

# US retains top position in Asia Power Index for 2020

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China is closing in on the U.S. as the most powerful country influencing the Asia-Pacific, as America's handling of the Covid-19 pandemic tarnishes its reputation, a study showed.

While America retained its place as the region's top superpower, its 10-point lead on China two years ago has been halved, according to the Sydney-based Lowy Institute's Asia Power Index for 2020, which ranks 26 nations and territories.

## **Key Highlights**

- The U.S. "lost prestige" due to its poor response to the pandemic, multiple trade disputes and President Donald Trump's moves to withdraw from multilateral deals and agencies, according to Herve Lemahieu, the study's research chief and director of Lowy's Asian Power and Diplomacy Program.
- The U.S. economy could take until 2024 to recover to pre-pandemic levels, the institute said. In contrast, China's economy has rebounded from the virus and is the only large economy forecast to recover in 2020. This could give it an advantage against neighbours over the next decade.
- China stayed firmly in second place for the third year running, despite seeing a "notable fall" in diplomatic clout after facing accusations of withholding information

about the severity of the Wuhan outbreak. Lemahieu also cited wolf warrior diplomacy — more aggressive rhetoric and actions from Beijing’s envoys — contributing to that drop.

- India, the fourth most powerful nation on the index after Japan, lost economic growth potential in the pandemic and is also ceding strategic ground to Beijing. Lowy projects India will reach 40% of China’s economic output by 2030, compared with the 50% estimate last year.
- As many as 347.4 million people in the Asia-Pacific region could fall below the \$5.5 a day poverty line because of the pandemic, according to the United Nations University World Institute for Development Economics Research.
- Overall, Asia’s economy, which was poised to become larger than the rest of the world economy combined in 2020, now faces “a perfect storm of public health, economic and strategic challenges” due to the pandemic, the Lowy report said.
- Third-placed Japan, described in the report as a “smart power” for using limited resources to wield broad influence in the region, gained the most points in terms of its defense diplomacy — which spans a country’s defense dialogues to joint military exercises and procurement of arms — overtaking South Korea on this measure.
- Russia, Australia, South Korea, Singapore, Thailand and Malaysia round out the top 10. Southeast Asian nations on the list have been gripped with political turbulence, yet have managed to keep virus spikes in hand despite limited resources.
- The index measures power using 128 indicators including economic relations, defense spending, internal stability, information flows and projected future resources.

**SOURCE:** *The Print, Business Standard*