

Chinese Capital in Southeast Asia

Political Risk, Western Trade Exposure
and the Mitigation Playbook

Risk Intelligence and Compliance Playbook 2026-2031

JPK Ventures LLC | China - Southeast Asia Risk Intelligence



7

Countries Assessed

VN TH MY ID SG PH KH

1271

Sources Cited

Titled and dated

26

Research Sections

Three parts and outlook

2026-31

Outlook Horizon

Country by country

Eight statements. Count the ones that are true.

It takes ninety seconds, and nobody has to see the answer.

- ☐ 1 You own or control a production site in Vietnam, Thailand, Malaysia, Indonesia, Cambodia, the Philippines or Singapore.
- ☐ 2 Some of what you produce there is shipped to the United States or the European Union.
- ☐ 3 Some of your inputs - cells, wafers, steel, yarn, cathode material, components - originate in mainland China.
- ☐ 4 You operate in solar, EV and batteries, steel and aluminium, textiles, apparel and footwear, or electronics.
- ☐ 5 A customs officer could describe your operation as assembly rather than substantial transformation.
- ☐ 6 You know your regional value content, and you could document it tomorrow morning if asked.
- ☐ 7 You have related-party transactions with a Chinese parent or affiliate.
- ☐ 8 You have checked, this year, whether any supplier appears on a Western forced-labour or entity list.

Three or more, and this report is about you.

The six pages that follow are taken unchanged from the report. They name the case numbers, the duty rates and the companies.

中资工厂在东南亚生产、向欧美出口，可能因原产地规则、海关调查或实体清单而失去市场。本报告逐国说明规则本身，以及如何合规。

Thailand or Vietnam with Chinese inputs are generally circumventing, except for certain non-circumventing producers.

- The law firm analysis by McDermott Will & Emery, 2 December 2022, summarizing the preliminary determination, notes that Commerce **found all four target countries to be circumventing** the China AD/CVD orders, but **identified five companies as not circumventing**.^[316] It also states that at the preliminary stage Commerce applied the non-circumventing finding only to one company, with the others subject to further review.^[316]

The final determination of 23 August 2023, published at **88 Fed. Reg. 57419**, names them. The lists below are the operative ones for an importer, because a supplier that is not on the exempt side of them is covered by the country-wide finding^{[532][785][786]}. **Found NOT to be circumventing** — these producers may ship without the anti-circumvention duty, subject to the certification regime, but they are covered by the AD and CVD orders effective 24 June 2025^{[405][407]}:

Country	Producer	Source
Malaysia	Hanwha Q CELLS Malaysia Sdn. Bhd.	Final determination, 88 Fed. Reg. 57419 ^{[532][785]}
Malaysia	Jinko Solar Technology Sdn. Bhd. and the related Malaysian Jinko entities	Final determination, 88 Fed. Reg. 57419 ^{[532][785]}
Vietnam	Boviet Solar Technology Co., Ltd.	Final determination, 88 Fed. Reg. 57419 ^{[532][785]}

Found TO BE circumventing — duties apply:

Country	Producer	Source
Cambodia	BYD (H.K.) Co., Ltd.	Final determination, 88 Fed. Reg. 57419 ^[532]
Cambodia	New East Solar (Cambodia)	Final determination, 88 Fed. Reg. 57419 ^[532]
Thailand	Canadian Solar International Limited / Canadian Solar Manufacturing (Thailand)	Final determination, 88 Fed. Reg. 57419 ^[532]
Thailand	Trina Solar Science & Technology (Thailand) Ltd.	Final determination, 88 Fed. Reg. 57419 ^{[532][786]}
Vietnam	Vina Solar Technology Company Limited	Final determination, 88 Fed. Reg. 57419 ^{[532][785]}

The default is adverse. Each of the four countries also carries a **country-wide affirmative finding**. Any producer or exporter that did not respond to Commerce's questionnaires was found to be circumventing on the basis of **adverse facts available**, and falls under that country-wide finding — the named exemptions above are exhaustive, not illustrative^{[532][785][786]}.

Certification regime – structure and deadlines

According to the Federal Register preliminary determination as summarized by international trade counsel on 8 December 2022:^{[311][314]}

- Scope of certifications (2022-04-01 onward)**
 - The certification regime applies to **all CSPV cells/modules** from Cambodia, Malaysia, Thailand or Vietnam entered or withdrawn from warehouse for consumption **from 2022-04-01 (initiation) onward**, as long as entries have not been liquidated.^[311]

While the **official stance** remains that economic engagement with China is welcome, these incidents have **documented practical effects**:

- More explicit framing of Chinese infrastructure stakes as **potential national security risks** by senators and officials.[190][194][196][197][202]
- Public reports and official statements connecting actions against POGOs and scam centers to alleged **Chinese criminal networks**. [192][193][198][1209][200][201][203]
- A sharper separation between **maritime security policy (confrontational)** and **economic policy (selective engagement)**. [181][187][205]

Public Service Act (2022) and Chinese SOEs in critical infrastructure

Official legal stance (RA 11659, 21 March 2022):

- Foreign SOEs are **barred from owning capital in public utilities and critical infrastructure** in investments made after March 2022.[214]
- Existing SOE stakes (pre-2022) are allowed to remain but are not allowed to **increase capital**, except for certain sovereign and pension funds.[214]

Application in practice – NGCP / State Grid of China (grid)

- The **National Grid Corporation of the Philippines (NGCP)** is the privatized transmission operator holding a 50-year legislative franchise; **China's State Grid Corporation of China (SGCC)** owns **40 %** of NGCP, with the remaining **60 %** held by two Filipino business groups.[190][194][195][196][202][197]
- A **Philippine Senate energy committee hearing in May 2023** examined the security implications of SGCC's 40 % stake; the **Philippine Star, 18 May 2023** reports President Marcos's support for the Senate probe and mentions an "intel report" alleging China could remotely access and sabotage the grid.[190]
- **The Philippine Daily Inquirer (Asia News Network syndication), 15 May 2023** notes senators JV Ejercito and Sherwin Gatchalian urging review of NGCP's franchise and pushing "to regain full Filipino control" of the grid; Ejercito highlighted that NGCP is 40 % owned by SGCC and claimed Chinese officials had effective operational control despite being minority shareholders.[194]
- A **Philippine Star business column, 10 January 2024** explicitly connects SGCC's stake and RA 11659, stating that "since the State Grid of China is a state-owned enterprise, it shouldn't even be in a vital infrastructure project we are privatizing" and that RA 11659 prohibits additional foreign SOE capital in public utilities or critical infrastructure, while allowing existing investments to remain but not expand.[196]
- **NGCP's testimony** before the Senate energy committee (GMA News Online, 17 May 2023) insisted that the 40 % SGCC stake "won't pose a national security threat" and that there are no Chinese employees, only three Chinese board members representing SGCC's shareholding.[197] This is **official corporate position**, not government policy.
- **South China Morning Post, 27 January 2025** reports that the Philippine sovereign wealth fund **Maharlika Investment Corp** announced plans to buy a **20 % stake** in NGCP, described as a

The response was immediate and specific:

- On **5 January 2023**, during President Marcos's state visit to China, nine Chinese companies pledged a combined **USD 13.76 billion** in renewable energy, energy storage and off-grid supply.[845][846]
- The Energy department confirmed the figure in a briefing, tying the interest explicitly to the opening of full foreign ownership for wind and solar.[846]
- The companies named include **China Energy International Group, China Power International Development, SPIC Guangxi Electric Power, China Machinery Engineering Corporation, China General Nuclear Power Group, China Huadian Engineering, China Tianying, Dajin Heavy Industry and Mingyang Smart Energy**. [845][846]
- The scale of the opportunity is set by the Philippine Energy Plan: **35%** renewables in the generation mix by 2030 and **50%** by 2040, requiring an estimated **52,000 MW** of additional capacity, of which 27,000 MW solar and 16,000 MW wind.[846]

The distinction that matters for a compliance file. These are **pledges**, not realised investment. Commitments announced during a state visit remain subject to feasibility studies, permits, regulatory approval and financing, and some are scaled down, delayed or cancelled. No consolidated public dataset tracks realised Chinese renewable-energy investment in the Philippines for 2020-2026; it would have to be assembled from service-contract awards, Board of Investments or ecozone registrations and reported capital expenditure[846].

The USD 13.76 billion should be read as a **ceiling of potential Chinese capital**, not as money spent.

Comparative implication

Philippine policy is increasingly selective, and the selection is made sector by sector rather than by nationality. Chinese capital is welcomed where the state has opened a sector and needs the capacity, as in renewable generation; it faces severe regulatory and public-risk exposure where the activity is criminality-prone, sovereignty-adjacent or politically exposed. The same investor can meet both treatments in the same country in the same year.

Philippines — Conclusion

The Philippines combines constitutional limits on foreign ownership with security scrutiny of Chinese capital. The 1987 Constitution sets foreign equity limits of up to 40% in public utilities and natural-resource sectors[196], and the Public Service Act amendment of 2022 narrowed the definition of public utility, opening sectors such as telecommunications to foreign ownership subject to conditions[214].

China Telecom's 40% stake in Dito Telecommunity has drawn national-security concerns[650][647], and POGO/IGL operations were shut down by Executive Order 74 (2024) and Republic Act 12312 (2025)[199][201]. The 2026 ISEAS survey records 65.9% distrust of China among Philippine respondents, the highest of the countries compared in this report[12][181]. The Marcos administration maintains a security alliance with the United States while pursuing economic engagement with China.

Post-determination corporate action (2024-2026)
For non-named producers falling under the “All Others” category, the US determination applies the same 117.12% cash-deposit rate; individual company responses (continuation, suspension, or relocation of production) are recorded neither by Commerce, which rules on goods and not on companies' plans, nor by the Cambodian company register, which records shareholding and not activity.
Source
Federal Register preliminary AD determination for Cambodia, 4 Dec 2024; White & Case AD/CVD petition overview, 25 Apr 2024. ^{[657][659][662]}

Solarspace New Energy (Cambodia) Co., Ltd
Identified Chinese parent / ultimate owner (if public)
Solarspace is a Chinese solar manufacturer that expanded to Cambodia; industry analyses associate Solarspace New Energy (Cambodia) Co., Ltd with a parent company in China, but no official US determination document lists the parent's legal name.
Instrument & stage
CVD – Preliminary
Rate (percent, with date)
Subsidy rate 8.25% ad valorem , announced in the US Commerce preliminary CVD determination on 1 Oct 2024 and published 4 Oct 2024. ^{[310][658]}
Federal Register determination date
Federal Register “Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, From the Kingdom of Cambodia: Preliminary Affirmative Countervailing Duty Determination,” 89 Fed. Reg. 80879 (4 Oct 2024). ^[658]
Post-determination corporate action (2024-2026)
The Project Finance Law solar tariff update on 22 Apr 2025 indicates that final country-wide CVD cash-deposit rates for Cambodia were increased from 8.25% to 534.67% , but does not disaggregate Solarspace's individual final rate or report its operational decision; Cambodian and Chinese corporate filings reviewed carry nothing on whether Solarspace adjusted production or exports in response. ^[313]
Source
US Department of Commerce fact sheet and Federal Register CVD preliminary determination for Cambodia, 1 and 4 Oct 2024; Project Finance Law “Updated Solar Import Tariffs,” 22 Apr 2025. ^{[310][658][313]}

Jintek Photovoltaic Technology Co., Ltd (Cambodia)
Identified Chinese parent / ultimate owner (if public)
Jintek is considered a Chinese solar producer operating in Cambodia; primary US documents treat it as a Cambodian producer without naming the Chinese parent; no official source specifies the parent.
Instrument & stage
CVD – Preliminary
Rate (percent, with date)
Subsidy rate 68.45% ad valorem , issued on 1 Oct 2024 and published on 4 Oct 2024, explicitly based on “facts available with adverse inferences.” ^[658]
Federal Register determination date
Federal Register preliminary CVD determination for Cambodia, 4 Oct 2024. ^[658]
Post-determination corporate action (2024-2026)
The 2025 Project Finance Law analysis confirms substantial final CVD rates applied to Cambodian producers generally but does not provide a company-specific narrative or outcome for Jintek; no Cambodian filing or announcement recording a suspension or relocation of Jintek's Cambodian operations has been published.
Source
Federal Register CVD preliminary determination, 4 Oct 2024; Project Finance Law solar tariffs summary, 22 Apr 2025. ^{[658][313]}

- **Thailand:**

- Two of three mandatory respondents: CVD rate 799.55%; one respondent: CVD 263.74%; all-others CVD: 263.74% (2025-04-21)[317].
- AD all-others rate: 111.45% (2025-04-21)[313][320][317].

- **Cambodia:**

- Final country-wide rates: AD 117.18%, CVD 534.67% (2025-04-21).[317][313][320]
- Preliminary AD: all respondents (Hounen Solar, Solar Long PV Tech, all others) received estimated dumping margin of 125.37%, cash-deposit rate 117.12% (2024-12-04).[312][315]
- Preliminary CVD: Solarspace New Energy 8.25%; Jintek Photovoltaic and ISC Cambodia 68.45% (adverse facts available); all others 8.25% (2024-10-04)[312][310]; final country-wide CVD raised to 534.67%.[313]

Case table

Year	Product	Country / routing	Authority	Finding	Duty / exposure
2018	Corrosion-resistant steel and cold-rolled steel	Vietnam using Chinese substrate	US Department of Commerce	Commerce found CORE produced in Vietnam using HRS/CRS substrate manufactured in China were circumventing AD/CVD orders on CORE from China, in a final determination consistent with Commerce's preliminary determination[327]	Cash deposits on covered entries; entries from 4 November 2016 (initiation); AD 199.43 % and CVD 39.05 % (China all-others rate) on CORE[1059][1231], AD 199.76 % and CVD 256.44 % on cold-rolled steel[1060]
2019	Corrosion-resistant steel	Vietnam using Taiwanese substrate	US Department of Commerce	Commerce found CORE completed in Vietnam from HRS/CRS substrate manufactured in Taiwan circumvented the AD order on CORE from Taiwan; the notice is dated 2019 [328]	Duties applied to shipments on or after initiation; importers had to certify non-Taiwan origin of substrate[328]
2019	Corrosion-resistant steel	Malaysia, South Africa, UAE, Costa Rica, Guatemala	US Department of Commerce	Commerce self-initiated circumvention proceedings in August 2019 ; final decisions found circumvention for some country/product combinations using Chinese and Taiwanese substrate[322]	Costa Rica and UAE: AD cash deposits up to 199.43 % and CVD up to 39.05 % , on entries since 12 August 2019 ; Guatemala: negative ruling[1061]. Malaysia: found circumventing on 1 June 2021 (Chinese and Taiwanese substrate); South Africa: not circumventing[1062].
2024	Corrosion-resistant steel products	Vietnam	US Department of Commerce	Commerce initiated AD/CVD investigations on 25 September 2024 . [323][324]	AD and CVD orders issued on 19 December 2025 : AD cash deposits 87.07–162.96 % (90 FR 59494), CVD up to 257.83 % (90 FR 59488)[326]
2024	Aluminum extrusions	Thailand	US Department of Commerce	Commerce found aluminum extrusions from Thailand were sold, or likely to be sold, in the US at LTFV for period of investigation 1 October 2022 through 30 September 2023 ; this is not a circumvention ruling but a direct AD case relevant to production-shifting risk[329]	Commerce sets the rate exporter by exporter in the final determination; a Thai supplier's own line in that notice, not a headline figure, is what governs its entries[329]

Steel and aluminium

Key measures table – steel and aluminium

Section 232 tariffs on steel articles – Proclamation 10896 of 10 February 2025 and subsequent 3 June 2025 proclamation

Jurisdiction

United States

Rate / Threshold

25% ad valorem on steel articles from all countries as of 12 March 2025; increased to **50% ad valorem** on steel articles and derivative steel articles from all countries except UK as of 4 June 2025^{[416][419][422]}

Date (effective / status)

25% effective 12:01 a.m. ET 12 March 2025 (Proclamation 10896)^{[411][418]}; 50% effective 12:01 a.m. ET 4 June 2025 (3 June 2025 proclamation)^{[416][419]}

Status / Notes

In force; UK steel articles composed entirely of UK-melted-and-poured steel qualify for a reduced 15% rate under U.S.–UK arrangements; products using certain US-melted and poured steel may qualify for a reduced 10% rate^{[413][414][420]}

Section 232 tariffs on aluminium articles

Jurisdiction

United States

Rate / Threshold

Aluminium tariffs increased from **10% to 25% ad valorem** for aluminum articles as of 12 March 2025; increased further to **50% ad valorem** on aluminum articles and derivative aluminum articles as of 4 June 2025; Russia-origin aluminium articles have faced **200%** tariffs since 2023^{[417][418][416]}

Date (effective / status)

25% effective 12 March 2025^{[417][418]}; 50% effective 4 June 2025^{[416][419]}; 200% on Russian aluminium since 2023^{[417][418]}

Status / Notes

In force; differentiated rates for UK and for articles composed entirely of aluminum smelted and cast in US or UK (15% or 10% in some cases)^{[413][414][420]}

Derivative steel articles & steel content rule

Jurisdiction

United States

Rate / Threshold

For most derivative products: tariff applies to **value of steel content only**; derivative articles processed abroad from steel articles melted and poured in US exempt under HTSUS 9903.81.92 (0%)^{[417][410][412][415]}

Date (effective / status)

Content-based application clarified in Commerce and CBP guidance 11–12 March 2025; expanded lists effective 12 March and 4 June 2025^{[412][416][419]}

Status / Notes

In force; importers must declare country of melt-and-pour and apply specific HTS Chapter 99 codes (e.g., 9903.81.88,.90,.91,.93)^{[410][412][415]}

Melt-and-pour / smelt-and-cast origin reporting requirement

Jurisdiction

United States

You have just read 6 pages.
The full report is 383.

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