

INSIGHT SOUTHEAST ASIA

Looking Eastwards From New Delhi



MANOHAR PARRIKAR INSTITUTE FOR
DEFENCE STUDIES AND ANALYSES

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CONTENTS

- PM Modi in Malaysia bolsters Comprehensive Economic Partnership
- Myanmar Parliament to be convened in Mid-March
- Thailand wants to bring Myanmar back into ASEAN
- Indonesia's Reciprocal Trade Agreement with the US
- The US has removed Vietnam from the export control list
- The US, Japan and the Philippines conduct a joint military drill in the South China Sea

Overview

The geopolitical landscape of Southeast Asia in February 2026 continued to be defined by how regional players navigated intensifying great power competition. Prime Minister Narendra Modi's visit to Malaysia focused on expanding the Comprehensive Security Partnership, prioritising defence and the digital economy. In Myanmar, the military-led government announced the reconvening of parliament for mid-March, a move coinciding with Thailand's diplomatic efforts to reintegrate Myanmar into the ASEAN framework. Economic shifts were marked by Indonesia's new trade agreement with the United States, focusing on critical minerals and agricultural exchange. Simultaneously, the U.S. eased technology transfer restrictions on Vietnam. Regional security remained a focal point as the U.S., Japan, and the Philippines conducted trilateral maritime exercises in the South China Sea to bolster interoperability amid ongoing territorial disputes.

PM Modi in Malaysia bolsters Comprehensive Security Partnership Economic Partnership

Prime Minister Narendra Modi's visit to Kuala Lumpur (Feb 7–8) marks a pivotal moment in India's maritime outreach. The elevation of the Comprehensive Strategic Partnership (CSP) signed in 2024 targeted new frontiers of modern warfare and economic resilience. The discussions

between PM Modi and PM Anwar Ibrahim focused on exploring emerging avenues of cooperation, such as security and defence cooperation, digital economy and energy. Key deliverables from the visit included the MoUs on semiconductors and digital economy which align with India's goals of positioning itself as an anchor in the global technology ecosystem. The decision to establish direct engagement between India's National Security Council Secretariat and Malaysia's NSC suggests a deepening of intelligence and maritime domain awareness cooperation.

Myanmar Parliament to be convened in Mid-March

Myanmar authorities scheduled the national parliament to convene in Naypyitaw starting March 16 for the Lower House, March 18 for the Upper House, and March 20 for regional legislatures. The Union Solidarity and Development Party (USDP), which claimed electoral victory following the exclusion of the National League for Democracy (NLD), directed its representatives to assemble in early March. This move is a significant step in the military-led government's political roadmap, though it faces scrutiny from international observers regarding its inclusivity and legitimacy.

Thailand wants to bring Myanmar back into ASEAN

Thai Foreign Minister Sihasak Phuanketkeow expressed Thailand's

intent to act as a "bridge" to reintegrate Myanmar into ASEAN's core diplomatic processes. Myanmar's leadership has been largely excluded from high-level ASEAN summits after the military coup in 2021 that toppled the earlier democratic administration.. Thailand's initiative emphasises that reintegration is contingent upon Myanmar initiating internal dialogue and expanding access for international humanitarian assistance. It also mirrors broader regional concerns about unity and credibility within ASEAN, as member states continue to seek a workable path toward peace, dialogue, and implementation of the bloc's consensus-based approach to the Myanmar situation.

Indonesia's Reciprocal Trade Agreement with the US

Indonesia and the U.S. signed the "Toward a New Golden Age" a reciprocal trade agreement in Washington, facilitating major tariff adjustments and resource exchanges. Under the deal, U.S. levies on Indonesian goods were reduced from 32% to 19%, and palm oil received specific tariff exemptions. In exchange, Jakarta agreed to lift export restrictions on Nickel and Cobalt, which are essential components for the electric vehicle battery supply chain. Indonesian firms also pledged to import 1 million tons of soybeans and 1.6 million tons of corn from the U.S., with a long-term target of 5 million tons of wheat imports by 2030

The US has removed Vietnam from the export control list

President Donald Trump removed Vietnam from a strategic export control list that blocks the country from buying advanced technology from the US companies. He also emphasised Washington's commitment to a strong and self-reliant Vietnam. The decision is expected to ease restrictions on certain high-tech exports, potentially expanding trade and investment cooperation between the two countries.

The US, Japan and the Philippines conduct a joint military drill in the South China Sea

The United States, Japan, and the Philippines conducted a trilateral maritime exercise in the South China Sea to enhance interoperability and reinforce Maritime Domain Awareness (MDA). The Philippine Navy deployed the frigate Antonio Luna, AW159 helicopters, and FA-50 fighter jets, while the U.S. Navy committed the guided-missile destroyer USS Dewey and Poseidon maritime patrol aircraft. Japan's Maritime Self-Defence Force contributed P-3 Orion aircraft to the manoeuvres. These drills were designed to strengthen the trilateral mechanism and ensure a free and open Indo-Pacific region. In response to the exercise, China maintained a presence with two naval vessels in the vicinity, highlighting the ongoing strategic friction in the maritime domain.