

THE US - CHINA STRATEGIC COMPETITION IN THE INDO-PACIFIC REGION UNDER TRUMP 2.0

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Abstract: *The rivalry and competition, strategic adjustments and the struggle for influence among major powers are becoming increasingly complicated, particularly between the US and China. New developments are profoundly affecting global security and political dynamics, including the Indo-Pacific region. Considering the intertwined and complex interests between the two nations, the administration of former US President Joe Biden pursued a “responsible competition” policy toward China in efforts to control and stabilize bilateral relations after previous tensions. However, the return of President Donald Trump to the White House (Trump 2.0) can lead to significant changes in US foreign policy, in which the competition with China is among top priorities.*

Key words: Indo-Pacific, competition, Donald Trump 2.0, The United States, China.

Current Status of US-China Competition in the Indo-Pacific

The United States and China are the two most powerful nations in the world, with significant potential and influence. The US-China strategic competition stems from the deep-rooted rivalry between a dominant superpower seeking to maintain its global dominance and a rising power challenging that status. China has directly threatened the US's supremacy and is now already the world's second largest economy to the US. Notably, the US is concerned that China has seemingly surpassed the “threshold of constraints”, as it consistently demonstrated strong determination and met its objectives ahead of schedule.

In the Indo-Pacific region, the US-China confrontation remains a focal point and is becoming increasingly intense, particularly in security and political arenas, through enhancing initiatives and strategies as well as expanding economic and military presence and strengthening alliances. Under the Biden administration, the US announced the “Indo-Pacific Strategy” outlining President Biden's vision to more firmly anchor the US in the Indo-Pacific, reinforced traditional alliances through proliferating mini-lateral frameworks (such as QUAD, AUKUS, US-South Korea-Japan and US-Japan-Philippines), aiding allies and partners in enhancing their defense capabilities, increased military activities in the region. In the meantime, China advan-

ced various initiatives such as the Belt and Road Initiative (BRI), Global Security Initiative (GSI), Global Development Initiative (GDI) and Global Civilization Initiative (GCI); significantly invested in military modernization, especially naval forces; deepened bilateral ties with Russia and expanded influence in Southeast Asia, South Asia and the Pacific islands.

Of notes, tensions between the US and China over flashpoints are escalating, including the East China Sea, the South China Sea (East Sea) and Taiwan Strait, which are posing potential threats to regional stability. China continues to expand military activities and adopts more assertive policies, not only to deter targeted nations, but also to lure partners and consolidate its forces. Meanwhile, the US is seeking deeper intervention, especially in the Taiwan Strait, by increasing military presence and arms sales as well as promoting unofficial diplomatic visits to Taiwan, in an attempt to counter China's "gray zone" tactics and preemptively mitigate China's ambition to establish regional dominance. A significant point of concern arose in August 2022 when tensions over Taiwan reached the most severe level in the last 20 years, following the visit of the US House Speaker Nancy Pelosi to Taiwan. Subsequently, China responded fiercely by intensifying military encirclement and accelerating efforts to eliminate the "median line" in the Taiwan Strait, further escalating the risk of armed conflict.

Forecast of US-China Competition in the Indo-Pacific under Trump 2.0

The Indo-Pacific region will remain the focal point of US-China competition, though both sides may exercise greater caution in managing their confrontations

The Indo-Pacific is currently the global hub of economic development and prosperity, which home to three of the world's largest economies (the US, China, and Japan) and key markets (such as India, ASEAN,...), accounting for approximately 60% of global GDP as well as holding strategic importance in the world's geopolitical structure. This ensures that the region will remain a key battleground for major power competition, particularly between the US and China. Speaking at the Munich Security Conference on February 14, 2025, US Vice President JD Vance emphasized that the US expects Europe to take on a greater security role, which allows Washington to focus on other critical regions. The underlying message is crystal clear: Indo-Pacific security and the challenges posed by China remain top priorities for the US.

However, both the US and China are likely to avoid direct military confrontation, instead seeking ways to manage conflicts. This is because of several factors. First, under the "America First" policy, the Trump 2.0 administration prioritizes domestic and foreign policies, which are more closely aligned with national interests such as economic recovery, government reform and balancing trade relations, rather than expending US

resources on conflicts with limited benefits, including the support for Ukraine in the conflict with Russia.

Secondly, the power gap between the US and China, in terms of economic, defense and military capabilities, has been being narrowed. The rapid economic growth has enabled China to enhance its defense and military capabilities. Meanwhile, the US remains the world's largest defense spender. However, the military gap between the US and China continues to narrow. Furthermore, domestic disagreements in the US as well as the adaptability and support of partner countries pose significant challenges in any potential confrontation with China.

Lastly, the US and China still have intertwined and interdependent interests. Economically, the US now relies heavily on China imports for most of its common goals and even manufacturing equipment, because of the limited investment in manufacturing over the last two decades. Many American technology companies still depend on China. For example, Apple, the world's most valuable company by market capitalization, derives the major profits from China. On the other hand, China, whose economy depends on trade, which recorded a trade surplus of over \$1 trillion in 2024, is the third largest exporter to the US. Additionally, the two countries need to collaborate on various non-traditional security issues, such as climate change and drug trafficking. As a result, under Trump 2.0 administration, US-China competition in the Indo-Pacific would go down on a pathway of decoupling scien-

ce and technology, intensifying tariff war and engaging in controlled military maneuvers with clear deterrence signals. Overall, the US is expected to maintain the strategic upper hand vis-à-vis China in the Indo-Pacific. However, it is unlikely to take excessively aggressive actions. China will avoid making the first move but is ready to act proactively if the US decides to cross the "red line".

The US views India as a Long-Term Partner in Advancing US Objectives in the Indo-Pacific region

The outcomes of Indian Prime Minister Narendra Modi's visit to the U.S. in February 2025 reflect the Trump administration's long-term approach to security relations with India, with a key focus on strengthening and deepening bilateral defense cooperation through institutionalized frameworks. Accordingly, the two sides announced a decade-long cooperation framework to enhance bilateral defense collaboration, ensuring India's access to advanced U.S. military technology. They also decided to reopen negotiations on the Reciprocal Defense Procurement (RDP) agreement to amend procurement policies and review arms transfer procedures, in order to expand and strengthen US-India defense industrial cooperation and joint production. Remarkably, the two countries established a "new pathway" by declaring their intention to "support and sustain overseas military deployments of U.S. and Indian armed forces in the Indo-Pacific". This decision could reshape the way India and the US

approach Indo-Pacific security by enhancing logistical cooperation, intelligence sharing, force mobility and responses to common security threats. Moreover, the two nations will promote connectivity projects, including the India-Middle East-Europe Economic Corridor (IMEC), with the long-term goal of reshaping energy supply chains.

The US is expected to maintain its support for Taiwan, though at a lower level, while seeking greater benefits from Taiwan

Under President Joe Biden's administration, the US maintained unequivocally strong support for Taiwan. President Biden even declared the US would respond "militarily" if China attacked Taiwan. However, US policies toward Taiwan under the Trump 2.0 may witness significant changes. During his election campaign, President Donald Trump criticized Taiwan for not covering the costs of US security guarantees and not using military force to counter a Chinese blockade of Taiwan, instead imposing tariffs of 150-200% on Chinese goods. Additionally, Trump has been increasing pressure on the Taiwanese government in the semiconductor manufacturing sector. He has repeatedly accused Taiwan of "stealing" the US chip industry and has vowed to impose tariffs on Taiwan's key semiconductor exports, which are widely used in modern technology products, from smartphones to artificial intelligence applications. As a result, the Taiwanese government is now considering significantly increasing its arms purchases from the US to "appea-

se" President Trump, since Taiwan's semiconductor industry could suffer severe losses if the US interferes in the chip supply chain, including restricting which countries or companies can purchase Taiwan's chips.

The US may keep the current level of engagement in the South China Sea issues to reaffirm its commitment to regional countries

In 1995, the US did not assist the Philippines in preventing China from seizing Mischief Reef, which is only 129 nautical miles from Palawan, despite the Philippines' request. In 2012, China further asserted sovereignty over Scarborough Shoal, in spite of Philippine opposition. Basically, the US tends to make symbolic statements and actions rather than implementing strong, concrete measures in practice as well as primarily leverages the South China Sea issue to constrain China and maximize its own strategic interests. With the "America First" policy, there is a low possibility that the US will become more involved in the South China Sea issues in the near future. Instead, Washington is expected to uphold its current approach to reaffirm its commitment to regional countries. Simultaneously, the US will prioritize its resources toward resolving major global security concerns, particularly conflicts in Europe and the Middle East.

Measures to Mitigate the Impacts of U.S.-China Competition in the Indo-Pacific Region

First, enhancing dialogue mechanisms and communication channels between the

US and China, as well as among regional countries to build mutual trust, uphold international law and respect each other's legitimate interests, establishing a set of general principles to ensure effective conflict management in flashpoints such as the Taiwan Strait and the South China Sea.

Second, promoting regional multilateral cooperation mechanisms such as the ASEAN Defense Ministers' Meeting Plus (ADMM+), the East Asia Summit (EAS), the Asia - Pacific Economic Cooperation (APEC), etc to foster comprehensive connection, particularly in economic sectors, in order to enhance intertwined interests and prevent potential conflicts.

Third, advocating freedom of navigation, free trade and the peaceful resolution of disputes in accordance with international law, thereby ensuring equal access to shared maritime and airspace resources.

Fourth, advancing cooperation in sustainable infrastructure development, improving the resilience of supply chains and technological networks, diversifying the global semiconductor supply chain, fostering collaboration in emerging non-traditional security challenges, including climate change, counterterrorism, transnational crime and cybersecurity.

Fifth, India, ASEAN and middle powers in the Indo-Pacific should play a more active role in maintaining regional security and stability as well as increase cooperation in trade, investment, joint military exercises and joint patrols, promoting a free and open Indo-Pacific outlook to address security challenges in future.

Conclusion

US-China strategic competition will continue to be the key pivot shaping international political landscape, including the Indo-Pacific region. Under the Trump 2.0 administration, US-China tensions are likely to escalate compared to the previous period, with an unpredictable trajectory. Depending on specific circumstances and occasion, the US may consider certain adjustments to maximize its own interests. Meanwhile, China will not passively accept the US increasing influence in the region, instead, willing to take countermeasures in response to US policies. This necessitates that regional countries, including India and Vietnam, need to enhance their adaptability to navigate new competitive environment./.

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