LOWY INSTITUTE
ASIA POWER INDEX

2026 KEY FINDINGS REPORT



HUNTER MARSTON
JACK SATO

ASIA POWER INDEX

The annual Asia Power Index — launched by the Lowy Institute in 2018 — measures resources and influence to rank the relative power of states in Asia. The project maps out the existing distribution of power as it stands today, and tracks shifts in the balance of power over time.

The Index ranks 27 countries and territories in terms of their capacity to shape their external environment — its scope reaching as far west as Pakistan, as far north as Russia, and as far into the Pacific as Australia, New Zealand, and the United States.

The 2026 edition is the most comprehensive assessment of the changing distribution of power in Asia to date. The project evaluates international power in Asia through 131 indicators across eight thematic measures: Military Capability and Defence Networks, Economic Capability and Relationships, Diplomatic and Cultural Influence, as well as Resilience and Future Resources. More than half the data points involve original Lowy Institute research, while the rest are aggregated from hundreds of publicly available national and international sources.

Key findings in 2026

- **US–China gap narrows.** The United States and China are closer in power than at any time since the Asia Power Index began in 2018. The gap between their military capabilities is at its narrowest point on record.
- **United States stumbles.** US diplomatic influence underwent its largest decline on record following the Trump administration's war with Iran and other unpopular policy decisions.
- **India gains influence.** Despite a dip in relative economic capability and a year focused on internal challenges, India played a much more influential role in Asia.
- **Southeast Asia rides out a rough year.** Regional states demonstrated modest resilience amid geopolitical setbacks, but Indonesia's diplomatic influence saw a particularly significant drop.
- **Middle powers had a middling moment.** Canadian Prime Minister Mark Carney's call for middle power cooperation raised expectations for 2026, but the Asia Power Index shows a mixed picture.
- **Cooperation grows among US allies.** As the United States' focus shifted back to the Middle East, its treaty allies deepened their defence ties with one another.
- **Authoritarian alignment deepens.** Defence co-operation between China, Russia, and North Korea accelerated in 2026, alongside closer economic ties.

To see more and use the fully interactive features of the Asia Power Index, visit power.lowyinstitute.org

Contents

Analysis 2

2026 Rankings 3

About the project 4

Key findings 6

US–China gap narrows 6
United States stumbles 8
India gains influence 9
Southeast Asia rides out a rough year 10
Middle powers had a middling moment 12
Cooperation grows among US allies 14
Authoritarian alignment deepens 15

Measures of power 16

Economic capability 16
Military capability 17
Resilience 18
Future resources 19
Economic relationships 20
Defence networks 21
Diplomatic influence 22
Cultural influence 23

2026 Power Yield 24

Methodology 25

Notes 26

About the authors 27

Published by Lowy Institute
31 Bligh Street
Sydney NSW 2000

Copyright © Lowy Institute 2026

Project Lead: Dr Hunter Marston
Key Findings by Dr Hunter Marston and Jack Sato
Researchers: Jack Sato, Dr Hunter Marston, and Jack Xu

Cover and internal design by Ian Bruce
Photo of Dalian Shipyard by Jiojio/Getty Images

The Asia Power Index team would like to thank Jack Xu, Clare Caldwell, Ian Bruce, Alex Moyse, Leighton Hughes, and Mihai Sora for their critical contributions on the 2026 Asia Power Index. The principal researchers would also like to acknowledge contributors to previous editions of the Index, including Bonnie Bley, Michael Fullilove, Hervé Lemahieu, Alyssa Leng, Susannah Patton, Stephen Hutchings, and others.

All rights reserved. Without limiting the rights under copyright reserved above, no part of this publication may be reproduced, stored in, or introduced into a retrieval system, or transmitted, in any form or by any means (electronic, mechanical, photocopying, recording, or otherwise), without the prior written permission of the copyright owner and above publisher of this book.

Analysis

A precarious balance

The 2026 Asia Power Index shows an increasingly contested regional balance of power. The United States and China remain the dominant powers in Asia. But with just 5.3 points separating the two, the US lead over China has shrunk to its lowest level since the Asia Power Index began in 2018. The gap in military capability, in particular, is at its narrowest point on record.

This narrowing divide owes more to Washington's missteps than to any major advances on Beijing's part. The United States' unresolved war with Iran, which began in February 2026, has eroded US military capabilities by depleting its stockpile of long-range missiles, and profoundly undermined perceptions of US diplomatic influence both regionally and globally. Respondents to the Asia Power Index survey saw the United States as distracted and disengaged in Asia. The Trump administration's diversion of resources away from the Pacific to the Middle East and calls to reduce military exercises with South Korea added to negative impressions of US leadership.

China, by comparison, held steady, deepening its diplomatic and cultural influence across the region, and continued its progressive military modernisation, adding to its comprehensive power. China's research and development personnel — more than triple that of the United States — have driven dramatic gains across high-tech sectors. Chinese artificial intelligence (AI) models now rival their American competitors in quality. The race to dominate AI has become the frontline of US–China tech competition.

Rather than escalate efforts to contain China's growing power, President Trump largely embraced the notion of "constructive strategic stability", which he and Xi Jinping articulated following their summit in Beijing in May. While US–China détente is broadly welcomed throughout the region, Washington's allies and partners are increasingly anxious about a potential US military withdrawal from the Pacific. They are also struggling to adapt to the Trump administration's more transactional foreign policy, whereby treaty alliances and institutions no longer guarantee their security.

The race for AI dominance

The United States and China lead the race for AI dominance. The United States excels in frontier model innovation, while China controls the underlying critical minerals. Other countries are vying for position across the AI tech stack: Taiwan and South Korea dominate chip manufacturing, while Singapore and Malaysia are investing heavily in data centres. Across Asia, countries are experimenting with frontier models as policymakers and economies compete to capture the innovation and investment of the AI boom. The commanding lead of American and Chinese AI companies underscores the vast gap between the two superpowers and the rest of the world.

Read the Data Snapshot.

Southeast Asia demonstrated modest resilience through a turbulent 2026, marked by global conflict, disruptions to food and energy supply chains, US tariffs, and unrelenting provocations in the South China Sea. However, Indonesia, the region's largest economy and most populous country, saw a significant decline in Diplomatic Influence as a result of the country's haphazard approach to foreign policy under President Prabowo Subianto.

Despite a great deal of media commentary on middle power diplomacy in 2026, this year's Asia Power Index reveals that middle powers struggled to adapt to global challenges. Indeed, the middle power moment remains largely rhetorical, unmatched by the kind of action that would signal a reorientation of regional power. Nor is a coherent bloc emerging to displace the United States. Despite growing authoritarian collusion between China, Russia, and North Korea, there is little indication to date of sustainable convergence among them. As in previous years, the regional balance of power remains markedly bipolar.

2026 Rankings

Comprehensive power

GROUPING		RANK	COUNTRY/TERRITORY	SCORE	TREND
Superpowers ≥ 70 points		1	United States	78.9	↘
		2	China	73.6	–
Major powers ≥ 40 points		3	India	40.5	↗
Middle powers ≥ 15 points		4	Japan	38.6	↘
		5	Russia	32.2	–
		6	Australia	31.7	–
		7	South Korea	31.0	↘
		8	Singapore	26.9	–
		9	Indonesia	21.7	↘
		10	Malaysia	20.5	–
		11	Thailand	20.0	–
		12	Vietnam	20.0	–
		13	New Zealand	16.5	↘
		14	Taiwan	16.3	↗
		15	Philippines	15.4	↗
		16	Pakistan	15.0	↗
Minor powers < 15 points		17	North Korea	13.0	↗
		18	Brunei	10.5	–
		19	Cambodia	9.4	↘
		20	Bangladesh	8.9	–
		21	Sri Lanka	8.2	↗
	+1	22	Myanmar	7.2	–
	−1	23	Laos	7.0	↘
		24	Mongolia	5.9	–
	+2	25	Papua New Guinea	5.3	↗
	−1	26	Nepal	5.1	–
	−1	27	Timor-Leste	5.0	↗



GREATEST GAINS

Papua New Guinea	+0.7
Pakistan	+0.6
Taiwan	+0.5

GREATEST LOSSES

South Korea	−0.5
Indonesia	−0.8
United States	−1.5

Annual change in ranking

Trends track annual changes in scores above a minimum threshold (≥ 0.15)

About the project

The Asia Power Index measures the ability of states to shape and respond to their external environment.

Power is defined by the Index as the capacity of a state to direct or influence the behaviour of other states, non-state actors, and the course of international events.

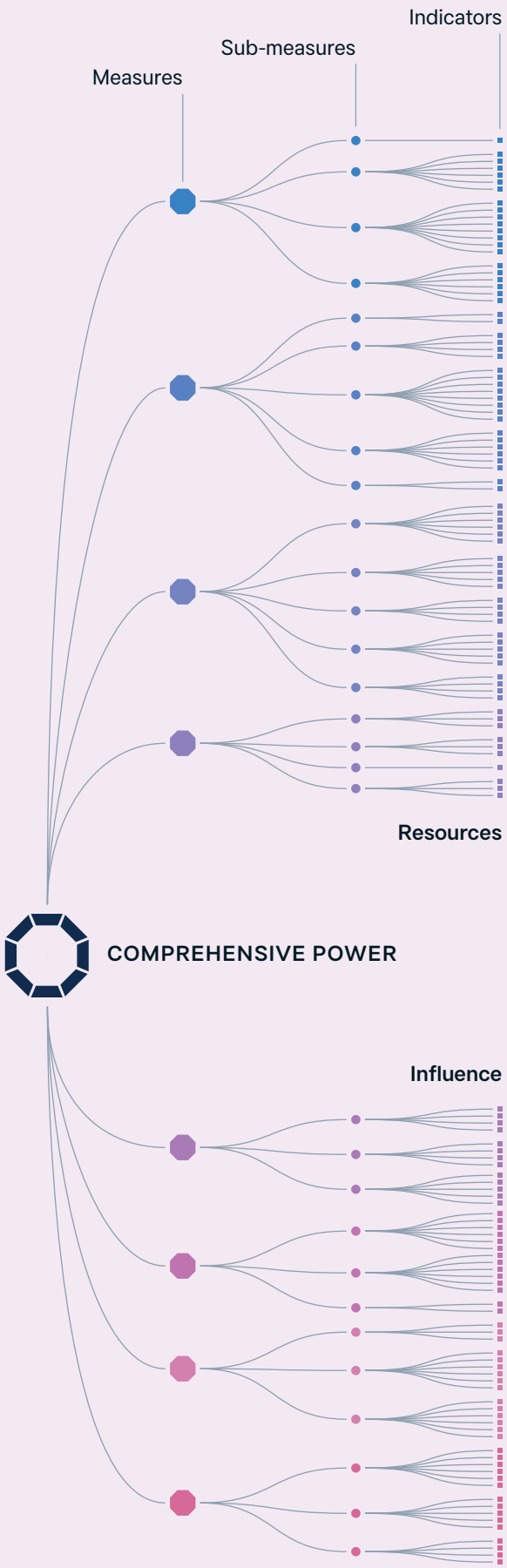
Power can be measured in two ways. The Index distinguishes between resource-based determinants of power — in other words, what countries have — and influence-based determinants of power — what countries do with what they have.

Resources
The first four measures of the Index — Economic Capability, Military Capability, Resilience, and Future Resources — are prerequisite resources and capabilities for exercising power.

Influence
The next four measures — Economic Relationships, Defence Networks, Diplomatic Influence, and Cultural Influence — assess levels of regional influence, lending the Index its geographical focus.

A country's comprehensive power is calculated as a weighted average across the eight measures of power, each of which aggregates data from three to five distinct sub-measures comprising 131 individual indicators.

The Index's measures, sub-measures, and indicators seek to capture the diverse qualities that enable countries to pursue favourable geopolitical outcomes, as well as to shape and respond to their external environment.



Resources

A state or territory's material capabilities and robustness, which are requisite factors in the exercise of power.

Economic Capability
Core economic strength and the attributes of an economy with the most geopolitical relevance; measured in terms of GDP at purchasing power parity, international leverage, technological sophistication, and global connectivity.

Military Capability
Conventional military strength; measured in terms of defence spending, armed forces and organisation, weapons and platforms, signature capabilities, and Asian military posture.

Resilience
The capacity to deter real or potential external threats to state stability; measured in terms of internal institutional stability, resource security, geoeconomic security, geopolitical security, and nuclear deterrence.

Future Resources
The projected distribution of future resources and capabilities, which play into perceptions of power today; measured in terms of estimated economic, defence, and broad resources in 2035, as well as working-age population and labour dividend forecasts for 2050.

Influence

A state or territory's active levels of regional influence via economic, diplomatic, defence, and cultural ties.

Economic Relationships
The capacity to exercise influence and leverage through regional economic interdependencies; measured in terms of trade relations, investment ties, and economic diplomacy.

Defence Networks
Defence partnerships in Asia that act as force multipliers of autonomous military capability; measured through assessments of alliances, regional defence diplomacy, and arms transfers.

Diplomatic Influence
The extent and standing of a state's foreign relations; measured in terms of diplomatic networks, involvement in multilateral institutions and clubs, and overall foreign policy and strategic ambition.

Cultural Influence
The ability to shape international public opinion through cultural appeal and interaction; measured in terms of cultural projection, information flows, and people exchanges.

Explore the Asia Power Index online

The Lowy Institute Asia Power Index is available through a specially designed digital platform that maximises both interactivity with the data and transparency of the methodology.

Dynamic features — including an interactive map, weightings calculator, network analysis, country comparisons, and drill-down explorations of each indicator across multiple years and tens of thousands of data points — establish the Lowy Institute Asia Power Index as an indispensable research tool for the study of power globally.



Key findings

1. US–China gap narrows

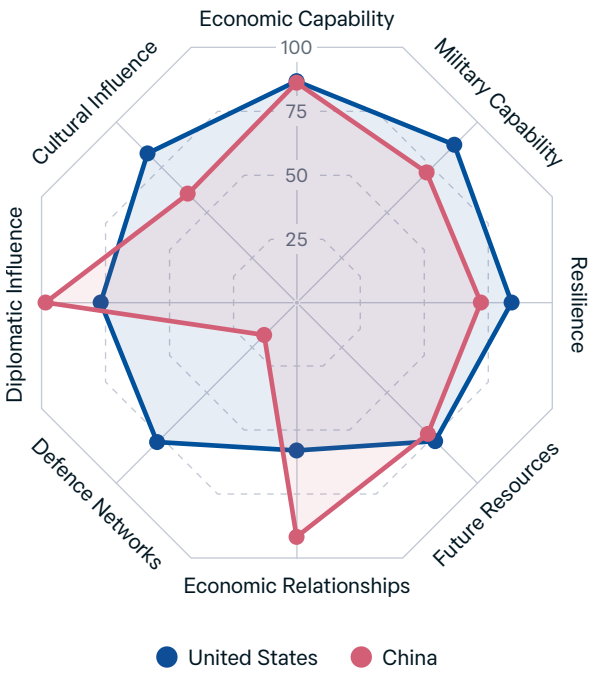
The United States and China are closer in power than at any time recorded. The gap between their military capabilities is at its narrowest since the Asia Power Index began in 2018.

The gap in comprehensive power between the United States (78.9) and China (73.6) continues to shrink, this year reaching its narrowest point since the inception of the Index, with the two superpowers now separated by only 5.3 points. This dramatic change largely reflects the Trump administration's preoccupations in the Middle East, which have diverted US attention and resources from Asia, as well as China's growing power and deepening partnerships in the region.

The United States saw notable declines in Economic Capability, Military Capability, Defence Networks, and Diplomatic Influence, while China held steady on most measures, gaining in Military Capability, Cultural Influence, and Resilience but slipping in Economic Relationships. The Trump administration has continued to press Asian states to spend more on their own defence to bring about greater burden-sharing. At the same time, it has softened its approach to China after presidents Trump and Xi agreed in Beijing in May 2026 to pursue "constructive strategic stability". Nevertheless, US–China economic and technological competition remains fierce, and Washington has shown no sign of abandoning unilateral tariffs as a tool of political and economic pressure.

The conflict in the Middle East, following coordinated US and Israeli strikes on Iran in February, has fuelled perceptions of Washington's waning interest in Asia. The Trump administration's reallocation of military resources from the 7th Fleet in the Pacific to the Persian Gulf to support its war effort has underscored this shift in US attention. Meanwhile, the United States has held fewer joint exercises and defence dialogues with its primary regional allies over the past year, including Australia, Japan, and South Korea. US strikes on Iran have also depleted American missile stocks and weakened its military capabilities.

United States–China
Comparative measure scores, 2026

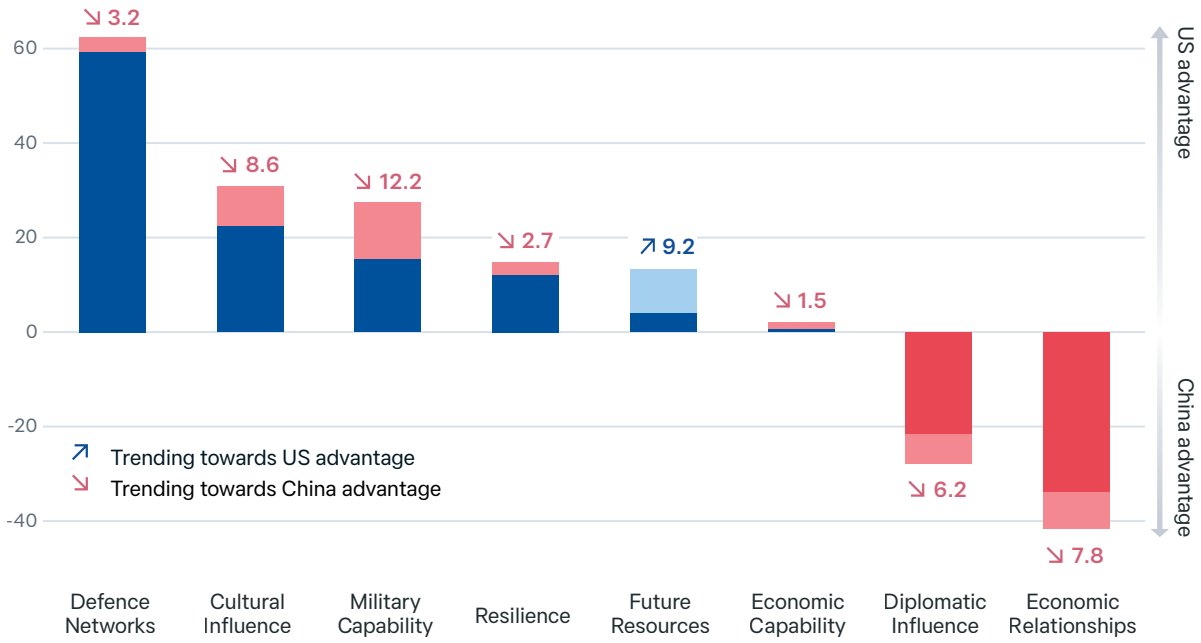


By contrast, China's ongoing military modernisation added to its comprehensive power. Its maritime warfare capabilities continue to expand, particularly in sea control and sea denial, while it maintains a sizeable lead over the United States in ground-based missiles and ground forces. Beijing is increasingly willing to use its growing maritime dominance to challenge the territorial claims of smaller powers such as the Philippines — a US ally — and test Washington's resolve to honour its security commitments.

The United States' lead over China in Military Capability is at its narrowest on record. Nevertheless, Washington still retains clear advantages in defence spending — the US military budget is nearly three times that of China — land warfare firepower, air power, and transportation capabilities, which allow it to deploy its forces and project military power across the globe. It also maintains a considerable advantage over China in ballistic missile submarines and long-range maritime forces, such as aircraft carriers and amphibious landing vessels. However, in the Pacific, China's military posture and ability to deploy force quickly and at scale outmatch those of the United States.

The two superpowers remain almost tied in Economic Capability. The United States still leads China by a significant margin in its number of corporate giants and the strength of the US dollar as a global reserve currency. However, China's economy continues to outgrow that of the United States when adjusted for purchasing power parity (PPP), and China's official reserves are nearly three times those of the United States. Further levelling the playing field, global purchases of US dollars fell in 2025–26, eroding the dollar's reserve-currency status — though de-dollarisation remains a long way off.

Comparative advantage
Net change in US–China measure scores, 2018–26



2. United States stumbles

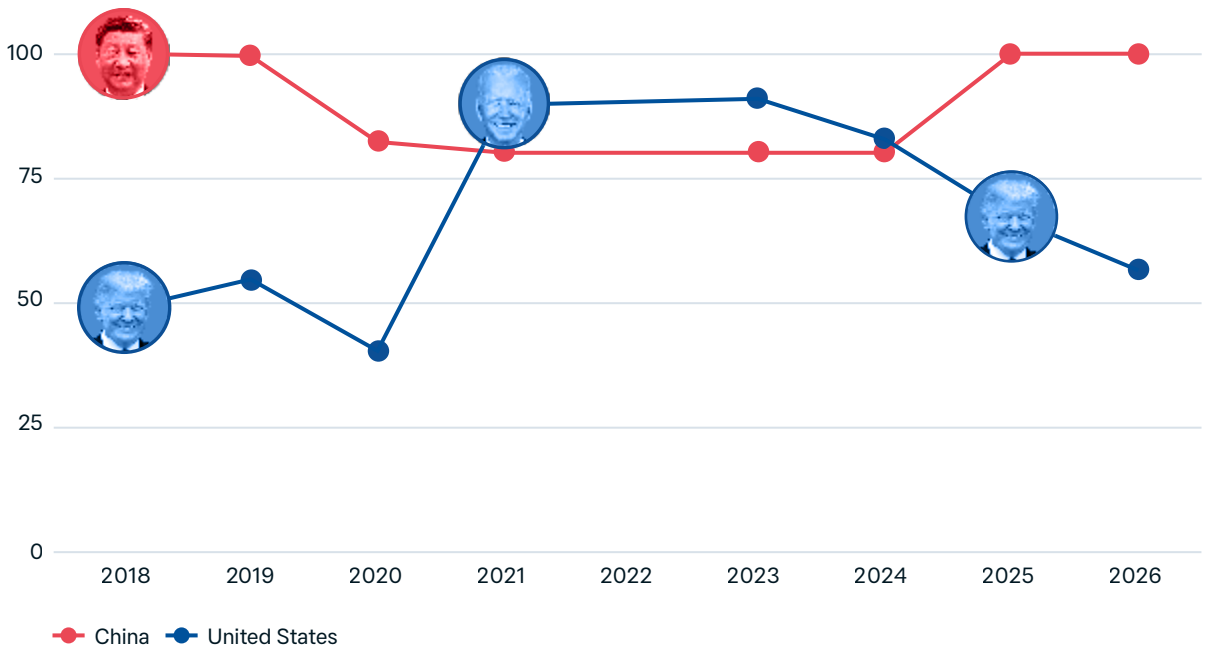
US diplomatic influence underwent its largest decline on record following the Trump administration's war with Iran and other unpopular policy decisions.

The Trump administration has doubled down on its unilateralist foreign policy, including imposing punitive tariffs on trade partners, repudiating international institutions such as the United Nations and the International Criminal Court, and engaging in a costly and unpopular war in the Middle East against Iran. President Trump's characterisation of a $14 billion arms sale to Taiwan as a "good negotiating chip" for managing relations with Beijing and his call to "substantially reduce" military exercises with US treaty ally South Korea have further eroded confidence in the United States throughout the region.[1]

As a result, US Diplomatic Influence fell by 6 points to 76.7 this year, marking the fourth straight year of decline and the largest single margin of loss in this measure since the Asia Power Index began in 2018. Experts who responded to the Asia Power Index survey on Diplomatic Influence were especially critical of President Trump's effectiveness in political leadership at the global level, and perceptions of his leadership within Asia also declined significantly. According to respondents, President Trump's strategic ambition saw a larger drop than that of every other leader in the survey except Taiwan's President Lai Ching-te.

US voting alignment at the UN with other countries in the Index also fell sharply (36.6 points), reflecting Washington's unilateralism and its tendency to vote alone on UN resolutions. Its withdrawal from the UN Economic and Social Commission for Asia and the Pacific in 2026, a year after leaving the UN

United States–China
Trend in foreign policy scores, 2018–26



Human Rights Council, further eroded its multilateral influence. China, by comparison, participates in more regional summits and organisations than all other countries in the Index.

If Washington continues to rely on tariffs and other forms of political and economic pressure, Southeast Asian countries are likely to diversify their trade and security partnerships as a hedge against US unpredictability. The Trump administration can still reverse this trend, but if it remains entangled in the Middle East, US influence in Asia may decline further. The United States retains significant advantages, including its network of alliances and substantial private sector investment throughout the region, but 2026 showed how quickly a superpower can erode its credibility.

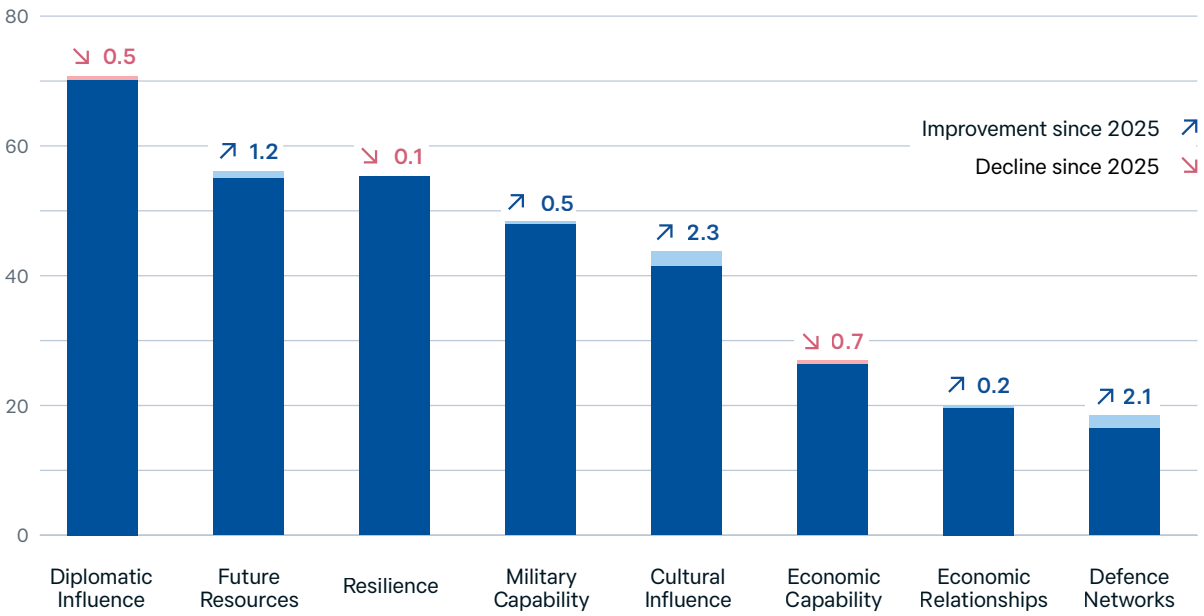
3. India gains influence

Despite a dip in relative economic capability and a year focused on internal challenges, India played a much more influential role in Asia.

India consolidated its position as a major power in 2026, rising to an overall score of 40.5 points. The gap in power between India and China reached its narrowest point since the inception of the Asia Power Index in 2018 — though China's power remains 80 per cent higher than India's.

India had a mixed economic year: its Economic Capability score dipped slightly to 26.4 points, though it held on to third place. A weakening rupee and a structural change in how the International Monetary Fund measures economies both dragged down its relative GDP standing, compounding a nearly $20

India
Change in measure scores, 2025–26



billion drop in outbound investment. However, this impact did not carry over to its Future Resources, where its score rose to 56.2 points on the back of an improved economic forecast, highlighting the scale of the opportunities ahead for the country.

Diplomatic Influence was India's strongest measure and held steady in a year when most countries faltered, slipping only slightly to 70.3 points. Expert appraisals of Prime Minister Narendra Modi's regional leadership improved markedly, lifting India three places. He is now judged to be the second-most effective regional leader, behind Chinese President Xi Jinping. However, perceptions of his global leadership and strategic ambition have both diminished, reflecting India's lower diplomatic profile during the conflict in the Gulf — exemplified by its muted response when a US submarine sank an Iranian naval vessel returning from an exercise hosted by India.

While its economy and diplomacy showed mixed results in 2026, India grew more influential in Asia. Relative stability in its regional trade relations and investment ties made it one of only five countries whose Economic Relationships score did not fall, lifting it two places to seventh. Its Defence Networks score rose to 18.6 points, as greater regional defence engagement and BrahMos missile sales to Southeast Asia lifted it two places to ninth. India's Cultural Influence rose to 43.8 points, driven by improvements across all three dimensions: cultural projection, information flows, and people exchanges.

These improvements helped India narrow its Power Yield — the divergence between a country's expected power based on its resources, and its actual comprehensive score — for the first time since 2023. Combined with its rising Future Resources score, this suggests India can sustain its growing influence.

4. Southeast Asia rides out a rough year

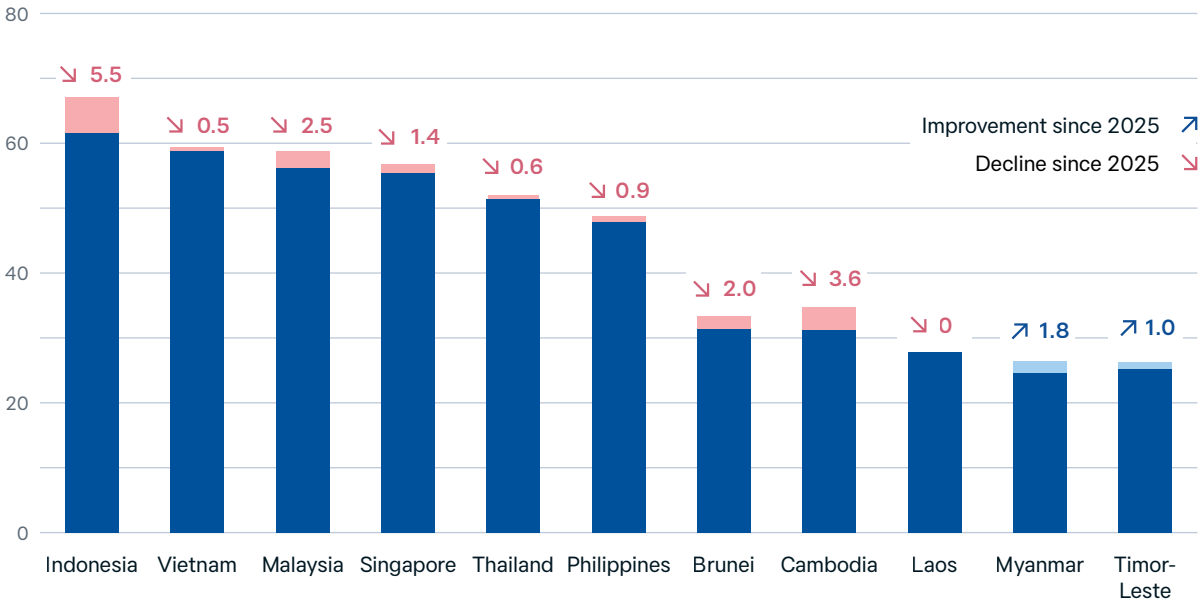
Regional states demonstrated modest resilience amid geopolitical setbacks, but Indonesia's diplomatic influence saw a particularly significant drop.

The ongoing conflict in the Middle East and the closure of the Strait of Hormuz, which disrupted global energy supply chains, hit Southeast Asia particularly hard in 2026. Higher fuel and fertiliser prices also constrained food and agricultural production, compounding the political pressures on regional leaders. Meanwhile, Southeast Asian states struggled to navigate US tariffs, rising tensions in the South China Sea, and ongoing competition between the United States and China.

Amid these challenges, government effectiveness declined across almost all Southeast Asian states (the exceptions were Singapore, already at the 100th percentile; Myanmar, at 0; and Laos, which was unchanged). Nearly every country in the Index saw its Diplomatic Influence decline, but Indonesia's fall was the region's steepest — 5.5 points — second only to the United States (–6). This decline largely reflected pessimism around President Prabowo Subianto's foreign policy, which many experts see as incoherent and as undermining Indonesia's long-held commitment to non-alignment. According to survey respondents, ratings of Prabowo's leadership at both the global and regional levels fell more steeply than those of any other leader in the survey.

Despite these setbacks, the region appears well positioned to weather future shocks. The Resilience scores for most Southeast Asian countries changed only slightly. Vietnam's fell the most, largely due to its

Diplomatic influence
Trend in select Southeast Asian countries' diplomatic influence scores, 2025–26



dependence on global trade. At 190 per cent of total GDP, its trade exposure is second only to Singapore's 320 per cent. As with most other Southeast Asian states, China is Vietnam's largest trading partner, accounting for 31 per cent of its total two-way trade in 2025. This trade dependency makes Vietnam particularly vulnerable to external shocks and coercion such as tariffs or political pressure.

One silver lining is that political stability improved in 2026 in every Southeast Asian country except Myanmar, which remains the least stable country in the Index. That relative stability will serve the region well as great power competition and internal challenges, such as Myanmar's protracted conflict, continue to test its cohesion.

5. Middle powers had a middling moment

Canadian Prime Minister Mark Carney's call for middle power cooperation raised expectations for 2026, but the Asia Power Index shows a mixed picture.

In a speech delivered at the World Economic Forum in January, Mark Carney declared a rupture in the rules-based order, entreating middle powers to act together to forge flexible, issue-based coalitions rather than relying on dominant superpowers.[2] He called on like-minded middle powers, such as Australia, Japan, and South Korea, to seize the initiative and shape the emerging order. However, their performance over the year proved uneven.

Australia's comprehensive power dipped slightly to 31.7 points, but its Economic Relationships score rose. This was driven by gains in Economic Diplomacy, where it climbed three places to fourth, particularly in its economic statecraft. Expert respondents praised Prime Minister Anthony Albanese's ability to advance Australia's economic interests, reflecting his successful regional visits to secure petroleum and fertiliser supplies in the wake of the Iran war. However, they rated him less effective at advancing Australia's diplomatic interests in Asia: more than a third of respondents gave lower appraisals than in 2025, pulling his score down 14 points to 76. The fall contributed to a modest decline in Australia's overall Diplomatic Influence.

Japan's comprehensive power dipped slightly to 38.6 points. Yet, for the first time in the Index's history, it improved on all four resource measures, including a first-ever rise in its Economic Capability. Its Cultural Influence also rose, largely on the back of its growth as an education destination. But these gains could not offset a further slide in Economic Relationships, where its score fell 15 per cent to a record low of 31.2. For the first time since the inception of the Index, Japan is not the primary foreign investor in any other Index country, down from three in the previous edition. An $8 billion increase in Chinese investment into Thailand and burgeoning bilateral tech investment between Taiwan and the United States meant Japan lost its status as the top investor in these three countries. As a result, Japan dropped out of the top three economic partners, and Singapore moved ahead. Experts judged Prime Minister Sanae Takaichi to be a more effective leader at the global level than her predecessor, Shigeru Ishiba, but rated her regional leadership less highly. Japan's score on that indicator fell nearly 9 points to its lowest level yet of 81.

South Korea had a difficult 2026. Its comprehensive power score fell to 31 points, with declines in five of the eight measures: Economic and Military Capability, Economic Relationships, Defence Networks, and Diplomatic Influence. Its relationship with a more transactional United States came under strain, with President Trump calling for cuts to combined military exercises. The shakier alliance has weighed

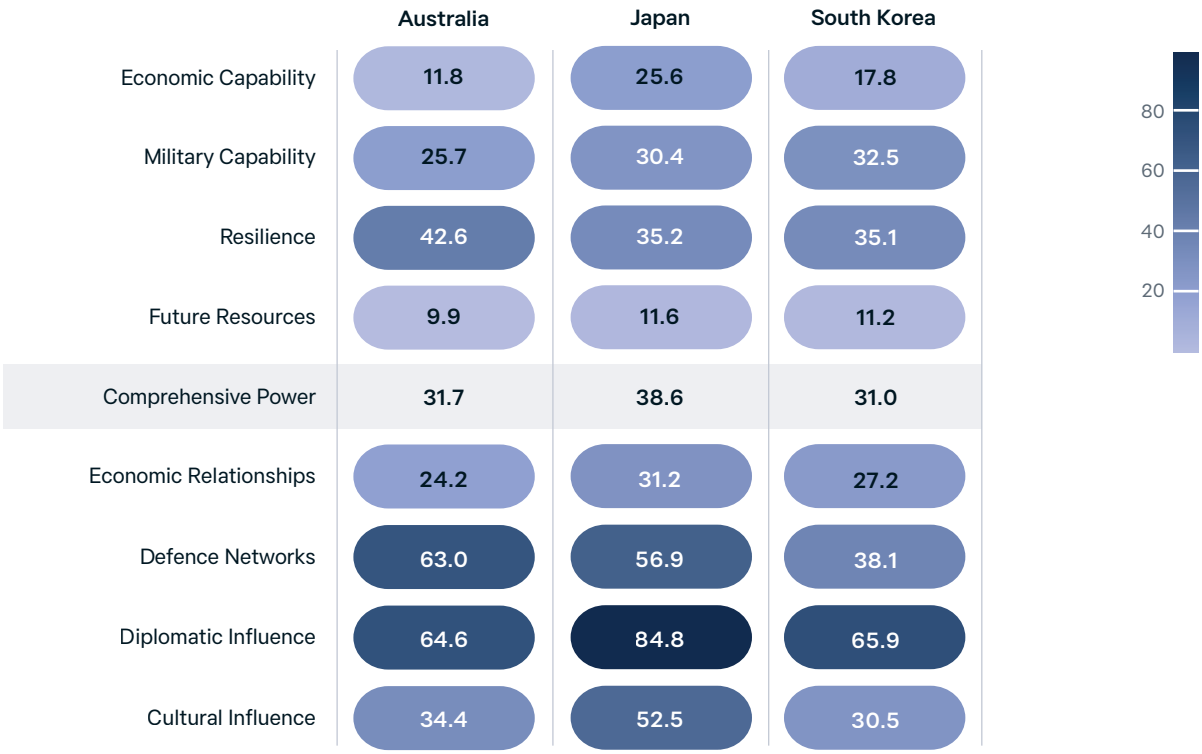
Pakistan steps up

While the picture for like-minded middle powers is mixed, Pakistan punched above its weight in 2026, rising 0.6 points to reach a comprehensive power score just above 15 (the threshold for middle powers). Its shuttle diplomacy gave it a brief role in US–Iran ceasefire talks, culminating in the Islamabad Memorandum in June.

Experts rated Prime Minister Shehbaz Sharif's regional and global leadership much more highly as a result, lifting Pakistan's Diplomatic Influence 2.8 points to 35.6. However, the Memorandum fell short of its key aim — a final deal to end the conflict — and failed to prevent the renewal of hostilities, which resumed within a month of its signing. Pakistan is unlikely to sustain this score in future editions.

Measure performance

Scores of select middle powers, 2026



on assessments of South Korea's Military Capability, with experts less confident in its armed forces' ability to fight a ground war. Compounding this, President Lee Jae Myung is seen as less able to manage President Trump, weakening perceptions of his regional leadership and his ability to advance South Korea's economic interests. The country's cultural appeal, however, is as strong as ever, with the long-term growth of K-Pop and K-Dramas complementing its growing reputation as a tourist destination.

That all three countries lost Diplomatic Influence this year calls into question their ability to shape the international system.

6. Cooperation grows among US allies

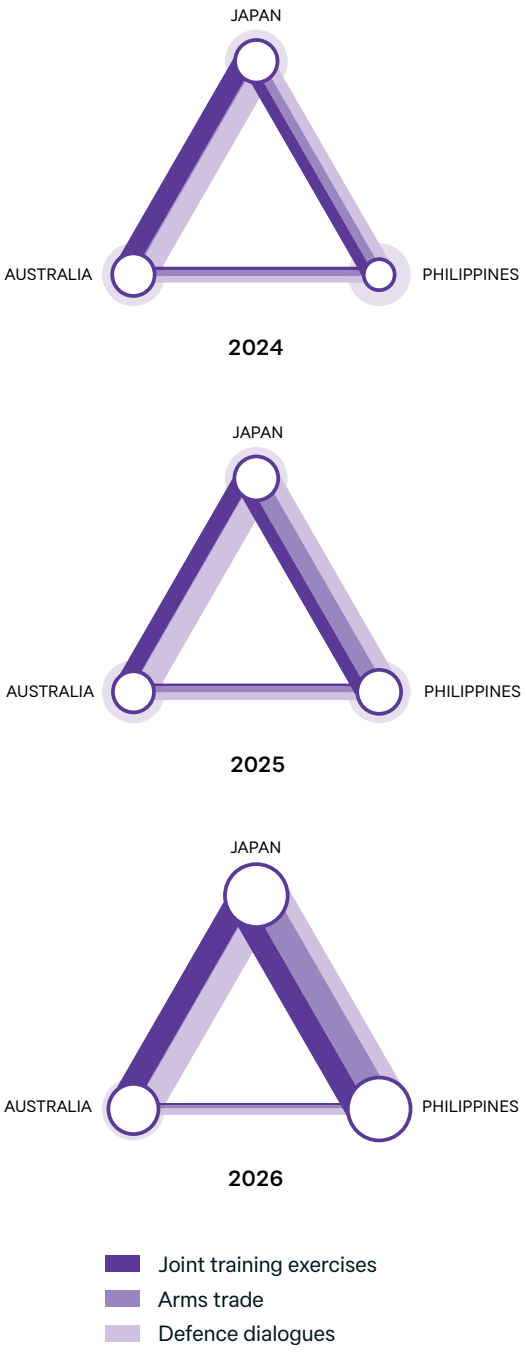
As the United States' focus shifted back to the Middle East, its treaty allies deepened their defence ties with one another.

In 2026, the United States' Defence Networks score fell 4.2 points to 77.3 — its lowest since the Index began — driven by a reduction in both the joint exercises and defence dialogues it held with allies and non-allied partners in the region. The decline began in late 2023, as events in the Middle East drew Washington's attention away from Asia. This initially raised doubts about the durability of the hub-and-spoke alliance system, but stronger cooperation between the spokes has since emerged.

US treaty allies have strengthened their defence ties with one another through a widening set of agreements. The Philippines has been particularly active, signing visiting forces agreements with several countries and a Reciprocal Access Agreement (RAA) with Japan. It has also signed agreements with Australia to jointly develop defence infrastructure in the Philippines, and with South Korea to buy a dozen fighter jets. Australia, too, signed an agreement with Japan to purchase Mogami-class frigates as part of its naval modernisation, in what is Japan's largest defence export since the Second World War. These agreements reflect a long-term political investment in regional defence networks.

These agreements have been matched by the growth of joint exercises. In 2022, Australia held 5 military exercises with Japan and 4 with the Philippines, without the United States. By 2025, these had more than doubled, to 13 and 11 respectively. Over the same period, Japan's exercises with the Philippines increased from 7 to 12, and with Thailand from 2 to 6. Notably, through the application of the RAA, Japan deployed combat-capable ground forces to the Philippines for the first time since the Second World War as part of the Philippines-hosted Exercise Balikatan in early 2026.[3] Together, these developments suggest that closer cooperation among US allies is taking shape, helping to buttress the regional security architecture.

Defence dialogues and joint exercises between US allies



7. Authoritarian alignment deepens

Defence cooperation between China, Russia, and North Korea accelerated in 2026, alongside closer economic ties.

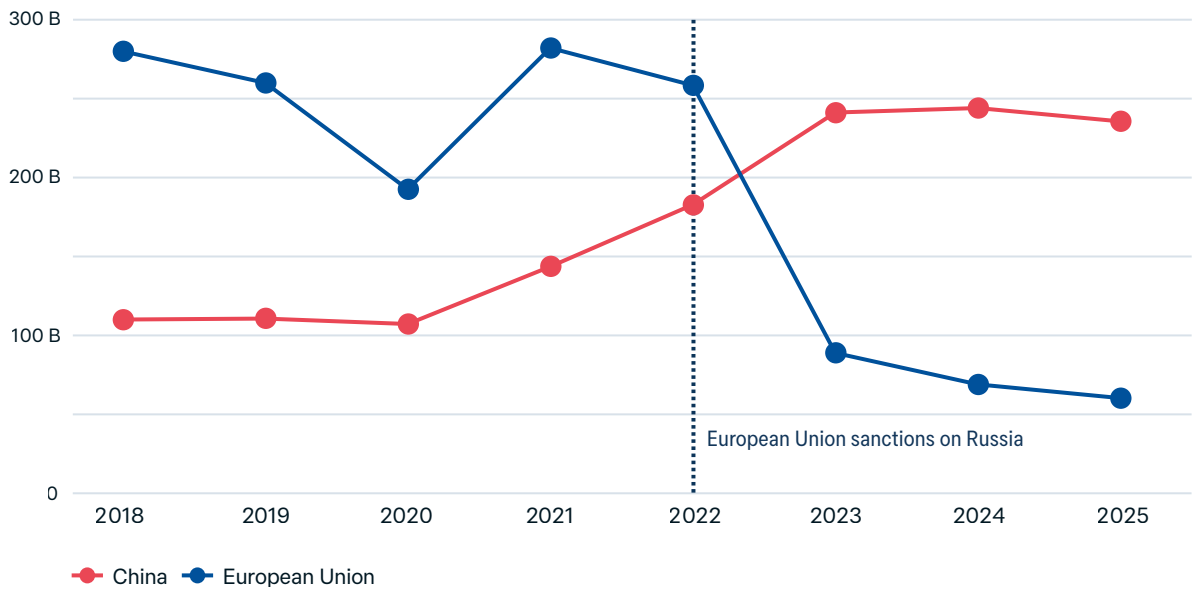
China maintains a strong defence relationship with Russia. They are each other's top partners for joint trainings, and second for arms trade. In contrast, China's defence ties with North Korea are more limited, despite their treaty alliance. The two held no public joint exercises or defence meetings in 2026. However, at a leaders' summit in June, they discussed expanding their military exchanges. Russia's ties with North Korea have strengthened further since the two formalised their alliance in 2024. Arms trade between them is now valued at $264 million, and an estimated 11,000 North Korean soldiers are fighting in Ukraine.

Economic ties among the three have deepened. Trade between China and Russia grew to almost $250 billion in 2025, more than a third of Russia's total trade. This is nearly double its 2022 level, when sanctions followed Russia's invasion of Ukraine. The increase offsets more than half of Russia's lost trade with the European Union. Meanwhile, two-way trade between China and North Korea rose to $2.85 billion, nearly double its 2025 value. This lifted North Korea two places, from last, in Economic Relationships.

North Korea has also profited from its military cooperation with Russia. One report estimates that North Korea's military support for Russia has earned it between $7 billion and $14 billion — 20 to 40 per cent of its GDP.[4] Their economic ties also extend beyond the military sphere. In September 2026, the two countries opened their first road bridge. Through their economic relationships with China, North Korea and Russia have both weathered the sanctions imposed on them.

Despite increasing bilateral collusion, there has been no trilateral engagement. North Korea also remains outside both BRICS and the Shanghai Cooperation Organisation — international groupings that present themselves as alternatives to Western-led forums like the G7. If a trilateral partnership were to develop, it could threaten the region's existing security architecture and pose a significant challenge for the United States and its allies.

Russia
Trend in trade with select countries (US$), 2018–25

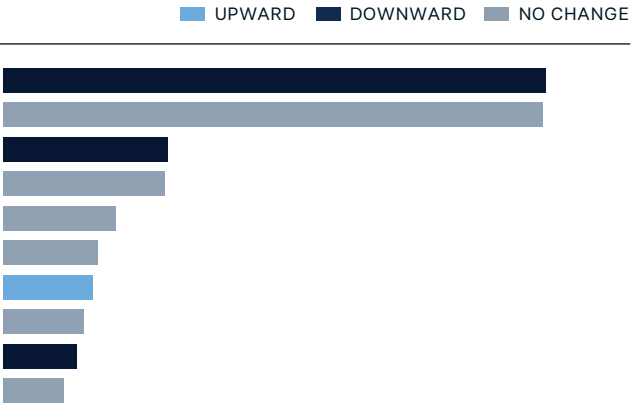


Measures of power

ECONOMIC CAPABILITY

Core economic strength and the attributes of an economy with the most geopolitical relevance; measured in terms of GDP at purchasing power parity (PPP), international leverage, technological sophistication, and global connectivity.

RANK	COUNTRY/TERRITORY	SCORE	TREND
1	United States	86.7	↘
2	China	86.1	–
3	India	26.4	↘
4	Japan	25.6	–
5	South Korea	17.8	–
6	Singapore	15.4	–
+1 7	Taiwan	14.3	↗
−1 8	Russia	12.9	–
9	Australia	11.8	↘
10	Indonesia	9.7	–



Annual change in ranking

Trends track annual changes in measure scores above a minimum threshold (≥ 0.5)

Size: The economic weight of a country as reflected by its GDP, which is the total value of all final goods and services produced annually within an economy. Purchasing power parity exchange rates are used to allow for a reliable comparison of real levels of production between countries.

International leverage: Resources that give governments enhanced financial, legal, and sanctioning powers abroad. These include global corporations and internationalised currencies, as well as sovereign wealth funds, export credit agencies, and official reserves.

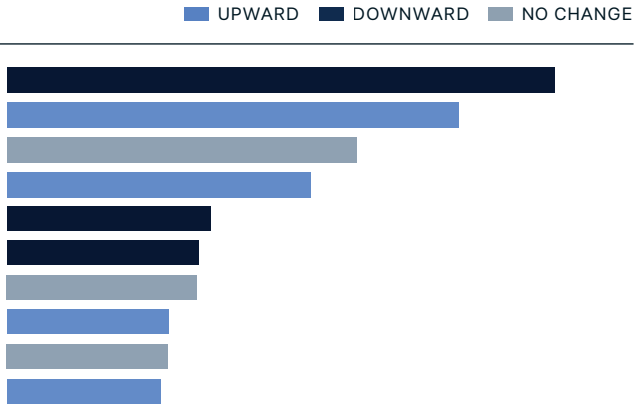
Technology: The technological and scientific sophistication of countries. This is measured through indicators such as labour productivity, high-tech exports, supercomputers, renewable energy generation, and input variables including R&D spending.

Connectivity: The capital flows and physical means by which countries connect to and shape the global economy, including through international trade, global inward and outward investment flows, merchant fleets, and international aviation hubs.

MILITARY CAPABILITY

Conventional military strength; measured in terms of defence spending, armed forces and organisation, weapons and platforms, signature capabilities, and Asian military posture.

	RANK	COUNTRY/TERRITORY	SCORE	TREND
	1	United States	87.4	↘
	2	China	72.1	↗
	3	Russia	55.8	–
	4	India	48.5	↗
	5	South Korea	32.5	↘
	6	North Korea	30.6	↘
	7	Japan	30.4	–
+1	8	Singapore	25.8	↗
−1	9	Australia	25.7	–
	10	Pakistan	24.5	↗



Annual change in ranking

Trends track annual changes in measure scores above a minimum threshold (≥ 0.5)

Defence spending: Annual spending on military forces and activities. This sub-measure looks at current resources devoted to maintaining, renewing, replacing, and expanding military capability, measured in terms of military expenditure at market exchange rates and estimated defence-sector PPP rates.

Armed forces: Total active military and paramilitary forces, readiness, and organisation. This sub-measure is principally focused on the size of armed forces, but also takes account of their combat experience, training, and preparedness, as well as command and control structures.

Weapons and platforms: A country's stock of land, maritime, and air warfare assets and capabilities. This sub-measure consists of a number of proxy indicators for capability across the three domains and assesses the sophistication of weapons and platforms.

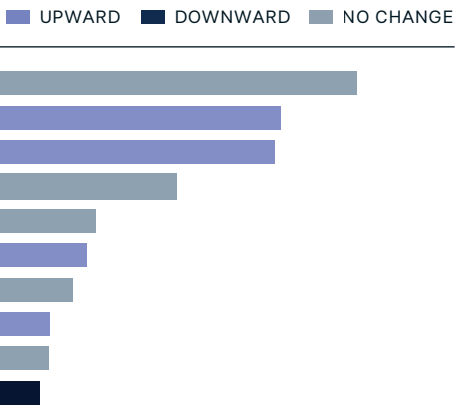
Signature capabilities: Military capabilities that confer significant or asymmetric tactical and strategic advantages in warfare. These include ballistic missile capabilities, long-range maritime force projection, intelligence networks, and defensive and offensive cyber capabilities.

Asian military posture: The ability of armed forces to deploy rapidly and for a sustained period in the event of an interstate conflict in Asia. This sub-measure consists of qualitative expert-based judgements of a country's ability to engage in either a maritime or continental military confrontation in the region.

RESILIENCE

The capacity to deter real or potential external threats to state stability; measured in terms of internal institutional stability, resource security, geoeconomic security, geopolitical security, and nuclear deterrence.

	RANK	COUNTRY/TERRITORY	SCORE	TREND
	1	United States	84.3	–
	2	China	72.2	↗
	3	Russia	71.4	↗
	4	India	55.4	–
	5	Australia	42.6	–
	6	North Korea	41.1	↗
	7	New Zealand	38.9	–
+2	8	Japan	35.2	↗
−1	9	South Korea	35.1	–
−1	10	Indonesia	33.6	↘



Annual change in ranking

Trends track annual changes in measure scores above a minimum threshold (≥ 0.5)

Internal stability: Institutional and environmental factors that enhance domestic governance and provide protection from external interference in internal affairs. This sub-measure includes indicators assessing government effectiveness, political stability, major ecological threats, and the absence of internal conflict.

Resource security: Secure access to energy and other critical resources essential to the functioning of a country's economy. This sub-measure looks at dependency on energy imports, energy self-sufficiency levels, refined fuel security, and the supply of rare earth metals.

Geoeconomic security: The ability to defend against other states' economic actions on a country's geopolitical interests and economic activity. This sub-measure looks at an economy's diversity of export markets and products, as well as its levels of dependency on primary trade partners and global trade.

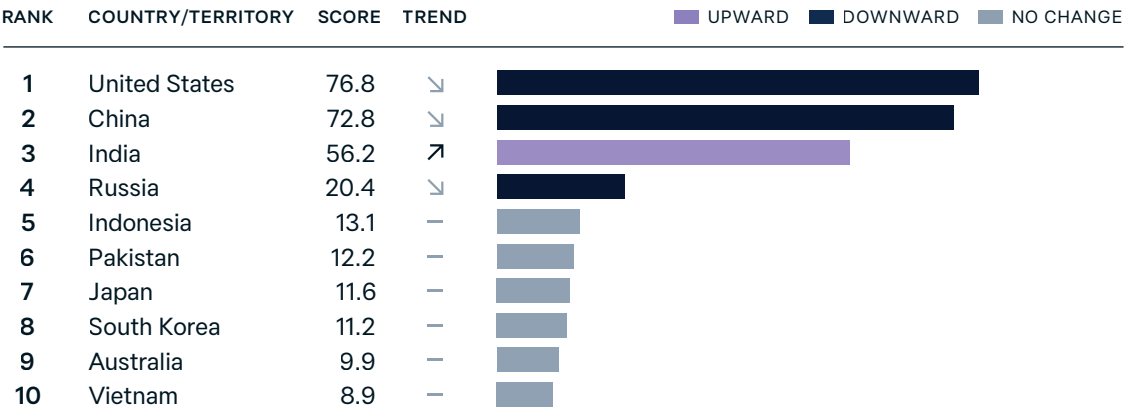
Geopolitical security: Structural and political factors that minimise the risk of interstate conflict and enhance a country's territorial security. This sub-measure includes indicators such as population size relative to neighbours and geographic deterrence based on landmass, as well as active border disputes and legacies of interstate conflicts with neighbours.

Nuclear deterrence: Strategic, theatre, and tactical nuclear forces that can be used to deter potential aggressors by threatening a retaliatory nuclear strike. This sub-measure assesses nuclear weapons range, ground-based nuclear missile launchers, and nuclear second-strike capabilities.

FUTURE RESOURCES

The projected distribution of future resources and capabilities, which play into perceptions of power today; measured in terms of estimated economic, defence, and broad resources in 2035, as well as working-age population and labour dividend forecasts for 2050.

RANK	COUNTRY/TERRITORY	SCORE	TREND
1	United States	76.8	↘
2	China	72.8	↘
3	India	56.2	↗
4	Russia	20.4	↘
5	Indonesia	13.1	–
6	Pakistan	12.2	–
7	Japan	11.6	–
8	South Korea	11.2	–
9	Australia	9.9	–
10	Vietnam	8.9	–



Annual change in ranking

Trends track annual changes in measure scores above a minimum threshold (≥ 0.5)

Economic resources 2035: Future economic size and capabilities. This is measured by forecast GDP at purchasing power parity in 2035 and the Beckley formula for estimating economic power: multiplying forecast GDP by forecast GDP per capita.

Defence resources 2035: Future defence spending and military capability enhancements. This sub-measure consists of two indicators. The first looks at forecasts of absolute levels of military expenditure in 2035, holding the current ratio of defence spending to GDP constant. The second looks at expected gains in military expenditure as a proxy for investments in military capability above replacement levels.

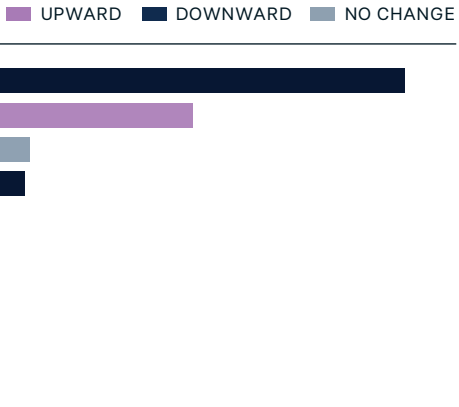
Broad resources 2035: Future broad resources and capabilities. This sub-measure estimates broad resources in 2035, based on every country's current ratio of GDP and military expenditure to their aggregate score for economic capability, military capability, and resilience.

Demographic resources 2050: Demographic variables that are expected to contribute to future GDP beyond 2035. This sub-measure consists of a forecast of the working-age population (15–64) in 2050 as well as the expected labour dividend from gains in the working-age population adjusted for quality of the workforce.

ECONOMIC RELATIONSHIPS

The capacity to exercise influence and leverage through regional economic interdependencies; measured in terms of trade relations, investment ties, and economic diplomacy.

	RANK	COUNTRY/TERRITORY	SCORE	TREND
	1	China	91.8	↘
	2	United States	58.0	↗
+1	3	Singapore	32.0	–
−1	4	Japan	31.2	↘
	5	South Korea	27.2	↘
	6	Australia	24.2	–
+2	7	India	19.9	–
−1	8	Vietnam	18.8	↘
−1	9	Malaysia	18.2	↘
+2	10	Taiwan	18.2	↗



Annual change in ranking

Trends track annual changes in measure scores above a minimum threshold (≥ 0.5)

Regional trade relations: The ability to influence other countries through bilateral trade flows and relative dependencies. This sub-measure focuses on an economy's relative importance as an importer, exporter, and primary trade partner for other countries, based on annual bilateral trade flows.

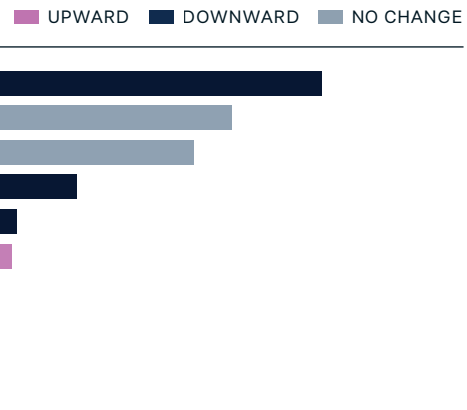
Regional investment ties: The ability to influence other countries through foreign direct investment flows and relative dependencies. This sub-measure focuses on an economy's relative importance as a source and destination of foreign investment for other countries, based on ten-year cumulative flows of foreign capital investment.

Economic diplomacy: The use of economic instruments to pursue collaborative interests and beneficial geopolitical outcomes. This sub-measure tracks economic diplomacy through free trade agreements and outward foreign assistance flows.

DEFENCE NETWORKS

Defence partnerships in Asia that act as force multipliers of autonomous military capability; measured through assessments of alliances, regional defence diplomacy, and arms transfers.

	RANK	COUNTRY/TERRITORY	SCORE	TREND
	1	United States	77.3	↘
	2	Australia	63.0	–
	3	Japan	56.9	–
	4	South Korea	38.1	↘
	5	New Zealand	28.8	↘
	6	Singapore	28.1	↗
	7	Russia	22.4	↘
+1	8	Philippines	19.2	↗
+2	9	India	18.6	↗
	10	Thailand	18.5	↗



Annual change in ranking

Trends track annual changes in measure scores above a minimum threshold (≥ 0.5)

Regional alliance network: Number, depth, and combined strength of defence alliances in the region. This is measured in terms of codified security guarantees, military personnel deployed in Index countries, joint military training exercises, arms procurements from allied partners, and combined operation years with allies.

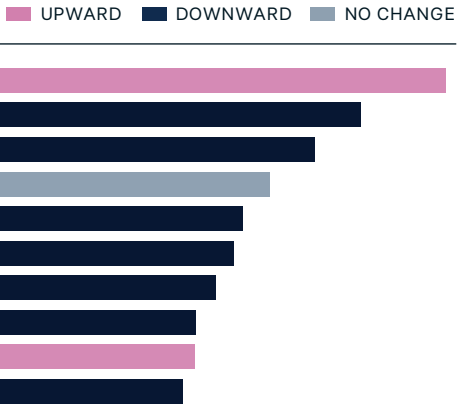
Regional defence diplomacy: Diversity and depth of defence diplomacy in the region. This sub-measure assesses defence dialogues, defence consultation pacts, foreign deployments between non-allied defence partners, joint military training exercises, combined operation years, and arms procurements from non-allied countries.

Global defence partnerships: Arms trade patterns indicative of global security partnerships and collaboration across defence industries, measured in terms of annual arms trade flows and number of arms export recipients over a five-year period.

DIPLOMATIC INFLUENCE

The extent and standing of a state's foreign relations; measured in terms of diplomatic networks, involvement in multilateral institutions and clubs, and overall foreign policy and strategic ambition.

RANK	COUNTRY/TERRITORY	SCORE	TREND
1	China	98.4	↗
2	Japan	84.8	↘
3	United States	76.7	↘
4	India	70.3	–
+1 5	South Korea	65.9	↘
+1 6	Australia	64.6	↘
−2 7	Indonesia	61.7	↘
8	Vietnam	59.0	↘
+1 9	Russia	58.4	↗
−1 10	Malaysia	56.3	↘



Annual change in ranking

Trends track annual changes in measure scores above a minimum threshold (≥ 0.5)

Diplomatic network: The regional and global reach of a country's diplomatic offices, measured in terms of total number of embassies, high commissions, permanent missions, and other representative offices.

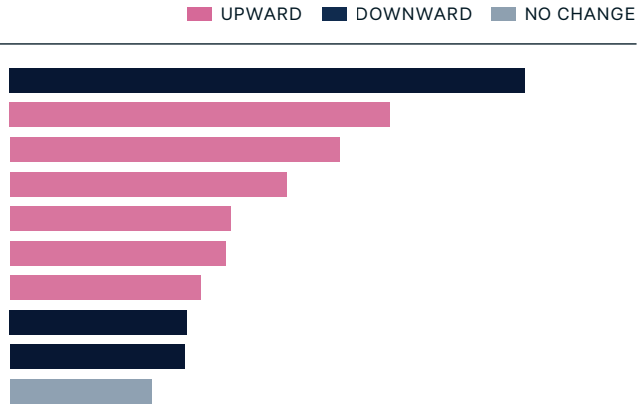
Multilateral power: A country's participation and diplomatic clout in multilateral fora. This sub-measure examines membership in select summits, diplomatic clubs, and intergovernmental organisations, as well as financial contributions to the United Nations and development banks, and voting alignment with other countries in UN resolutions.

Foreign policy: The ability of government leaders and foreign policy bureaucracies to advance their country's diplomatic interests. This sub-measure aggregates quantitative data on diplomatic engagements at leader or foreign minister level with qualitative expert-based judgements of how effectively leaders pursue their country's diplomatic interests, their demonstrated level of strategic ambition, and the wider efficacy of a country's foreign policy bureaucracy.

CULTURAL INFLUENCE

The ability to shape international public opinion through cultural appeal and interaction; measured in terms of cultural projection, information flows, and people exchanges.

	RANK	COUNTRY/TERRITORY	SCORE	TREND
	1	United States	82.6	↘
	2	China	60.2	↗
	3	Japan	52.5	↗
	4	India	43.8	↗
+1	5	Malaysia	35.2	↗
−1	6	Australia	34.4	↗
	7	South Korea	30.5	↗
	8	Thailand	28.2	↘
	9	Singapore	27.9	↘
	10	Indonesia	22.5	–



Annual change in ranking

Trends track annual changes in measure scores above a minimum threshold (≥ 0.5)

Cultural projection: Cultural influences and exports that help to enhance a country's reputation abroad. This sub-measure looks at online search trends in the region, exports of cultural services, global brands, and the international status of a country's passports, cities, and heritage sites.

Information flows: The regional appeal of a country's media outlets and universities. This sub-measure looks at the online search trends in the region for selected national news agencies, newspapers, television and radio broadcasters, as well as the number of inbound international students from the region enrolled in tertiary education.

People exchanges: The depth and influence of a country's people-to-people links in the region. This sub-measure tracks the size of regional diasporas, and the attractiveness of countries as travel and emigration destinations.

2026 Power Yield

The Asia Power Index consists of four resource measures, which look at what countries have, and four influence measures, which look at what countries do with what they have.

The Power Yield provides a secondary analysis to the Index based on the interplay between resources and influence. Countries can be overachievers or underachievers, irrespective of where they place in the rankings.

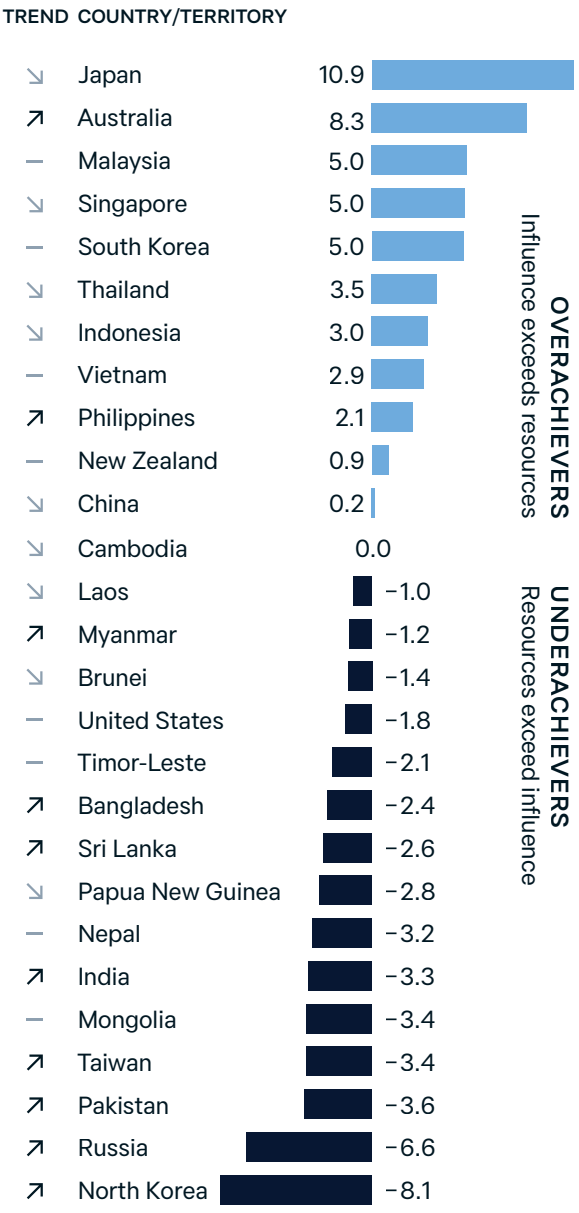
Countries with outsized influence in Asia relative to their resources have a positive Power Yield. Conversely, countries that exert undersized influence relative to their resources register a negative Power Yield.

The distance from the trend line — which is determined using a linear regression — reveals how well each country converts its resources into influence in Asia.

Japan's Power Yield of 10.9 reveals it to be a quintessential smart power, making efficient use of limited resources to wield broad-based diplomatic, economic, and cultural influence in the region. By contrast, North Korea derives its power principally from its military resources and nuclear weapons capability. The country's diplomatic and economic isolation, however, limits its regional influence, resulting in a Power Yield of –8.1. Russia's Power Yield of –6.6 shows its regional influence falling well short of its resources, as the war in Ukraine continues to drain its military and economy and expose the limits of its power.

Australia (8.3), Malaysia (5.0), Singapore (5.0), and South Korea (5.0) have more influence than their raw capabilities would indicate. They are highly networked and externally focused. Positive Power Yields among top-performing middle powers point to their ability and willingness to work collaboratively with other countries to pursue collective interests.

Developing countries often register influence shortfalls — reflecting their unrealised power potential and internal constraints on their ability to project power abroad. Meanwhile, Taiwan's negative Power Yield (–3.4) reflects its inconsistent performance across the influence measures due to a lack of formal diplomatic recognition and the territory's exclusion from key multilateral fora and initiatives.



A country's Power Yield is the difference between its overall power and what its power would be expected to be given its available resources.[5]

Methodology

The Lowy Institute Asia Power Index consists of eight measures of power, 30 thematic sub-measures, and 131 indicators. More than half of these indicators involve original Lowy Institute research, while the rest are drawn from hundreds of publicly available national and international sources.

Quantifying international power presents several key challenges. First, the relative importance of factors determining relative power is subject to debate. Second, it is difficult to obtain reliable and cross-comparable data across 27 countries and territories.

The selection of indicators was driven by an extensive literature review and expert consultations designed to address these methodological hurdles. As such, each indicator represents a carefully selected proxy for a broader category of variables often more difficult, if not impossible, to measure comparatively.

The methodological framework of the Index is informed by the OECD's Handbook on Constructing Composite Indicators. A distance-to-frontier approach is used to compare a country's results with the best-performing and worst-performing countries in each data set.

The distance-to-frontier method allows for different indicators to be made comparable across a diverse set of metrics, while preserving the relative distance among the original data values. The method also reflects the notion that power in international relations is relative, measured as a comparative advantage in a given frame of reference.

Weightings
The Lowy Institute has assigned a set of weightings to the component parts of the Asia Power Index that reflect their relative importance for exercising state power.

These authoritative weightings reflect the collective judgement of Lowy Institute experts based on relevant academic literature and consultations with policymakers from the region. They take into account the dimensions of power considered most advantageous to countries given the current geopolitical landscape of the region.

Measure	Weighting
Economic Capability	17.5%
Military Capability	17.5%
Resilience	10%
Future Resources	10%
Economic Relationships	15%
Defence Networks	10%
Diplomatic Influence	10%
Cultural Influence	10%

While our weightings are consistent with broadly held views in the policy and scholarly communities, it is of course possible to reach other value judgements about the relative importance of the measures. An innovative calculator on the digital platform enables users to adjust the principal weightings according to their own assumptions and reorder the rankings on that basis.

Sensitivity analysis has determined that the large number of indicators included in the Index, and variations across countries within those indicators, are quantitatively more important than our weighting scheme. The data points play the primary role in determining the rankings of the Lowy Institute Asia Power Index.

Review: Three stages
The Index model underwent three stages of review after development. First, the analytical assumptions and findings were submitted through an extensive peer review process. Second, a team of fact checkers verified that the raw data points and their normalised scores were factually correct and drew on the latest available data. Third, PwC provided a limited integrity review of the spreadsheets and formulas used to calculate the eight measures of the Index.

Currency
All currency is quoted in US dollars.

Notes

1 Simina Mistreanu, “Trump’s Description of Taiwan as a ‘Good Negotiating Chip’ with China Raises Anxieties”, AP News, 16 May 2026, https://apnews.com/article/taiwan-trump-arms-68eaac52b871e556aa6bd0509b101a90; Costas Pitas, David Lawder, and Heejin Kim, “Trump Instructs Pentagon to Reduce Military Exercises with South Korea”, Reuters, 17 August 2026, https://www.reuters.com/world/china/trump-instructs-pentagon-reduce-military-exercises-with-south-korea-2026-08-16/.

2 Mark Carney, “Davos 2026: Special Address by Mark Carney, Prime Minister of Canada”, 56th World Economic Forum, Davos, 20 January 2026, https://www.weforum.org/stories/forum-institutional/davos-2026-special-address-by-mark-carney-prime-minister-of-canada/.

3 Ministry of Defence Joint Staff (Japan), “Regarding Participation in the United States–Philippines Joint Multilateral Exercise Balikatan 26”, Notice, 14 April 2026, https://www.mod.go.jp/js/pdf/2026/p20260414_01.pdf.

4 Soo-Ho Lim, “Economic Effects of North Korea’s Troop Deployment to Russia and Military Exports”, Institute for National Security Strategy, Strategic Report 374 (2026), https://inss.re.kr/publication/bbs/js_view.do?nttId=41037787.

5 In 2026, the terminology for this measure changed from Power Gap to Power Yield.

About the authors



Dr Hunter Marston is the Project Lead for the Asia Power Index, the Lowy Institute's annual data-driven assessment that maps the changing distribution of power in the region, and Director of the Institute's Southeast Asia Program. Hunter joined the Institute in 2026, and his research focuses on great power competition in Southeast Asia, US and Australian foreign policy. He is a regular commentator on Southeast Asian geopolitics in both Australian and international media, and his writing has appeared in leading outlets including *Foreign Affairs*, *Foreign Policy*, *The New York Times*, and *The Washington Post*.



Jack Sato is a Data Analyst for the Asia Power Index at the Lowy Institute. Since joining the Institute in 2022, he has also contributed research and analysis to the Global Diplomacy Index and played a key role in the development of the Southeast Asia Influence Index. He holds a degree in Science/Arts, majoring in Statistics, Chinese and Japanese (minoring in International Relations) from the University of Queensland.


LOWY INSTITUTE
ASIA POWER INDEX

LOWY INSTITUTE
ASIA POWER INDEX

Explore the data
power.lowyinstitute.org