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What to Expect from Malaysia's ASEAN Chairmanship 2025?

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As Laos passed the symbolic baton of ASEAN Chairmanship to Malaysia for the fifth time, Malaysia stepped into a role of immense responsibility and opportunity. From navigating the complexities of the South China Sea as a claimant state to advancing the ASEAN Economic Integration blueprint, Malaysia faces a massive task in steering the regional bloc forward under its theme of “Inclusivity and Sustainability”. This commentary explores the key expectations and challenges that will define Malaysia's 2025 chairmanship, shedding light on how its leadership under Prime Minister Anwar Ibrahim could shape the future of ASEAN amidst regional and global dynamics.

Malaysia's previous ASEAN chairmanships

2025 will be the fifth time Malaysia has served as the chairman of ASEAN, and as a founding member, Malaysia is expected to liberate the association from its deadlock. Understanding Malaysia's role since its establishment can show how Malaysia is leveraging its chairmanship role. In 1997, under the leadership of Mahathir Mohamad, Malaysia was keen to admit the three potential member countries, Cambodia, Myanmar, and Laos, at the ASEAN Ministerial Meeting (AMM) in 1997, three years earlier than initially anticipated, believing that larger ASEAN would offer more political and economic benefits and influence the pace and direction of Asia Pacific affairs.¹ Malaysia also advocated establishing the East Asia Economic Group (EAEG) in 1990, a

¹ Pero, Mohamed, and Laila Suriya. 2018. “Malaysia's Leadership Role in Asean: An Assessment.” *Journal of International Studies* 14: 65–79. <https://e-journal.uum.edu.my/index.php/jis/article/view/7999>.

forum to discuss economic issues to boost economic cooperation, promote free trade, and integrate regional trade. This group later became the ASEAN+3 framework.

In 2015, Malaysia led the “Our People, Our Community, Our Vision” theme and oversaw the ASEAN Community Vision 2025. This points out Malaysia's active participation and proactive interaction to bring the community's people closer to each other economically and culturally. The vision also commits member states to establish a globally competitive single market and production base with a free flow of goods, services, labor, and investment.² As observed from Malaysia’s previous chairmanship, much of the focus discusses regional economic integration and bringing the economy to the top priority. This reflects clearly on this year's theme, “Inclusivity and Sustainability”, as Malaysia’s chairmanship will prioritize fostering regional collaboration in trade and investment, sustainability, and embracing digital transformation.³ While the region's economy remains the top priority, Malaysia is expected to deal with an array of problems, from the South China Sea dispute and Myanmar issues to global power rivalry.

“Inclusivity and Sustainability”

The 2025 theme under Malaysia’s chairmanship is Inclusivity and Sustainability, which echoes the country’s ambition to develop the regions and build on a vision of shared progress. According to a commentary written by Prime Minister Anwar Ibrahim, Malaysia’s chairmanship seeks to combine economic pragmatism with human-centered values to leave no one behind. The vision includes a pledge to create a rules-based regional order that safeguards prosperity and enhances Southeast Asia’s stability while navigating tensions between great powers.⁴

The “leaving no one behind” notion will be the center of discussion for ASEAN because it speaks to the need for inclusive growth and development across the region. And whether or not Malaysia can deliver such a vision to the region will be a focal point. Due to the economic disparities among

² ibid

³ Nadarajah, Hema, and Hema Nadarajah. 2025. “Malaysia at the Helm: Steering ASEAN through Choppy Geopolitical Waters.” Asia Pacific Foundation of Canada. January 22, 2025. <https://www.asiapacific.ca/publication/malaysia-helm-steering-asean-through-choppy-geopolitical>.

⁴ Ibrahim, Anwar. 2024. “ASEAN’s Second Renaissance Is Now | by Anwar Ibrahim - Project Syndicate.” Project Syndicate. December 16, 2024. <https://www.project-syndicate.org/magazine/asean-malaysia-chair-must-strengthen-outside-partnerships-build-supply-chain-resilience-by-anwar-ibrahim-2024-12>.

the member states, this year's agendas will focus on capacity building and regional cooperation as there is an urgent need for policies that ensure equitable access to opportunities and resources. Malaysia's chairmanship will prioritize fostering regional collaboration in trade and investment, sustainability, and embracing digital transformation. Malaysia is set to host over 300 key meetings and programs throughout the year. In May 2025, Malaysia will host the inaugural ASEAN-Gulf Cooperation Council (GCC) Plus China Summit. Later in the year, it will also organize meetings of ASEAN leaders with partner countries.⁵

2025 will be the final year of the ASEAN Community Vision 2025, and the ASEAN Economic Community Blueprint 2025, and the region is ready for a new vision to navigate the geoeconomic uncertainty. Under Malaysia's chairmanship, the region is expected to adopt the ASEAN Community Vision 2045 at the 46th ASEAN Summit.⁶ The vision will set ASEAN's strategic direction for the next 20 years by addressing the rise of protectionist measures, supply chain disruption, and other external pressures. As Trump is returning to the white house, ASEAN will have to prepare for the global trade chaos. There is general agreement regarding ASEAN's stabilizing function in the constantly shifting global economy, according to the 2024 State of Southeast Asia Survey. According to 29.7% of respondents, ASEAN was the group the area had the highest faith in to support free trade. Furthermore, 44.8% of respondents believed that strengthening ASEAN's unity and resilience was the greatest way to reduce the dangers of geopolitical trade conflicts.⁷ Thus, there is growing pressure on Malaysia to actively push for regional integration to its limit.

Malaysia will also focus on 15 Priority Economic Deliverables (PEDs) that will strengthen regional economic integration as well as promote sustainable and inclusive growth. Moreover, Malaysia is expected to facilitate the conclusion of several high-profile agreements, such as the

⁵ Anadolu. 2025. "Malaysia Assumes Chair of Southeast Asian Bloc." Aa.com.tr. 2025. <https://www.aa.com.tr/en/asia-pacific/malaysia-assumes-chair-of-southeast-asian-bloc/3439457>.

⁶ Maria, Rebecca, Shujiro Urata, and Ponciano S. Intal, Jr. n.d. "The ASEAN Economic Community into 2025 and Beyond." https://www.eria.org/5.0.ASEAN_50_Vol_5_Integrative_Chapter.pdf.

⁷ ISEAS – Yusof Ishak Institute. 2024. "The State of Southeast Asia: 2024 Survey Report." Wwww.iseas.edu.sg. April 2, 2024. <https://www.iseas.edu.sg/centres/asean-studies-centre/state-of-southeast-asia-survey/the-state-of-southeast-asia-2024-survey-report/>.

ASEAN-China Free Trade Agreement (ACFTA) Upgraded negotiations and the ASEAN Trade in Goods Agreement (ATIGA).⁸

The ASEAN Digital Economy Framework Agreement (DEFA) will be finalized in 2025, marking the second key milestone. The framework will be the world's first regional digital pact, providing a comprehensive roadmap for accelerating digital trade in services, e-commerce, and digital payment systems, among other areas. The DEFA is expected to add approximately \$2 trillion to the ASEAN economy by 2030, paving the door for ASEAN to facilitate a greater volume of digital trade with its dialogue partners.⁹

However, ASEAN may risk exacerbating the region's digital divide. As part of the ASEAN digital community discussions, Malaysia can help overcome this gap by improving digital education and access throughout the region. Among the agenda of the theme, Technical and Vocational Training (TVET) will be a key sector discussed in the meeting as the region is trying to attract innovative investments. Thus, there is a growing demand for a skilled workforce that can handle the rapid technological and industrial shifts. Aside from digitalization and TVET, ASEAN is also expected to address global issues such as environmental degradation, climate change, Artificial intelligence, and more.¹⁰

Leadership Under Anwar Ibrahim

Malaysia's leadership under Anwar Ibrahim will likely define the tone and effectiveness of its chairmanship. According to Malaysia's Defense Minister, Mohamed Khaled Nordin, Malaysia has outlined three key priorities for the country's chairmanship of ASEAN 2025. The top priorities for Malaysia are to a) prevent any escalation of tensions that can spark regional conflict, b) position

⁸ Fong Siew Leng, Kristina. 2024. "ASEAN's 2025 Chair: Navigating Tricky (Economic) Shoals | FULCRUM." FULCRUM. December 12, 2024. <https://fulcrum.sg/aseans-2025-chair-navigating-tricky-economic-shoals/>.

⁹ Seah, Sharon . 2025. "ASEAN Should Hope for the Best but Prepare for the Worst in 2025." East Asia Forum. January 20, 2025. <https://eastasiaforum.org/2025/01/20/asean-should-hope-for-the-best-but-prepare-for-the-worst-in-2025/>.

¹⁰Rahman, Danial. 2025. "Malaysia as ASEAN 2025 Chair: Can Anwar Make a Difference?" Global Asia. 2025. https://www.globalasia.org/forum/malaysia-as-asean-2025-chair-can-anwar-make-a-difference_danial-rahman.

ASEAN as a leading platform of diplomacy, c) enhance training and, cooperation, and defense diplomacy.¹¹

Known for his outspoken nature and prominent advocate for international diplomacy, Anwar's approach to addressing regional issues will centralize around diplomatic engagement. Since assuming office, Anwar has addressed humanitarian issues in Gaza, engaged with the BRICS platform, and committed to fostering open trade and investment ties with both the U.S. and China. The newly elected Prime Minister of Malaysia is quite vocal on matters of international importance, raising expectations about its power to address issues that debilitate ASEAN. During his first official visit to Thailand since assuming the premiership, Anwar Ibrahim suggested that ASEAN carve Myanmar out for now instead of letting the country's crisis hinder the association.¹² Such comments reflect Anwar's firm stance on prioritizing ASEAN functionality and progress, even if it means making tough decisions regarding Myanmar's involvement. The Malaysian Prime Minister Anwar Ibrahim also conveyed his sentiments during the ASEAN Summit in Vientiane in October, discussing the importance of dialogue and cooperation in forming the fundamentals of amity and good relations. As he argued, the association must be internally cohesive by keeping the spillover effect from US-China tensions.¹³ These statements, combined with his broader diplomatic engagements, offer a clear preview of Malaysia's chairmanship strategy—rooted in diplomacy, proactive engagement, and regional stability. Much of Anwar's leadership reflects the Malaysia Madani Value, which builds on sustainability, prosperity, innovation, respect, trust, and compassion.

Anwar Ibrahim also announced the formation of an informal advisory team to ASEAN, reflecting on a proactive engagement with ASEAN members and seeking the expertise and experiences of former leaders and influential figures who can influence multifaceted regional outlooks.¹⁴ Several

¹¹ BERNAMA. 2025. "MINDEF Outlines Three Key Priorities during ASEAN Chairmanship." BERNAMA. 2025. <https://asean.bernama.com/news.php?id=2383350>.

¹² Tan Hui Yee. 2023. "Anwar Says Asean Should 'Carve' Myanmar out for Now | the Straits Times." [www.straitstimes.com](https://www.straitstimes.com/asia/se-asia/anwar-says-asean-should-carve-myanmar-out-for-now). February 10, 2023. <https://www.straitstimes.com/asia/se-asia/anwar-says-asean-should-carve-myanmar-out-for-now>.

¹³ RFA. 2024. "Malaysia's Anwar Calls for a United ASEAN amid Rising 'Global Tensions.'" Radio Free Asia. October 9, 2024. <https://www.rfa.org/english/news/laos/malaysia-asean-anwar-ibrahim-10092024142334.html>.

¹⁴ Kavi Chongkittavorn. 2024. "Malaysia's Asean Chair with a Twist." [https://www.bangkokpost.com](https://www.bangkokpost.com/opinion/opinion/2925877/malaysias-asean-chair-with-a-twist). Bangkok Post. December 23, 2024. <https://www.bangkokpost.com/opinion/opinion/2925877/malaysias-asean-chair-with-a-twist>.

prominent figures include former Thai Prime Minister Thaksin Shinawatra, former Cambodian Prime Minister Hun Sen¹⁵, Foreign Ministers of Singapore and Indonesia, George Yeo and Retno Marsudi, and more. The group will be expected to provide strategic recommendations to leverage ASEAN on critical regional issues. However, it also signals Anwar's ambition to strengthen the internal structure of ASEAN to deal with external pressures.

However, challenges also remain. Malaysia will face high expectations to reinvigorate and guide the organization, not only as a founding member but also under the new leadership of Anwar Ibrahim. While these expectations are crucial, they echo the same pressures placed on Indonesia during its recent chairmanship. Despite the initial optimism, Indonesia struggled to deliver tangible progress on issues such as the Myanmar crisis and the South China Sea dispute. Such criticisms of Indonesia's chairmanship can also highlight the difficulties Malaysia may encounter: the ASEAN's lack of decisive actions, the nature of the consensus-driven approach, or the internal struggle for ASEAN cohesiveness. Furthermore, Anwar's outspoken nature could also present challenges in navigating ASEAN's consensus-based decision-making process, especially when addressing divisive issues such as the Myanmar conflict and the South China Sea Dispute.

The South China Sea Dilemma

The South China Sea remains one of the critical challenges facing ASEAN, and tensions are worsening. Malaysia, a claimant state, faces a delicate balancing act during its chairmanship in 2025, needing to reconcile national interests with ASEAN's consensus-based approach.

Prime Minister Anwar Ibrahim has called for the long-stalled Code of Conduct agreement with China to be concluded, but progress has been slow since negotiations began in 2002. Malaysia is eager to conclude the Code of Conduct (COC) agreement with China because it is crucial for maintaining stability and peace in the South China Sea. The COC would provide a framework for resolving disputes, reducing tensions, and ensuring that all parties respect international maritime laws, which is vital for Malaysia's national security and its economic interests, especially in terms

¹⁵ Azmiand, Hadi , and Reuters. 2024. "South China Morning Post." South China Morning Post. December 17, 2024. https://www.scmp.com/week-asia/politics/article/3291227/malaysias-appointment-thaksin-and-hun-sen-anwars-advisers-raise-eyebrows?module=perpetual_scroll_0&pgtype=article.

of trade routes and access to natural resources. Malaysia also has the additional complication of serving as ASEAN's country coordinator for China, requiring it to balance its extensive trade ties with Beijing against regional security concerns. Malaysia can try to reduce the possibility of conflict by emphasizing confidence-building measures and preventive diplomacy to ensure that the South China Sea is a region of stability and security.¹⁶ Yet, its leverage to affect China's actions remains uncertain, which makes the Code of Conduct negotiations a prime focus for 2025.

Myanmar's Problems

The situation in Myanmar further tests ASEAN's unity and credibility when the junta refuses to commit to the Five-Point Consensus, and the situation in Myanmar is getting worse. The Malaysian Prime Minister Anwar Ibrahim had suggested that ASEAN should carve Myanmar out for now and start to strengthen internal mechanisms. Malaysia also offered to act as an intermediary between the junta of Myanmar and opposition groups and supported a more assertive attitude toward ending the civil war. In support, Malaysia has appointed Thailand's former Prime Minister Thaksin Shinawatra as an informal advisor, leveraging Thailand and Myanmar relations to help address the conflict. However, differences in the stand of ASEAN on Myanmar—from re-engagement to strict adherence to the Five-Point Consensus—are significant challenges.¹⁷ The Malaysian chairmanship will have to delicately balance these interests while engaging third-party stakeholders, especially China, to create the conditions for a durable solution.

ASEAN in 2025

For ASEAN, Malaysia's 2025 chairmanship falls at a very critical time when ASEAN is trying to adopt the ASEAN Community Vision 2045 and finalize the ASEAN Digital Economy Framework Agreement—both seen to future-proof the region by improving economic integration, digital transformation, and regional stability. Still, ASEAN has been put under the wringer between internal pressures, tensions on Myanmar and South China Sea issues, and increasing US-China rivalry. Malaysia's theme, "Inclusivity and Sustainability," reflects the ambition of combining economic pragmatism with human-centered values so that no member state will be left behind.

¹⁶ *ibid*

¹⁷Tan, Angeline, and Yanitha Meena Louis. 2024. "Malaysia's ASEAN Chairmanship Is a Catalyst, Not a Panacea | Lowy Institute." Lowyinstitute.org. 2024. <https://www.lowyinstitute.org/the-interpreter/malaysia-s-asean-chairmanship-catalyst-not-panacea>.

Malaysia's chairing success will lie in surmounting the current challenges while advocating unity and progress. Malaysia's priority should be building dialogue, cooperation, and innovation to help shape a resilient, forward-looking ASEAN that could address current and future regional challenges.

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