



After the American Retreat: How Southeast Asia Can Seize its Climate Future

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By Adam X. Hansen and Pey Peili

SYNOPSIS

The Trump administration's aggressive rollback of US climate policy has left a global void. Yet, for Southeast Asia, this is not just a crisis but a catalyst. By leveraging critical minerals to sustain US engagement and through strengthening ties with new partners, the region can forge a resilient, independent green path.

COMMENTARY

The second Trump administration has launched an aggressive anti-climate campaign, provoking a tumultuous chapter in the wider climate movement. The recent 80th United Nations General Assembly saw President Donald Trump reaffirm this posture, venting his frustrations with both the [“global warming hoax”](#) and [“fake Paris climate accord”](#).

Likened to a [“blitzkrieg”](#) against federal regulations, the [145 anti-environmental actions](#) in his first 100 days back at the White House outnumber equivalent actions during his entire first Presidential term. Reversing key climate policies of his predecessors, Trump's immediate withdrawal from the Paris Agreement on his first day in office and “national energy emergency” declaration are part of an [“unprecedented”](#) agenda to ramp up fossil fuel production.

The subsequent elimination of clean energy incentives established by the Inflation Reduction Act (IRA), the largest investment in renewable sources in US history, has cemented what constitutes not only a boost to the oil and gas industry but also an [“attack”](#) on the clean energy sector.

Global Implications of the US Retreat

Globally, Trump's return to power spells a major shift from his predecessor Joe Biden's aspired leadership in international climate governance. Withdrawing from all multilateral agreements and funding tied to the United Nations Framework Convention on Climate Change (UNFCCC) marks a definitive retreat, and has led climate experts to proclaim that ["America's absence is one that is felt"](#).

Withdrawal from the UNFCCC is merely the proverbial tip of the iceberg in the US' current approach. President Trump's strong emphasis on fossil fuel use and production is compounded by the shutdown of the United States Agency for International Development (USAID), leaving developing countries bereft of the crucial resources needed for climate adaptation and clean energy programmes. Moreover, all US funding for existing Just Energy Transition Partnerships (JETPs) has been halted, which support developing countries in their energy transitions.

President Trump's near-total shutdown of the National Oceanic and Atmospheric Administration (NOAA) further increases global vulnerabilities. A federal scientific agency that leads globally in climate science, including sea-level rise and disaster prediction, NOAA has contributed internationally by providing advanced insights and solutions to the dangers posed by climate change. The loss of its expertise and scientific capacities has reverberating effects around the world.

Implications for Southeast Asia

For Southeast Asia, the consequences of US disengagement are direct and severe. The USAID shutdown leaves key recipients, including the Philippines, Vietnam and Indonesia, without crucial funds. For the latter two, up to US\$3 billion in support between them has been cut from existing JETPs aimed at supporting their transition from coal. Regionally, US funding for the SERVIR-Southeast Asia programme has been halted; a joint USAID and NASA project providing technology to build climate resilience.

Moreover, Trump's ongoing tariffs represent an additional threat to Southeast Asia. With up to 80 per cent of US solar products traced to the region, [tariff rates of up to 3,521 per cent](#) threaten to devastate the industry in Cambodia, Thailand, Vietnam and Malaysia, in addition to hefty taxes on wind turbines and electric vehicles. These actions leave Southeast Asia with a disrupted clean energy supply chain, challenging the wider energy transition.

Nonetheless, US interests prevail in Southeast Asia. An emerging avenue concerns critical minerals found in the region, with [nickel, tin, rare-earth elements \(REEs\), and bauxite](#) particularly abundant. While Indonesia remains the world leader in nickel production, major RRE reserves currently exist in Malaysia, Myanmar and Vietnam. These critical minerals are not just essential for smart technology and weaponry but also for the global clean energy transition, even as their extraction is often resource-heavy and environmentally damaging. This has sparked major geopolitical competition.

By seeking to reduce China's dominance in critical minerals, President Trump has recently attempted to strike related bilateral agreements with Indonesia, the Philippines and Malaysia, among others. Such deals would meet the US' needs while reducing China's heavy influence over the region's critical mineral industry, highlighting the important role Southeast Asia can play in shaping its outcome.

Southeast Asia's Options and Related Challenges

Southeast Asia has options to reiterate its climate agenda by making access to its critical mineral resources dependent on secure, sustainable green conditions. This includes effectively addressing the polluting effects of mining by requiring that US investment be tied to sustainable mining practices, while also fostering technology transfers for clean energy manufacturing, expanding green jobs, and supporting the region's own climate goals. This approach transforms the dynamic from a purely extractive transaction into a strategic partnership for secure and sustainable supply chains.

While the potential for the US to exercise retaliatory measures should not be ignored, its July 2025 trade agreement with Indonesia shows that leverage exists but needs careful handling. In securing access to critical minerals, the US has agreed to export fossil fuel-powered-energy to Indonesia. Rather than locking itself into decades of unsustainable energy, Southeast Asia can prioritise leveraging its critical minerals in future bilateral agreements with countries to reinforce, rather than undermine, the region's path towards a green and secure future.

While the US withdrawal from climate engagement has left a leadership vacuum, China is working rigorously to fill it. On its way to becoming the world's first "[electrostate](#)", driven primarily by clean energy sources, its doubling down on clean energy through massive investments in clean tech and the Belt and Road Initiative (BRI) presents both opportunities and challenges for Southeast Asia.

Despite offering a viable alternative, increased engagement may come at the expense of over-dependence on China – a commitment many states are uncomfortable with. With Trump's renewed emphasis on liquefied natural gas (LNG) and oil, several countries in Southeast Asia have already committed to importing US fossil fuels, despite threatening carbon neutrality goals. Therefore, continued hedging may come at the expense of the environment.

Moving Forward by Developing New Partnerships

In response to global uncertainties, ASEAN has signalled its intention to avoid succumbing to great power competition by advancing new partnerships. This proactive approach, highlighted at last year's [Conference of the Parties to the UNFCCC \(COP\)](#), includes a growing relationship with Australia, identified as a potential "green regional partner" in a recent [ASEAN Climate Change and Energy Project \(ACCEPT\) report](#).

Building on existing relationships for green partnership is crucial, as both [Vietnam](#) and [Malaysia](#) have this year strengthened agreements with Japan on green

infrastructure investments, while the recent 1st ASEAN-EU Ministerial Dialogue on Environment and Climate Change highlights reinforcement of ASEAN's climate relationship with Europe. Simultaneously, Southeast Asia has emerged as a front-runner in readiness ahead of this year's landmark COP30. With [Thailand and Cambodia among leaders](#) in operationalising carbon markets in line with Article 6 of the Paris Agreement, ASEAN continues to signal a globally ambitious position and climate governance leadership despite the US withdrawal.

Conclusion: Forging a New Path

President Trump's climate policy approach has profound global impacts, and Southeast Asia will be affected. Yet, while damaged and exposed to new vulnerabilities, the second Trump administration has catalysed a new era of strategic autonomy for ASEAN. Rather than being permanently wounded by a lost climate partner in the US and China's growing green dominance, ASEAN can build a multi-aligned future.

By taking global leadership in emerging carbon markets, supported by a diverse and growing portfolio of green partners, including Australia, Japan, and the EU, ASEAN can navigate its way forward in turbulent times. Further, by leveraging unique regional assets, such as US-desired critical minerals, and enhancing regional coherence through cohesive integration projects, including the ASEAN Power Grid, Trump 2.0 can turn a threat into an opportunity for the region.

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