xinhua*, August 10, 2022, <https://english.news.cn/20220810/df9d3b8702154b34bbf1d451b99bf64a/c.html>.

⁶¹ “A policy of ‘one country, two systems’ on Taiwan,” Ministry of Foreign Affairs, People’s Republic of China, accessed July 20, 2025. https://www.mfa.gov.cn/eng/zy/wjls/3604_665547/202405/t20240531_11367561.html.

⁶² Lindsay Maizland and Clara Fong, “Hong Kong’s Freedoms: What China Promised and How It’s Cracking Down,” Council on Foreign Relations, Last modified July 03, 2025, <https://www.cfr.org/backgrounder/hong-kong-freedoms-democracy-protests-china-crackdown>.

⁶³ Interview with a senior Professor/researcher specialised in Taiwan and US affairs, on September 10, 2025.

⁶⁴ Yun Sun, “China’s View of Lai Ching-te and the Pending Crisis in the Taiwan Strait,” *China Leadership Monitor*, 2024, <https://www.prcleader.org/post/china-s-view-of-lai-ching-te-and-the-pending-crisis-in-the-taiwan-strait>.

⁶⁵ Online interview with a senior Professor/researcher specialized in Taiwan and US affairs, on September 10, 2025.

Trump 2.0 provides an opportunity for China to manoeuvre its diplomatic and strategic leverage on the question of Taiwan. It will continue isolating Taiwan on the diplomatic front as the latter has lost recognition from ten countries since 2016, leaving it with only twelve official diplomatic partners.⁶⁶ China might pursue the anti-Lai faction inside the Trump administration, who are publicly pro-Taiwan,⁶⁷ for undoing the deviation of the ‘One China Policy’ and demand ‘reassurance’ regarding the status quo in the Taiwan Strait.⁶⁸ Contrary to the popular Taiwanese and American rhetoric regarding the 2027 timeline of reunification, Beijing might be at an early stage of building momentum towards complete reunification. One top Chinese expert put the estimate of peaceful reunification somewhere between five to ten years, but there will always be concern about any dramatic escalation.⁶⁹ While there are advantages of having a set timeline, there are also drawbacks, as some of the crucial elements are beyond China’s control. In order to build momentum, one of the cornerstones of the Chinese approach will be shaping a favourable domestic political dynamic of Taiwan, mainly through the Kuomintang (KMT) party and activities to undermine the DPP agenda, which might be intensified during Trump 2.0.⁷⁰

5. Disputes in the South China Sea during Trump 2.0

The US commitment towards its allies who have competing claims against China in the South China Sea was not particularly tested during Trump 1.0.⁷¹ However, Trump 2.0 is already marked with frequent clashes in this hotly contested water body, where Sino-Filipino tussles have been the most highlighted ones, as shown in Annex 1. The Philippines has sought to publicise brinksmanship against Chinese activities, which is largely attributed to the leadership of President Ferdinand Marcos Jr., who departed from his predecessor’s alleged conciliatory stance towards China.⁷² The dynamics of the US-Philippines relations are important to understand and predict the future trajectory of the latter’s skirmishes and clashes with China.

⁶⁶ Nathan Attrill, “Taiwan has 12 diplomatic Partners Left. Who’ll Drop it Next?” Australian Strategic Policy Institute, Last modified June 12, 2025, <https://www.aspistrategist.org.au/taiwan-has-12-diplomatic-partners-left-wholl-drop-it-next/>.

⁶⁷ Online interview with a senior Professor/researcher specialised in Taiwan and US affairs, on September 10, 2025.

⁶⁸ Shao Yuqun, “The Current Need For ‘Reassurance’ in the Taiwan Strait: A Chinese Mainland Perspective,” Toda Peace Institute, Last modified July 31, 2025, <https://www.siis.org.cn/Paper/17122.jhtml>.

⁶⁹ Amber Wang, “Beijing Adviser Yan Anlin on Why a Timetable for Taiwan Reunification has Disadvantages,” *South China Morning Post*, April 21, 2025, <https://www.scmp.com/news/china/politics/article/3307208/beijing-adviser-yan-anlin-why-timetable-taiwan-reunification-has-disadvantages>.

⁷⁰ Brian Hioe, “KMT Continues Outreach to Beijing With Legislators’ Trip to China,” *The Diplomat*, May 02, 2024, <https://thediplomat.com/2024/05/kmt-continues-outreach-to-beijing-with-legislators-trip-to-china/>.

⁷¹ Andrew Chubb, “The South China Sea and the Trump Factor,” Asia Society Policy Institute, Last modified April 16, 2025, <https://asiasociety.org/policy-institute/south-china-sea-and-trump-factor>.

⁷² “Territorial Disputes in the South China Sea,” Centre for Preventive Action, Last modified September 17, 2024, <https://www.cfr.org/global-conflict-tracker/conflict/territorial-disputes-south-china-sea>.

The Biden administration publicly acknowledged the US commitment to protect the Philippines in the case of an attack on the latter's armed forces, aircraft, and public vessels, including those of its Coast Guard, under Article IV of the 1951 US-Philippines Mutual Defence Treaty.⁷³

While there can be substantial room for doubting the US commitment during Trump 2.0, President Marcos is actively pursuing the matter with his US counterpart, yielding some success. Following his visit to the White House in July, a flurry of defence diplomatic activities occurred between the two countries.⁷⁴ The Chief of Staff of the Philippines' Armed Forces met the US Indo-Pacific Commander (USINDOPACOM) and signed a symbolic yet significant memorandum to augment coordination between the two nations' armed forces.⁷⁵ The two countries are also negotiating to deploy more US missile systems,⁷⁶ in addition to the already installed Navy Marine Expeditionary Ship Interdiction System (NMESIS) missile launchers by the US in Batan Island near the key hotspot Bashi Strait off the coast of Taiwan.⁷⁷ There are also plans to strengthen the Philippines' indigenous defence industry through collaboration between US giant Lockheed Martin and Southern Methodist University (SMU) of the Philippines to enhance the latter's R&D capacity.⁷⁸ These developments also drove momentum in the US showcasing of its forces in the South China Sea. USS Higgins and USS Cincinnati – two US Navy destroyers were deployed on the hotly contested water of Scarborough Shoal.⁷⁹ While China claimed to drive these two warships away,⁸⁰ it faced public exposure

⁷³ "Readout of Secretary of Defense Lloyd J. Austin III's Call with Philippine Senior Undersecretary and Officer in Charge of the Department of National Defense Carlito Galvez," US Department of War, Last modified February 21, 2023, <https://www.war.gov/News/Releases/Release/Article/3304564/readout-of-secretary-of-defense-lloyd-j-austin-iiis-call-with-philippine-senior/>.

⁷⁴ Mengzhen Liu, "Renewed Presence, Rising Tensions: Trump's South China Sea Policy Is Taking Shape," *The Diplomat*, August 23, 2025, <https://thediplomat.com/2025/08/renewed-presence-rising-tensions-trumps-south-china-sea-policy-is-taking-shape/>.

⁷⁵ "U.S., Philippine Forces Deepen Cooperation at Annual Defense Talks in Hawaii," *Daily Tribune*, August 19, 2025, <https://tribune.net.ph/2025/08/19/us-philippine-forces-deepen-cooperation-at-annual-defense-talks-in-hawaii>.

⁷⁶ Jim Gomez, "US and Philippines Discuss More Missile System Deployments as Tensions Rise in South China Sea," *Associated Press*, August 14, 2025, <https://apnews.com/article/united-states-philippines-antiship-missiles-china-sea-f38b33bd410992ec4c4264511a32d03c>.

⁷⁷ Jim Gomez and Joeal Calupitan, "US Forces Deploy Anti-Ship Missiles in Philippines and Stage Live-Fire Drills near China Hotspots," *Associated Press*, April 27, 2025, <https://apnews.com/article/usa-philippines-military-drills-china-antiship-missiles-faae979065546230ba9b9b12b95c790b>.

⁷⁸ "Lockheed Martin Announces New Industrial Collaboration Project with SMU for Philippines' Multi Role Fighter Program," Lockheed Martin, Last modified August 13, 2025, <https://news.lockheedmartin.com/2025-08-13-Lockheed-Martin-Announces-New-Industrial-Collaboration-Project-with-SMU-for-Philippines-Multi-Role-Fighter-Program>.

⁷⁹ "2 U.S. warships Deployed To Disputed Waters after Chinese Ships Collided," *CBS News*, August 14, 2025, <https://www.cbsnews.com/news/2-us-warships-deployed-disputed-waters-chinese-ships-collided/>.

⁸⁰ Lim Hui Jie, "China Says it 'drove away' U.S. Warship Near the Disputed Scarborough Shoal," *CNBC*, August 13, 2025, <https://www.cnbc.com/2025/08/13/china-scarborough-shoal-us-philippines-conflict.html>.

after the video of two of its vessels collision while chasing the Philippines' coast guard vessels went viral.⁸¹

The nine-dash line of China puts almost the entire South China Sea under the claims of China, clashing with the EEZs of the Philippines, Indonesia, Malaysia, Vietnam, and Brunei. While the Chinese skirmishes with the Philippines will likely be the highlight of the tussles in the South China Sea under Trump 2.0, other key US allies like Japan, South Korea, and Australia will make repeated diplomatic calls to ensure US presence in the South China Sea. The US is likely continuing to exercise 'innocent passage' rights, though on an ad-hoc basis, responding to the calls of its allies in the region.⁸² In the absence of regular US freedom of navigation operations (FONOP), regional players like Australia might exercise their claimed right and encounter Chinese obstruction.⁸³

5.1 Chinese Strategic Posture in the South China Sea during Trump 2.0

The South China Sea is not only a strategic maritime route for China; it is a geostrategic water body crucial for the PLA Navy to project power against the US and its allies' 'first island chain'. Therefore, China will continue building ports, airstrips, and military installations in the islands, both natural and artificially created, of the South China Sea in the coming days. The militarisation of islands is reported on the basis of satellite images, where China is claimed to have twenty outposts in the Paracel and seven in the Spratly islands.⁸⁴ Therefore, China will continue to drive away any incursion into its claimed territory by using force, and the trend is likely to be prominent in the absence of a coherent South China Sea policy under Trump 2.0.⁸⁵ Chinese activities will test the brinksmanship of the Ferdinand government in the Philippines, which the former identifies as anti-China and provocative.⁸⁶ China has already declared plans to establish a national reserve

⁸¹ Meredith Chen, "What Do We know about the Collision between 2 Ships in Disputed South China Sea?" *South China Morning Post*, August 12, 2025, <https://www.scmp.com/news/china/military/article/3321600/what-do-we-know-about-collision-between-two-ships-disputed-south-china-sea>.

⁸² "China, US Trade Barbs over Destroyer Passage near Scarborough Shoal," *Reuters*, August 13, 2025, <https://www.reuters.com/world/china/china-us-trade-barbs-over-destroyer-passage-near-scarborough-shoal-2025-08-13/>.

⁸³ "China Says Australia 'Spreading False Narratives' and 'Stirring Up Trouble' After South China Sea Incident," *ABC News (Australia)*, February 14, 2025, <https://www.abc.net.au/news/2025-02-15/china-hits-back-at-australia-after-south-china-sea-incident/104940134>

⁸⁴ "China Island Tracker," Asia Maritime Transparency Initiative, accessed July 18, 2025, <https://amti.csis.org/island-tracker/china/>

⁸⁵ M. Reece Breaux, "China Won't Stop Playing With Fire in the South China Sea," *The Diplomat*, August 19, 2025, <https://thediplomat.com/2025/08/china-wont-stop-playing-with-fire-in-the-south-china-sea/>.

⁸⁶ Interview with an expert on Sino-Filipino relations, on August 12, 2025.

in the contested Scarborough Shoal, to which entries of foreign vessels will be highly controlled.⁸⁷

The Taiwan issue and disputes in the South China Sea cannot be seen in isolation. China perceives the strategic importance of the South China Sea not only to assert control over maritime routes but also as a forward platform to counter the US and its allies, supporting its broader goal of eventual unification with Taiwan. China's militarisation of the South China Sea is a deliberate strategy to strengthen its position in any potential Taiwan scenario. By fortifying islands and reefs with airstrips, missile systems, and surveillance infrastructure, Beijing secures key maritime chokepoints and expands its operational reach toward the First Island Chain. This gives China strategic depth, enabling it to monitor and potentially interdict movements of US and allied forces that might come to Taiwan's defence.

6. Implications for the Regional Security Dynamics

The deviation, changes, and incoherence in the US policy regarding Taiwan and South China Sea disputes will have major implications for the countries in the region, especially the US allies. Complying with Trump's transactional foreign policy, key US allies in the region, including Taiwan, will increase their arms procurement from the US, and it will contribute to the militarisation of one of the heavily militarised regions in the world. Japan's pacifist principle will be tested during Trump 2.0, as it has already shown signs of deviation by relaxing domestic constraints on exporting arms.⁸⁸ It is exploring ways to strengthen the maritime capabilities of one of the key nations against Chinese advancement in the South China Sea – the Philippines. It has already started negotiations to export frigates and early-warning radar systems to the Philippines, which will contribute to the latter's maritime combat strength in the face of the PLA Navy.⁸⁹ Japan is also involved in stepping up trilateral exercises with the US and the Philippines, especially among their Coast Guards, to enhance the latter's ability to tackle grey zone activities.⁹⁰

⁸⁷ Laura Zhou, "Why Beijing's New Plan to Bolster its South China Sea Claims has Manila Worried," *South China Morning Post*, September 12, 2025, <https://www.scmp.com/news/china/diplomacy/article/3325243/why-chinas-new-plan-bolster-its-south-china-sea-claims-has-manila-worried?module=latest&pgtype=homepage>.

⁸⁸ "Japan Breaks Pacifist Mold, Eyes Big Play in Defence Market," *Caliber*, June 18, 2025, <https://caliber.az/en/post/japan-breaks-pacifist-mold-eyes-big-play-in-defence-market>.

⁸⁹ "Japan in Talks over Frigate Exports to the Philippines," *Nikkei Asia*, September 10, 2025, <https://asia.nikkei.com/politics/defense/japan-to-start-talks-over-frigate-exports-to-the-philippines>.

⁹⁰ Junnosuke Kobara and Shinnosuke Nagatomi, "Japan, Philippines Step up Coast Guard Cooperation amid China Pressure," *Nikkei Asia*, June 17, 2025, <https://asia.nikkei.com/politics/defense/japan-philippines-step-up-coast-guard-cooperation-amid-china-pressure>.

South Korea is another regional player contributing to the modernising defence capabilities of US allies like the Philippines in the face of Chinese escalations. South Korea has already established itself as a reliable partner in building some of the core military capabilities of the Philippines. On top of that, the Philippines is eying joint defence equipment production with South Korea in the near future.⁹¹ While these two countries' defence convergence goes way back to the time of the Korean War, Trump 2.0 is pushing countries like the Philippines to forge close security ties with Japan, overshadowing its uncomfortable history of being militarily subjugated.⁹² Australia is another key regional player engaged in upgrading the existing defence agreement, projected to be completed by 2026.⁹³ It is also involved in holding drills with the Philippines, the most recent one being the 'Exercise Alon' with the Royal Canadian Navy and the US Marine Corps in the South China Sea.⁹⁴ India held its first naval exercise with the Philippines in the South China Sea this year, which was followed by the announcement of initiating a 'strategic partnership'.⁹⁵ However, India's commitment to fighting Chinese interests in the South China Sea remains untested as the country is venturing through its claimed 'strategic autonomy' in its relations with the US, Russia, and China. These new dynamics will test the efficacy of some of the key minilaterals like the Quadrilateral Security Dialogue (QUAD) in deterring Chinese interests in the Taiwan Strait and the South China Sea. While the Trump administration will not leave these minilaterals, their efficacy as a joint voice against Chinese interests in the region might decay in the absence of a proactive US leadership. The countries are aware of the notion that American protection will come at a cost, and therefore, bilateral relations with the US and other regional US allies will take centre stage in the coming days to deter Chinese interests. It is a distant possibility, but there might be another minilateral including Japan, South Korea, the Philippines, and Australia at the risk of antagonising China and escalating the regional dynamics further. However, the US allies will primarily explore every option to ensure American presence in the region and bolster their own defence capabilities.

⁹¹ Jung Min-kyung and Sanjay Kumar, "Philippines Hails Korean Fighter Jets, Eyes Joint Defense Production," *The Korea Herald*, September 10, 2025, <https://www.koreaherald.com/article/10572691>.

⁹² "The irony, danger behind Japan-Philippines military 'cooperation,'" *Global Times*, September 11, 2025, <https://www.globaltimes.cn/page/202509/1343286.shtml>.

⁹³ "Australia, Philippines to enhance defense pact as tensions with China rise," *Reuters*, August 30, 2025, <https://ipdefenseforum.com/2025/08/australia-philippines-to-enhance-defense-pact-as-tensions-with-china-rise/>.

⁹⁴ "Australian, Philippine forces train at Exercise ALON 25," Indo-Pacific Defense Forum, Last modified August 24, 2025, <https://ipdefenseforum.com/2025/08/australian-philippine-forces-train-at-exercise-alon-25/>.

⁹⁵ Sebastian Strangio, "Philippines and India Announce Establishment of Strategic Partnership," *The Diplomat*, August 06, 2025, <https://thediplomat.com/2025/08/philippines-and-india-announce-establishment-of-strategic-partnership/>.

7. Conclusion

The return of Donald Trump to the White House has once again unsettled the foundations of US foreign policy, particularly in its approach toward China and the Indo-Pacific. This paper has shown that Trump 2.0 represents not a full withdrawal from the region, but rather a transactional and often incoherent approach that leaves allies uncertain and adversaries opportunistic. Taiwan and the South China Sea remain the two most consequential theatres where this ambiguity plays out. For Taiwan, US support oscillates between reassurance and strategic anxiety, compelling the island to strengthen its own defence capabilities and civil resilience. In the South China Sea, the lack of a consistent US strategy is already emboldening China while forcing regional allies, especially the Philippines, to test the limits of American commitments.

Taken together, these developments suggest a regional environment where the risk of clashes and escalation remains high, but where deliberate restraint and opportunistic manoeuvring by both Washington and Beijing will continue to shape the outcomes. The Indo-Pacific is therefore entering a period of fragile stability, one where uncertainty itself is the defining certainty. Future research should further examine three areas: first, the evolving domestic debates in Washington that pit “China hawks” against “America First” advocates, and how these affect long-term US credibility in Asia; second, the resilience strategies of middle powers like Japan, South Korea, and Australia in filling gaps left by an inconsistent US; and third, China’s plausible avenues of power projection in the coming days. By exploring these dynamics in depth, analysts and policymakers can better anticipate whether Trump 2.0 will merely unsettle the Indo-Pacific balance or fundamentally reshape it for years to come.

ANNEX

Annex 1: Key Clashes in the South China Sea in 2025 (January – August)⁹⁶

Date	Incident	Place of Incident
1 Jan 2025	China deployed its largest coast guard ship; Manila protested the escalation.	Scarborough Shoal
18 Feb 2025	A Chinese naval helicopter flew within 10 feet of a Philippine patrol plane; the US condemned.	Scarborough Shoal
6 Apr 2025	Near collision between Philippine and Chinese Coast Guard vessels.	Zambales, Luzon coast
14 Apr 2025	The China Coast Guard encountered the Philippine vessel.	Scarborough Shoal
5 May 2025	Near collision between a Chinese and a Philippine Navy ship.	Scarborough Shoal
22 May 2025	The Chinese Coast Guard fired water cannon at the Philippine research vessel.	Sandy Cay reef
11 Aug 2025	A Chinese naval ship and a coast guard vessel collided while chasing a Philippine patrol boat.	Scarborough Shoal
14 Aug 2025	Chinese fighter jet intercepted Philippine patrol aircraft at dangerously close range.	Scarborough Shoal
20 Aug 2025	The China Coast Guard conducted water cannon drills near BRP Sierra Madre.	Second Thomas Shoal

⁹⁶ Compiled by author; data taken from International Crisis Group Global Conflict Tracker.

26 Aug 2025	China Coast Guard intercepted Philippine vessels; Manila warned removal of BRP Sierra Madre would be 'red line'.	Second Thomas Shoal
13 Aug 2025	Beijing claimed to drive away the US destroyer USS Higgins; the US said it was a freedom of navigation operation.	Near Scarborough Shoal