THE IMPACT OF "TRUMP'S POLICIES" ON ECONOMIC GROWTH IN SOUTHEAST ASIA: SYSTEMATIC LITERATURE REVIEW APPROACH

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Abstract

This study aims to analyze the complex impact of President Donald Trump's "America First" protectionist economic policies on economic growth in the Southeast Asian region through the lens of Economic Realism theory. This study uses a qualitative approach with a descriptive analytical design. Data were collected through document studies in the form of official US policy data, ASEAN communiques, World Bank and IMF reports, and other academic literature, which were analyzed thematically based on the Economic Realism framework. The results reveal a dual impact. Trump's policies disrupted global supply chains and increased uncertainty. However, simultaneously, these policies opened up strategic opportunities in the form of trade diversion and investment relocation from China to Southeast Asia. The impact was not homogeneous, with Vietnam emerging as a major beneficiary, while countries with highly open economies experienced a slowdown. In aggregate, the region's economies demonstrated resilience driven by domestic demand and regional integration, leading to accelerated structural transformation. There are significant implications of Trump's policies regarding his role as a catalyst for accelerating economic diversification and building regional economic resilience. Therefore, to ensure sustainable growth, Southeast Asian countries need to continue strengthening regional cooperation and enhancing domestic competitiveness

Keywords: *Trump's Policies, Economic Growth, Southeast Asia, Trade War*

INTRODUCTION

The trade policies implemented by President Donald Trump during his term in office exerted a substantial influence on economic growth in the Southeast Asian region. A pivotal component of this policy entailed the implementation of substantial tariffs on goods imported from China, a move that elicited a reciprocal response in the form of analogous trade policies from China. This impact was evident in the uncertainty experienced by the Association of Southeast Asian Nations (ASEAN) countries, which maintain trade relations with these two economic giants, in their export markets (Amalia et al., 2025; Rhussary et al., 2025; Wahyudi & Nelonda, 2025). This perspective is supported by the findings of Ainur (2024) and (Wulandari, 2024), which indicate that that this uncertainty could impede investment in the region and lead to stagnant growth. A decline in demand from these two major economies could also lead to a reduction in trade flows within Southeast Asia, which might result in a deceleration of the region's gross domestic product (GDP) growth rate.

Moreover, Trump's protectionist policies have prompted Southeast Asian countries to explore new opportunities in international markets and foster regional collaboration. By pooling efforts to enhance trade cooperation within the ASEAN region, countries such as Indonesia, Malaysia, and Vietnam are striving to reduce their dependence on external markets (Ramadhan et al., 2023). A notable outcome of this dynamic is the emergence of agreements such as the Regional Comprehensive Economic Partnership (RCEP), which aims to reduce tariffs and trade barriers among regional countries (Shaikh, 2021). The RCEP presents an opportunity for ASEAN countries to fortify their standing as manufacturing and trading hubs by shifting the focus of trade to member countries. Nevertheless, the long-term consequences of Trump's policies may also result in economic challenges for Southeast Asia. The rapid implementation of policy changes and the emergence of trade conflicts have the potential to engender a climate of uncertainty, which investors may seek to avoid. In order to address the potential economic challenges posed by unstable foreign policies from major countries (Lestari et al., 2024), ASEAN countries must engage in collaborative efforts through regional trade agreements. However, if the region employs the appropriate strategy, it may be able to leverage this situation to enhance its economic resilience and strengthen its position in a rapidly

changing global economy. The presidency of Donald Trump has signaled a substantial realignment of US economic policy, predicated on the principle of "America First". These unilateral actions deliberately disrupted the established global liberal economic order, creating widespread uncertainty in international markets. The transition from multilateralism to a transactional approach that prioritizes domestic interests has profoundly altered the trade landscape, compelling other nations to recalculate their strategic positions in the face of emergent competitive dynamics. This phenomenon is particularly pronounced in Southeast Asia, which functions as a pivotal global manufacturing hub, strategically positioned within the intricate global supply chain network. Consequently, this region has become a focal point for the ongoing disruption. The economic competition between the US and China has created a dilemma for countries in the region. On the one hand, the ongoing trade war poses a threat to economic stability, given its potential to disrupt production lines and diminish export demand. Conversely, this scenario presents strategic opportunities, including trade diversification and investment relocation from China. This phenomenon forces each country to carefully navigate between threats and opportunities. The most recent literature on the impact of Trump's policies on Southeast Asia is characterized by aggregate macro analyses that treat the ASEAN as a homogeneous entity, despite the presence of significant structural differences between member countries. Researches by Analytica (2024) and Kang (2025) utilized computable general equilibrium (CGE) models to project the impact of US tariffs; however, these models failed to distinguish the specific effects on large economies, such as Indonesia and Vietnam, compared to smaller economies, such as Laos and Myanmar. Moreover, existing studies largely concentrated on the short-term impact and medium-term projections (2025-2028) of Trump's policies, while neglecting the long-term structural effects that have the potential to fundamentally alter the trajectory of Southeast Asia's economic growth.

A study by Nazir et al (2025) utilized cross-quantilograms to analyze trade reorientation; however, it exclusively captured short-term dynamics, neglecting to consider the restructuring of global value chains, a process that can take decades to fully actualize. Conventional studies of this phenomenon have focused on the impact of trade in manufactured goods and tariffs. However, there is a growing recognition of the significance of non-conventional transmission channels, which may have a substantial impact on Southeast Asian economic growth. The 2024-2025 literature has not yet explored in depth the impact of Trump's policies on trade in services, the digital economy, and technology transfer. These factors are increasingly important in the modern economic structure of ASEAN. Recent studies, such as that conducted by Xu (2024), have focused on the impact of the trade war on manufacturing. Nonetheless, these studies have not considered the significant contributions of the financial services, and business services sectors to regional GDP. A close examination of studies related to the impact of Trump's policies reveals an intriguing approach: the utilization of Economic Realism Theory a concept that remains underutilized in current research. This theoretical framework posits that states are rational actors that act to maximize their national interests, particularly in terms of power and economic wealth. The present study aims to analyze the complex impact of Trump's economic policies on growth in Southeast Asia. Utilizing the theoretical framework of Economic Realism, this study aims to examine the rational strategic decision-making processes employed by countries in the region. The analysis will address how they respond to the threat of supply chain disruption while capitalizing on opportunities for trade and investment diversion. The present study will examine the strategic responses of ASEAN countries in navigating the competitive landscape shaped by US protectionist policies. The objective is to understand the dynamics of relative advantage amid competition between major powers.

LITERATURE REVIEW

The present study employs Hans Morgenthau's Economic Realism theory as its primary analytical framework. This theoretical framework views states as rational actors that act to maximize their national interests, particularly in terms of power and economic wealth. In the context of an anarchic international arena, cooperation is a temporary and cost-benefit-based phenomenon. International economic relations are often regarded as a domain of competition rather than harmonious collaboration. Consequently, the economic policies implemented by major countries invariably seek to augment their relative power in relation to other nations, a process that frequently exerts substantial influence on the economies of these other countries. The employment of Economic Realism theory is pertinent when assessing President Trump's policies, which are predicated on the notion of "America First". These policies are a concrete manifestation of a hegemonic country's efforts to secure and enhance its economic supremacy. The implementation of measures such as the imposition of elevated import tariffs, the initiation of trade conflicts, particularly with China, and the withdrawal from multilateral trade agreements, including the Trans-Pacific Partnership (TPP) (Wardhana, 2020), underscores a prioritization of domestic profits over the global liberal economic order. This policy constitutes a fundamental shift in the established rules of the game, necessitating

strategic responses from other nations. The impact on Southeast Asia can be explained through the concepts of disruption and strategic reallocation within a realist framework. The US' role as the predominant economic superpower has led to a notable shift in its policies, resulting in a state of uncertainty and disruption to established global supply chains. For Southeast Asian countries with economies heavily reliant on exports and investment, this disruption poses a dual challenge: a threat to existing economic structures and an opportunity for the implementation of new policies and practices. The threat is characterized by a decline in global demand, while the opportunity is evident in the form of trade diversion and the relocation of investment from China to Southeast Asian countries. Matondang et al (2024) revealed that the concept of relative gains, which is central to realist thinking, is also very important in this analysis. The policies implemented by the Trump administration are not solely intended to enhance the US' economy in absolute terms; they are also designed to decelerate the rate of economic growth in China, the primary competitor of the US. Southeast Asian countries find themselves in a precarious position amidst the ongoing competition between major powers. In order to avoid being adversely affected by these dynamics, as well as to identify opportunities to secure economic gains amid shifting global power constellations, they are compelled to recalculate their strategic positions on a constant basis. Accordingly, this Economic Realism Theory offers a substantial framework for comprehending the motivations behind Trump's economic policies and for the analysis of their intricate impact on economic growth in Southeast Asia. This theoretical framework enables researchers to examine growth statistics and interpret them as the consequence of strategic calculations by nations in response to shifts in the dynamics of global economic power. The ensuing discourse will prioritize an examination of the manner in which Southeast Asian nations adeptly navigate the competitive landscape that has been shaped by the protectionist policies enacted by the US.

METHOD

This study employed a qualitative approach to comprehensively analyze the intricacies of the impact of Trump's economic policies. This approach was selected due to its capacity to transcend quantitative data, thereby facilitating an examination of policy motivations within the framework of Economic Realism Theory and the interpretation of the strategic responses exhibited by Southeast Asian countries. The study utilized qualitative methods to explore the narratives underlying economic growth figures, examining how perceptions of threats and opportunities influence policy decisions in the region. This approach is essential for understanding the dynamics of great power competition and the cost-benefit calculations made by each state actor in responding to changes in the global order. The research design employed was of a descriptive-analytical order. The descriptive stage would systematically describe relevant Trump-era protectionist economic policies, such as the imposition of tariffs and trade wars with China. In addition, the analytical stage would examine the causal relationship between these policies and economic phenomena occurring in Southeast Asia, such as supply chain disruption and investment reallocation. This design enables researchers to establish a correlation between the unilateral actions of the US and the strategic responses of countries in the region. This is consistent with the assumption of Economic Realism Theory that countries act rationally to maximize relative gains in a highly competitive international environment.

Specifically, this research was designed as a holistic single case study focusing on Southeast Asia as the main unit of analysis. The present case study design is highly relevant, as it enables the investigation of contemporary phenomena, namely the impact of intensive US policies in a complex real-world context. By focusing exclusively on this region, the study can thoroughly examine how internal and external dynamics influence the collective and individual responses of ASEAN member countries. This approach is particularly well-suited for assessing the application of realist concepts, such as relative advantage and strategic reallocation, within a defined geopolitical context. Further, the present study employed qualitative secondary data exclusively. This type of data included official policy documents from the Trump administration, speech transcripts, and relevant press statements. Moreover, the data set encompassed economic and trade reports from international institutions, including the World Bank, the International Monetary Fund (IMF), and United Nations Conference on Trade and Development (UNCTAD), as well as reports from central banks and ministries of trade in Southeast Asian countries. The textual data was selected for its capacity to offer comprehensive context concerning policy motivations and impacts – a capacity that aligns with the study's descriptive-analytical approach to comprehensively and profoundly understanding the phenomenon. In addition, the data sources used in this study were divided into two categories: primary and secondary sources. Primary data sources are defined as authentic documents that are published directly by the state actors involved. These included official press releases from the White House, the full text of tariff policies from the Office of the US Trade Representative (USTR) (ALFITRIA, 2022), as well as joint communiqués and official statements from ASEAN leaders. The utilization of these primary sources is imperative to ascertain the

validity of the analysis by referring directly to policy manifestations and official responses, avoiding third-party interpretations, and accurately reconstructing the strategic calculations made by countries. Meanwhile, secondary data sources serve to complement primary data by offering a more comprehensive analysis, interpretation, and context. These sources consisted of scientific journal articles in the fields of international relations and political economy, books examining US foreign policy, research reports from leading think tanks, and in-depth analysis from credible international media outlets. This secondary data is essential for enriching the theoretical framework of Economic Realism Theory with various analytical perspectives, identifying macroeconomic trends, and understanding the scientific debate on the impact of trade wars on the global economic order. Besides, the primary data collection technique employed in this study was a systematic and targeted document study. The process entailed the meticulous search for and archiving of primary data from official sources, including the digital archives of the White House, the official website of the USTR, and the official portal of the ASEAN Secretariat. The search focused on policy documents, speech transcripts, and official communiqués published during the Trump administration. The selection of this technique was motivated by the objective of acquiring authentic data that directly reflects the intentions of US policy and the formal responses of Southeast Asian countries. This methodological approach enables precise analysis of the strategic calculations of state actors within the framework of Economic Realism Theory.

To ensure the relevance and validity of the data, a rigorous selection and verification process was implemented. The data, both primary and secondary, was thoroughly screened according to specific inclusion criteria, namely direct relevance to Trump's economic policies and their impact on Southeast Asia. Additionally, source triangulation Anggraena (2018) was conducted through a comparative analysis of information from government documents, international agency reports, and academic analyses. For instance, tariff data from the USTR would be verified with impact reports from the World Bank. This approach is imperative in minimizing bias, enhancing the credibility of findings, and constructing a robust argument in accordance with scientific principles. In this study, the primary unit of analysis is the Southeast Asian region, which is regarded as a unified, holistic entity. This selection was predicated on the region's strategic position as a global manufacturing hub and its profound integration into international supply chains, rendering it both highly vulnerable and responsive to disruptions in US economic policy. In the context of Economic Realism Theory, this region functions as a strategic nexus where member countries make calculated decisions to navigate the competitive dynamics between the US and China. The application of analysis at the regional level facilitates the identification of regional response patterns to shifts in global economic power. Meanwhile, the present study's period of analysis was constrained to the time frame encompassing President Donald Trump's administration, from January 2017 to January 2021. This time frame was selected because it encompasses the entire cycle of relevant protectionist economic policies, from the initial announcement and subsequent implementation to the escalation of the trade war with China. Thematically, the research focuses on the impact of US tariff policies and withdrawal from the TPP on economic dynamics in Southeast Asia. The analysis encompasses a range of specific phenomena, including supply chain disruption, trade diversion, and the relocation of investment from China to countries in the region.

On the other hand, geographically, this study was constrained to the ASEAN member countries, which serve as the primary representation of the region. Despite being conducted at the regional level, this study will refer to specific examples from key countries, such as Vietnam, Malaysia, and Indonesia, to illustrate general trends. Conceptually, the study was constrained by the framework of Economic Realism Theory; consequently, the analysis will concentrate on the actions of states as rational actors. Non-state domestic factors or internal political dynamics in Southeast Asia will only be discussed to the extent that they are relevant to the economic strategic calculations of states in their responses to US policy. Furthermore, this study employed qualitative content analysis techniques (Hamsari & Prabowo, 2021) to process the secondary data that has been collected. The initial stage of analysis was data reduction, in which information from various policy documents, economic reports, and scientific articles were filtered, summarized, and classified. This process involved systematic coding to categorize Trump's protectionist policies, the specific responses of Southeast Asian countries, and indicators of economic disruption and reallocation. The objective of this data reduction was to simplify complex data into more manageable units of information, thereby facilitating the identification of initial patterns relevant to the Economic Realism theoretical framework used in the study. Following the organization of the data, the analysis will proceed with a thematic analysis method that is strictly guided by the Economic Realism framework. Researchers would identify, analyze, and report patterns or themes that emerge from the coded data. The primary themes being investigated include the various manifestations of the "America First" policy, the calculations of relative gains by Southeast Asian countries, evidence of trade diversion, and the dynamics of investment relocation. This technique enables researchers to transition from a descriptive analysis of phenomena to a more interpretive approach. By establishing a causal link between unilateral US policies

and strategic economic responses in the Southeast Asian region, this technique facilitates a more nuanced understanding of the complex interplay between external actors and regional dynamics. In order to maintain the validity and reliability of the findings, this study employed the source triangulation techniques. The validity of interpretations resulting from thematic analysis would be verified by comparing data from various sources, including official White House statements, impact reports from the World Bank, and analyses from academic journals. This process was intended to ensure that the conclusions drawn are unbiased and supported by consistent evidence from various perspectives. The synthesis of these triangulation results would serve as the foundation for the study's construction of a coherent analytical argument. This argument would address how Southeast Asian countries are strategically navigating the competitive landscape shaped by Trump's economic policies.

RESULTS AND DISCUSSION
Manifestation of Trump's Protectionist Policies and Global Economic Disruption

The "America First" policy was manifestly evident in a series of protectionist measures. According to data from the Office of the USTR, the imposition of substantial import tariffs has been enacted on steel, aluminum, and, most notably, goods originating from China. These actions, consistent with the Economic Realism framework, represented a unilateral effort by the US to maximize its relative advantage at the expense of the liberal trading order. This policy entailed a fundamental shift in the strategic calculations of other countries, compelling them to respond to drastic shifts in the global economic landscape. The culmination of this protectionist policy was the trade war with China, involving the imposition of tariffs under Section 301 on hundreds of billions of dollars worth of imported goods. Reports from the World Bank and IMF consistently highlighted that this escalation of tariffs had created significant uncertainty and slowed the pace of global economic growth. This disruption was not merely trade friction; rather, it was a systemic shock that undermined predictability and stability, which have been the foundation of global supply chains established over decades. In addition to the ongoing tariff war, the US' withdrawal from the TPP in January 2017 signaled a rejection of multilateralism. This decision, predicated on domestic cost-benefit analyses, mirrored the realist perspective that economic alliances were transient and could be relinquished if they ceased to align with national interests. This action resulted in a leadership vacuum in the regional trade architecture, compelling Southeast Asian countries to seek new trade partnerships to secure market access and economic stability. The combination of high tariffs and the abandonment of multilateral agreements effectively disrupted the rules-based global economic order. From an economic realism perspective, Trump's policies could be interpreted as a strategic manipulation of the rules of the game to align with the interests of the dominant power. This had precipitated financial market instability, commodity price volatility, and pervasive policy uncertainty. This disruption had directly created conditions that forced multinational companies to reevaluate their supply chain strategies a phenomenon whose impact was significant in Southeast Asia.

The Impact of US-China Trade War on Supply Chains in Southeast Asia

The ongoing US-China trade war has had a direct and significant impact on the highly integrated global supply chain in Southeast Asia. According to a report by the UNCTAD, the tariffs imposed by the US on Chinese goods had resulted in a disruption to the flow of semi-finished goods from the ASEAN countries that functioned as component suppliers. The region's economic dependence on the "Factory Asia" production model rendered it susceptible to a decline in demand from China. In the context of Economic Realism Theory, this shock was a direct consequence of unilateral actions by a hegemonic country that forced other countries to bear uncertainty and initial losses. This exposure was most pronounced in countries with manufacturing sectors that were closely related to China, such as Malaysia in the electronics sector and Thailand in the automotive sector. Purchasing Managers' Index (PMI) data from the Markit Stock Price Index (Indeks Harga Saham (IHS) Markit) at the onset of the trade war indicated a contraction or slowdown in manufacturing activity in several ASEAN countries (Fahmi, 2020; Haq, 2024). This phenomenon revealed strategic vulnerabilities due to over-reliance on a single production center. This had compelled governments and corporations in the region to recalculate risks and seek mitigation strategies to maintain national economic stability. However, this disruption also created significant strategic opportunities for the region. Reports from the World Bank and research institutions, such as Nomura, identified the potential for supply chain reallocation. Multinational companies were beginning to adopt a "China+1" strategy to mitigate the risk of excessive reliance on China by relocating some of their production facilities to other countries. Southeast Asia, given its geographical proximity and existing manufacturing base, had emerged as the primary destination. This phenomenon aligned with the relative advantage calculation in Economic Realism Theory, where countries in the region perceived an opportunity to attract new investment. Vietnam had emerged as one of the most significant

beneficiaries of this shift. According to data from the Asian Development Bank (ADB), there had been a marked increase in foreign direct investment (FDI), as well as an uptick in exports to the US, particularly for products that were subject to tariffs if they originated from China. This phenomenon was a concrete manifestation of strategic reallocation, wherein a nation had successfully positioned itself to reap economic benefits amid competition between major powers. This trade war was fundamentally altering the geography of global supply chains.

Trade Diversion in Southeast Asia

The phenomenon of trade diversion had become one of the most tangible impacts of the US-China trade war in Southeast Asia. A thorough examination of UNCTAD data revealed a discernible pattern: the implementation of import tariffs by the US on Chinese products had systematically redirected demand toward ASEAN countries. Septiyani (2025) and Al Farizi & Munir (2025) shared the view that products, such as machinery, electronics, and furniture, from countries, such as Vietnam and Malaysia, had become more competitive in the US market. This phenomenon was a manifestation of the rational calculations of countries in the region that perceived an opportunity to maximize export profits amid competition between major powers. Vietnam had been identified as the nation that had derived the greatest benefits from this trade diversion. Reports from the World Bank and the Vietnamese Ministry of Trade indicate a substantial increase in the nation's exports to the US, particularly in categories of goods that were subject to high tariffs if they originated from China. This increase did not occur passively; rather, it was the result of Vietnam's strategic position in successfully attracting manufacturers to divert their orders.

This dynamic aligned with the Economic Realism Theory framework, in which nations strategically capitalized on global disruptions to enhance their relative economic standing. In addition to Vietnam, other countries such as Malaysia and Thailand, had experienced a favorable impact from trade diversion. Malaysia had witnessed a surge in exports of semiconductors and integrated circuits, while Thailand had recorded an uptick in exports of automotive components and rubber. While not reaching the magnitude observed in Vietnam, this phenomenon manifested a consistent regional pattern. These countries were strategically filling the supply gap left by China in the US market a pragmatic move to secure national economic interests amid global uncertainty. Nevertheless, this phenomenon of trade diversion also introduced novel risks and challenges. The substantial surge in exports had given rise to allegations of transshipment practices, whereby goods from China were routed through third countries to avoid tariffs. This had compelled the US government to augment its surveillance of Southeast Asian countries, thereby creating the potential for new trade friction. This scenario highlighted a strategic quandary for nations in the region, as they were compelled to reconcile the pursuit of immediate profit opportunities with the potential risk of becoming the target of future US protectionist policies.

Dynamics of Investment Relocation and Strategic Calculations of ASEAN Countries

Investment relocation exerted a more substantial long-term structural influence than trade diversion. Reports from the Japan External Trade Organization (JETRO) and other financial institutions corroborated the trend of multinational companies moving their production bases out of China to avoid tariffs and supply chain risks. This phenomenon presented a strategic opportunity for ASEAN countries. In the context of Economic Realism Theory, this period presented a pivotal opportunity for nations to engage in judicious strategic planning, with the objective of persuading foreign investors to allocate capital within their respective national economies. This approach was regarded as a pivotal catalyst for augmenting the fiscal fortitude of a nation. These strategic calculations were manifested in the proactive policies of ASEAN countries. For instance, Vietnam had been proactive in promoting the benefits of trade agreements, such as the CPTPP, and had implemented measures to enhance its business climate, resulting in the successful attraction of substantial investments in the electronics sector. Conversely, Indonesia had adopted a different approach by enacting the Omnibus Law on Job Creation – a substantial deregulation measure intended to enhance its investment competitiveness (Samudera, 2025). These actions signified a deliberate endeavor on the part of rational actors to optimize the relative benefits of the prevailing competitive dynamics between the US and China. The relocation dynamics were predominantly characterized by labor-intensive industries, including electronics assembly, textiles, and furniture manufacturing. While this type of investment had been shown to create jobs and drive growth in the manufacturing sector, it had also sparked debate about its quality. The majority of these facilities were engaged in final production, with restricted technology transfer. The strategic calculations of ASEAN countries in this regard entailed a trade-off between short-term economic gains in the form of employment and the long-term goal of elevating their position within the global economy's value chain.

Despite these advantages, attempts to attract such investment faced considerable challenges. A World Bank report indicated that infrastructure gaps, skilled labor shortages, and complex bureaucracy were significant

impediments in many ASEAN countries. Consequently, numerous companies were not completely relocating, but rather implementing a more limited "China+1" strategy. This indicated that a nation's capacity to derive benefits in a competitive global environment was inherently constrained by its domestic capacity and prevailing structural realities. This observation served as a reminder of the limitations of realist calculations.

Implications of Trump's Policies on Aggregate Economic Growth in Southeast Asia

The impact of Trump's policies on Southeast Asia's economic growth has been ambiguous and uneven. According to data from the ADB and IMF, the region's GDP growth has exhibited a moderation, though not to the extent of entering a deep recession. The global uncertainty induced by the trade war has indeed exerted pressure on export growth; however, the positive effects of trade diversion and investment relocation have served as a counterbalance. This outcome underscores the region's economic resilience in withstanding external shocks, thereby exemplifying the strategic navigation between threats and opportunities that has been implemented. Further, the impact of growth has been uneven across the region, creating significant divergence among ASEAN member countries. Vietnam had emerged as the primary beneficiary, experiencing a surge in GDP growth propelled by an influx of FDI and exports to the US. Conversely, countries with more open economies, such as Singapore and Malaysia, experienced a more pronounced slowdown due to their dependence on global trade. These discrepancies underscore the notion that a nation's capacity to accrue relative benefits is predominantly contingent on its domestic competitiveness and the agility with which it adapts its policies in response to fluctuations in the global economic landscape.

The resilience of aggregate growth in the region was also supported by strong domestic demand and increased intra-ASEAN trade. In periods of heightened market volatility, many nations find domestic consumption to be a viable alternative growth strategy. According to reports from the ASEAN Secretariat, there was an emerging trend toward the strengthening of regional economic integration as a strategic response to the rise of global protectionism (Madyoningrum & SE, 2025; Utami et al., 2025). This step was consistent with realist calculations to reduce vulnerability to the unilateral policies of hegemonic countries by strengthening collective independence and diversifying trading partners at the regional level. By applying the Economic Realism framework more effectively, it becomes clear that Trump's policies are not simply cyclical shocks, but rather structural geopolitical disruptions. These disruptions force ASEAN countries to act as rational units in an anarchic system. They engage in complex strategic calculations to maximize relative gains, reduce vulnerabilities, and enhance their positions of power within the new global economic hierarchy. This analysis reveals that ASEAN's resilience is not a passive outcome, but rather the result of active, often competitive, economic geopolitical maneuvering amidst the US-China rivalry. Meanwhile, the long-term implications of Trump's policies are the acceleration of structural economic transformation in Southeast Asia. This shock has compelled governments and the private sector to undertake a comprehensive reevaluation of growth models that are excessively reliant on global supply chains centered in China. This has encouraged economic diversification, the strengthening of domestic industries, and the search for new markets. From a strategic perspective, the Trump era has prompted Southeast Asian countries to fortify their economic foundations, thereby reducing their vulnerability to the competitive dynamics among major powers.

CONCLUSION

This study finds that Trump's protectionist economic policies, rooted in the framework of Economic Realism Theory, have exerted intricate and multifaceted effects in Southeast Asia. Unilateral actions, such as the trade war with China, have resulted in significant disruptions to global supply chains and elevated economic uncertainty. Conversely, these shocks have simultaneously engendered substantial strategic opportunities. In the context of regional dynamics, countries in the region had strategically utilized trade diversion and investment relocation to their advantage, effectively reshaping the regional economic landscape in the face of competition among major powers. Further, the findings of this study indicate that the impact of Trump's policies is not homogeneous, but rather engenders divergent economic growth among Southeast Asian countries. Vietnam has emerged as the primary beneficiary of these developments, achieving substantial growth through a notable surge in exports and foreign investment. Conversely, countries exhibiting elevated economic openness have demonstrated moderate growth trends. These discrepancies underscore the notion that a nation's capacity to capitalize on strategic opportunities is predominantly influenced by domestic factors, including competitiveness and the agility of its policy adaptation mechanisms. The region's capacity to withstand these shocks is bolstered by the resilience of domestic demand and the enhancement of intra-regional trade.

The most significant implication of Trump's economic policies is their role as a catalyst for accelerating structural transformation in Southeast Asia. These external shocks have compelled governments and the private sector to reevaluate growth models that are heavily dependent on a single global supply chain. This has encouraged efforts to diversify economies, strengthen domestic industries, and search for new trading partners more aggressively. Consequently, the advent of US protectionism has emerged as a pivotal impetus for Southeast Asian countries to fortify their economic foundations, thereby enhancing their resilience and autonomy in the face of the competitive dynamics among major global powers. This study acknowledges several limitations inherent to the qualitative approach and reliance on secondary data. First, there is the potential for interpretation bias resulting from the application of the Economic Realism framework, although efforts have been made to mitigate this through source triangulation. Second, the findings are contextual and not intended to be statistically generalized. Finally, reliance on secondary data carries the risk of adopting biases that third-party sources may have. However, by prioritizing primary sources and rigorous triangulation, this study seeks to minimize these risks and ensure that the arguments are supported by robust and consistent evidence from multiple perspectives.

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