

GLOBAL VIEWS

AGUS HARIMURTI YUDHOYONO

Asia's path in a transforming world

A more integrated Asia benefits everyone, ensuring collective resilience in an era of uncertainty

Eighty years ago, Asia was recovering from wars, colonial legacies and economic challenges. Today, it is the world's economic engine, contributing more than half of global growth. But will this success lead to greater cooperation, or will fragmentation define the region's rise? The answer lies in the choices we make today. The



Boao Forum for Asia 2025 presented an opportunity to shape those decisions, to promote sustainable and inclusive growth. Indonesia has long played a role in the Boao Forum. In 2005, then-president Susilo Bambang Yudhoyono addressed the forum under the theme "Asia Searching for Win-Win: The New Role for Asia". That year marked the establishment of the strategic partnership between Indonesia and China, setting the stage for future collaboration.

Today, the global landscape is shifting rapidly, with economic realignments, technological breakthroughs, geopolitical tensions, and climate change impacts. Now is the time to think bigger, act faster, and collaborate more deeply.

Sustainability is more than crisis management; it's about lifting communities out of poverty, safeguarding natural resources, and ensuring long-term prosperity. Resilience may not yield immediate returns, but it lays the foundation for stability.

Under President Prabowo Subianto, Indonesia is integrating infrastructure, food security, water management and energy sustainability into a unified strategy. These areas are interconnected. No infrastructure is valuable without electricity, clean water or agricultural productivity. Indonesia's initiatives, such as improving irrigation systems and scaling renewable energy, contribute to a resilient economy. In Central Java, improved irrigation has boosted agricultural yields, reducing climate risks.

No country can tackle sustainable development alone. Climate risk, energy security and food resilience are global challenges that require cooperation. True sustainability can only be achieved through joint action.

Trust, shared responsibility, and inclusive growth must underpin Asia's development agenda.

Three areas stand out: infrastructure connectivity, the clean energy transition and digital transformation.

Infrastructure connectivity is crucial for trade and investment. Without efficient roads, ports and digital networks, economic growth stagnates. Indonesia advocates for deeper cooperation on cross-border infrastructure to ensure widespread benefits. The Master Plan on ASEAN Connectivity 2025 offers a framework, while countries like Vietnam and Thailand highlight how public-private partnerships can accelerate development.

Building on this regional commitment, Indonesia actively fosters partnerships with key international players to enhance its infrastructure network. A notable example is the Jakarta-Bandung High-Speed Railway, also known as Whoosh, developed in collaboration with China as part of Indonesia's broader infrastructure strategy. Beyond enhancing connectivity, the project stimulates economic growth along its corridor, generating new opportunities for businesses and local communities.

Regional cooperation is vital for the clean energy transition. Moving away from fossil fuels presents challenges for emerging economies, but reliance on outdated energy sources is unsustainable. The Asian Development Bank estimates that unchecked climate change could shrink regional GDP by up to 17 percent by 2070. On the other hand, investment in green infrastructure and clean energy could unlock billions of dollars in economic gains and create thousands of jobs. Indonesia, with the world's largest geothermal reserves, is making renewable energy a central part of its strategy.

Indonesia's energy transition extends beyond geothermal

development to the strategic expansion of its battery and electric vehicles ecosystem. A key priority is advancing its nickel downstream industry to maximize domestic value creation and strengthen global competitiveness. To support this vision, Indonesia has engaged international partners, with investment from China playing a significant role in accelerating development. By leveraging its resources, fostering innovation, and driving industrial growth, Indonesia is positioning itself as a major player in the global battery and EV supply chain.

Digital governance must also be addressed. Artificial intelligence, data and automation are reshaping industries, offering potential to enhance energy efficiency, healthcare and education. But without regulation, these technologies could widen inequalities and create security risks. Indonesia supports the establishment of a global framework for AI governance to ensure technology benefits society while reducing digital divides. Clear regulations and ethical standards are necessary for inclusive growth.

As global dynamics change, Asia stands at a critical juncture. Will it become a battleground for rivalries, or will it rise as a unified force for stability and progress? Traditional security frameworks that focus on military strength and economic power are no longer sufficient. Long-term resilience now depends on food, water and energy security, as well as defense and diplomacy.

For decades, the Association of the Southeast Asian Nations has anchored regional stability, guided by the belief that regional challenges require regional solutions. Strengthening ASEAN institutions, advancing security dialogues, and reinforcing multi-lateral partnerships are key to lasting peace and economic resilience. A connected Asia is not only an engine of growth but also a pillar of geopolitical stability. Through cooperation with diverse partners, including China as a comprehensive strategic partner, ASEAN plays a vital role in promoting inclusive and sustainable growth, ensuring that the benefits are widely shared across the region.

Regional cooperation faces challenges such as diverging national interests and economic disparities. But the cost of fragmentation is much higher. A more integrated Asia benefits everyone, ensuring collective resilience in an era of uncertainty.

Sustainable development is no longer just an economic priority; it is a security imperative. Trust, shared responsibility, and inclusive growth must underpin Asia's development agenda. Decisions made today will determine whether the region emerges as a model of unity and innovation or succumbs to division and short-termism.

The future is not something to wait for; it is something we build together. Governments must commit to bold reforms, businesses must drive sustainable innovation, and regional partnerships must move from rhetoric to results. Only then will Asia's rise be defined by collaboration rather than fragmentation.

As the Javanese say, *Becik ketitik, olo ketoro*; good deeds will be seen, and bad deeds will not stay hidden forever. The choices we make will define the world our children inherit.

The author is coordinating minister for Infrastructure and Regional Development, Indonesia. The author contributed this article to China Watch, a think tank powered by China Daily. The views do not necessarily reflect those of China Daily.



MA XUEJING / CHINA DAILY

IVAN CARDILLO

Cooperation over confrontation

Trust, stability and mutual benefit should form the cornerstone of EU-China economic relations

President Donald Trump's return to the White House has brought Europe and China to a crossroads in their economic relationship. US protectionism — marked by sweeping tariffs and an "America First" agenda — is disruptive for global trade. With

global supply chains facing greater uncertainty and economic growth fragile, the stakes for EU-China trade relations are high. This

moment calls for laying emphasis on cooperation, joint ventures and stable frameworks over the inefficiency and long-term damage of tariffs and unilateral economic measures.

Unilateral economic measures erode trust and predictability — the very foundations of stable commerce.

In late 2024 and early 2025, trade tensions between the EU and China escalated into a cycle of reciprocal tariffs. The EU imposed steep anti-subsidy duties — ranging from 17 percent to 35.3 percent — on Chinese electric vehicles, prompting Beijing to retaliate with anti-dumping duties on European brandy and investigations into EU agricultural exports. The conflict quickly expanded beyond EVs, with the EU targeting additional Chinese goods such as biodiesel, erythritol, and titanium dioxide. In turn, China extended countermeasures affecting key European sectors, including pork and dairy.

However, trade imbalances cannot be addressed by imposing tariffs. They stem from deeper structural factors — such as comparative advantages, consumption dynamics, and supply chain specialization — that require targeted domestic reforms and international cooperation.

Rather than "winning" a better deal, punitive measures often lead to a breakdown of dialogue.

EU-China economic cooperation has immense potential when guided by stable agreements and mutual openness. Countless European companies operating in China report strong returns on investment, and Chinese enterprises expanding into Europe create local jobs and bring in needed capital. In 2024, against the headwind of global uncertainties, foreign investors continued to view China as a prime destination: establishing more than 59,000 new foreign-invested companies, a 9.9-percent increase year-on-year. Notably, the average return on foreign direct investment in China has been approximately about 9 percent in recent years, among the highest in the world. These profits often flow

back to European parent companies, supporting jobs and innovation at home. European businesses from automotive to luxury goods have thrived by partnering with China. The long-term benefits of engagement far outweigh the short-term gains some seek through protectionism.

The breakdown of reciprocity mechanisms between the EU and China in recent years has fed skepticism in both Brussels and Beijing. European stakeholders have long raised concerns about unequal market access — pointing out that Chinese companies often enjoy open access to EU markets, while European companies face restrictions in China. These concerns prompted the EU to insist on "reciprocity" and a "level playing field". Indeed, the EU-China Comprehensive Agreement on Investment negotiations (2014-20) were driven by a desire to lock in commitments on fair market access and investment protection. When the CAI was agreed in principle in late 2020, it was hailed as a breakthrough to address these issues. However, in 2021, mutual sanctions — initially sparked by human rights disputes — led the European Parliament to freeze ratification of the CAI, effectively shelving seven years of negotiators' work. This collapse demonstrated how political rifts can derail economic diplomacy. Both sides walked away with grievances: the EU felt China had violated norms by sanctioning elected officials, and China felt the EU was acting in bad faith under external (US) influence.

Rebuilding trust is paramount, and it is achievable through consistent, confidence-building measures.

First, both sides must improve communication and transparency. Misunderstandings often breed suspicion. For instance, European regulators worry about China's industrial policies and subsidies, while Chinese officials bristle at Europe's talk of "de-risking" as a cover for protectionism. Regular, frank dialogue can clarify intentions. The revival of high-level economic dialogue, as well as working groups on specific concerns, will help each side understand the other's red lines and find compromise solutions. Preventive diplomacy — solving irritants before they escalate — should be the mantra.

Second, Europe and China need to recognize their shared interest in a balanced geopolitical-economic order. Neither benefits from a bifurcated global economy or a new Cold War. The EU often describes China as partner, competitor, and rival simultaneously. Strategic competition will not disappear, but it need not preclude deep partnership in other arenas. In fact, maintaining engagement with China is part of

Europe's strategy for strategic autonomy — ensuring it is not overly dependent on any one power, including the United States. Europe must prepare to withstand US pressure by articulating its own interests clearly. A balanced approach — where the EU coordinates with the US on legitimate concerns but also defends its right to dialogue and trade with China — will serve Europe best.

Finally, trust will grow when concrete positive results start flowing. Nothing builds confidence like success. If, for example, the EU and China manage to agree on a sectoral deal — say, a Green Tech Partnership that eliminates tariffs on environmental goods and sets joint investment funds for clean energy projects — both sides will see proof that cooperation works, inspiring further collaboration. If China's recently announced 2025 Action Plan for Stabilizing Foreign Investment is implemented well and European companies visibly benefit, it will reassure EU investors that China is serious about openness. For its part, the EU can demonstrate goodwill by advancing investment agreement talks or reconsidering certain export control measures that most concern Beijing, in exchange for Chinese reciprocity. Step by step, such actions will rebuild a reservoir of trust that insulates the economic relationship from the vagaries of politics.

Trust, stability, and mutual benefit should form the cornerstone of EU-China economic relations as the world enters a period of uncertain geopolitics.

Furthermore, mixing commercial matters with security concerns is a grave strategic misstep. Trade should not become collateral damage in the pursuit of geopolitical positioning. The goal must not be to extract a short-term "deal" under the pressure of fleeting circumstances, but to build a resilient, forward-looking partnership rooted in mutual respect and shared prosperity. As Europe and China navigate an era of global uncertainty, their relationship must be guided not by reactionary impulses, but by the long-term vision of sustainable cooperation.

The success of EU-China trade relations will set a precedent for how open, rules-based cooperation can survive in an increasingly fragmented world.

The author is an adjunct professor at China University of Political Science and Law and a scientific expert for the EU-China Research and Innovation Dialogue. The author contributed this article to China Watch, a think tank powered by China Daily. The views do not necessarily reflect those of China Daily.



WANG XIAOYING / CHINA DAILY