

How does the United States' strategic pivot toward Iran reshape the geopolitical power structures of East Asia, specifically regarding the governance stability of the Middle East and the agency of regional powers like China and Japan?

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Executive Summary

The United States' strategic pivot toward Iran, initiated in early 2026, has accelerated pre-existing geopolitical trends in East Asia rather than fundamentally reshaping its power structures. While the diversion of US military assets and the resulting energy shocks have created tactical opportunities and new dependency networks, particularly for China, the underlying frameworks of economic integration and security alliances in East Asia remain largely consistent with pre-pivot trajectories. Regional powers like China and Japan are primarily adapting within established systems, reinforcing existing linkages and diversifying to enhance resilience, rather than constructing entirely new, independent architectures.

Key Findings

US Military Diversion and Middle East Instability Create Tactical Openings

The US pivot has directly impacted East Asian power structures by diverting critical military assets from the Indo-Pacific to the Middle East. This includes the redeployment of THAAD batteries from South Korea, over 2,200 Marines from Okinawa, and carrier strike groups [7, 10, 12, 13]. This withdrawal has created a strategic vacuum, turning Washington's "pivot to Asia" into an "empty promise" [10]. The current military diversion, which includes two US carrier strike groups, mirrors the reallocation of naval power seen with the 2003 Iraq War [13]. This provides tactical opportunities for regional powers to test US commitments, signaling that American alliances are hostage to Middle Eastern contingencies [2, 13, 14].

The US and Israeli military strikes against Iran, which began on February 28, 2026, led to

the decapitation of Iranian leadership and the establishment of a garrison state under the IRGC and Mojtaba Khamenei [2, 8, 9, 11, 13, 14]. This conflict has been characterized by "strategic drift" and a lack of a clearly stated end goal for US policy [4].

Energy Shocks and Supply Chain Fragmentation Accelerate Economic Adaptation

The erosion of Middle East governance stability has been heavily mediated by severe energy price shocks and supply chain fragmentation, forcing East Asian powers to adapt their strategic frameworks [7, 10, 12, 13, 14]. Iranian retaliation closed the Strait of Hormuz, a chokepoint for roughly 20% of global oil, causing Brent crude to peak at \$119.50 in March 2026 [2, 7, 8, 9, 11, 12]. This directly impacts East Asia, as approximately 89% of crude oil and condensate moving through the Strait of Hormuz went to Asian markets in the first half of 2025 [5]. Specifically, approximately 80-90% of Japan's oil and 70-75% of South Korea's oil passes through the strait [7, 11].

The conflict triggered stagflationary shocks, with Very Large Crude Carrier chartering costs rising to over six times their five-year average [7]. The International Energy Agency warns the current oil shock will be of greater magnitude than the oil shocks of the 1970s [10, 14]. The Dallas Federal Reserve projected that the Strait of Hormuz closure alone could reduce global GDP growth by an annualized 2.9 percentage points in Q2 2026 [14]. These disruptions also caused fertilizer shortages, threatening food security across the region [10, 14].

China Expands Influence and Dependency Networks

China has capitalized on the US distraction and Middle East instability to deepen its strategic footprint and build dependency relationships. China acts as Iran's primary economic lifeline, purchasing approximately 1.38 million barrels per day of Iranian oil in 2025, which accounts for roughly 90% of Iran's exports [1, 2, 3, 8]. This provides tens of billions of dollars in annual revenue to Iran's government budget and military activities [1]. China uses shadow fleets to evade sanctions and maintain this trade [1, 2, 3, 8].

Beijing has adopted a "cautious, on-the-sidelines approach" while securing these dependency relationships [2]. China's 2021 "comprehensive strategic partnership agreement" with Iran pledged up to \$400 billion over 25 years, supplemented by a 2024 oil-for-infrastructure arrangement [1, 2, 7, 9]. China also expanded its soft power by brokering the March 2023 restoration of diplomatic relations between Saudi Arabia and

Iran and facilitating Iran's entry into the Shanghai Cooperation Organization (SCO) in 2023 and BRICS in 2024 [1, 7, 8]. BRICS expanded in 2024 to include Saudi Arabia, Iran, Egypt, and the UAE [17]. China's trade with Saudi Arabia and the UAE reached \$108 billion in 2025 [1, 2, 3].

However, China's strategic advantage is tactical rather than decisive, as it has not altered its posture toward Taiwan, indicating it is still not ready for a direct confrontation [2, 12].

Japan Reinforces and Diversifies Existing Security Linkages

Japan's security adjustments primarily reinforced and diversified existing "spoke-to-spoke" linkages within the US-led alliance system, rather than constituting a fundamental reconstruction of independent regional security architectures [6, 7, 11]. Japan remains in a "double bind" of military dependence on the US and vital economic reliance on China [11].

To enhance energy security against Middle Eastern disruptions, Japan accelerated its use of nuclear energy, operating 15 reactors by March 2026 [7]. Prime Minister Sanae Takaichi proposed a joint project to stockpile US crude oil in Japan during a March 2026 meeting with President Trump [7]. Japan also lifted its ban on lethal weapons exports in April 2026 to support broader military needs [11].

Japan has strengthened regional cooperation with countries like India, Indonesia, and Australia, launching new trilateral maritime military exercises in 2026 [6]. It has also upgraded command structures with the US, establishing the Japan Self-Defense Forces Joint Operations Command (JJOC) in March 2025 as a counterpart to the reconstituted U.S. Forces Japan joint force headquarters [1, 2]. Japan has purchased 400 Tomahawk missiles and 50 JASSM-ER air-launched missiles for US\$2.35 billion each, and is accelerating co-production of Standard Missile 3 Block IIA missiles with the US [1, 2, 12, 14, 15]. These actions demonstrate Japan's efforts to ensure resilience within the broader US alliance framework [6].

East Asian Digital Infrastructure Growth Driven by US Firms

The expansion of digital infrastructure and data centers in the Middle East was primarily driven by US corporations like Alphabet, not East Asian tech giants. This reframes East Asia's economic reshaping as an acceleration of pre-existing trends, such as Belt and Road Initiative investments, rather than a new qualitative structural transformation [1, 3]. Consequently, East Asia's strategic agency is better understood as leveraging and

expanding existing economic integration frameworks rather than constructing entirely new digital dominance in the region.

Implications

The US strategic pivot toward Iran has significant implications for East Asia, primarily by accelerating existing geopolitical and economic trends. For China, the pivot presents an opportunity to solidify its role as a key economic and diplomatic player in the Middle East, challenging US influence and securing vital energy supplies. This allows China to accumulate soft power and build dependency relationships, positioning itself as a neutral stabilizer for the Global South [8, 13, 14]. However, China's gains are partially offset by the stagflationary shocks from energy volatility, which strain its own economy [7, 10, 11, 14].

For Japan, the pivot reinforces the need for greater energy security and diversified defense capabilities, but within the existing framework of its US alliance. Japan's proactive measures, such as accelerating nuclear energy use and lifting weapons export bans, demonstrate an effort to enhance resilience and reduce vulnerability to external shocks, rather than a move towards full strategic independence [7, 11]. The increased "spoke-to-spoke" linkages with regional partners like India and Australia serve to strengthen the broader US-led security architecture, not dismantle it [6].

Overall, the pivot underscores the interconnectedness of global security and economic systems, demonstrating how instability in one region can trigger cascading effects that compel adaptation in others. East Asian powers are navigating a complex environment where US distraction creates both opportunities for increased agency and significant economic vulnerabilities.

Limitations and Caveats

The assessment of whether changes are "structural" or "accelerative" involves methodological debate, making definitive conclusions challenging [16, 18, 19, 20, 21, 22]. Direct quantitative data for the specific impact on East Asian industries like South Korea's semiconductor or Japan's automotive sectors is limited, requiring reliance on broader economic indicators and analogous evidence [7, 11]. The long-term stability of Middle East governance and the full extent of its correlation with East Asian fiscal policies remain subject to ongoing geopolitical developments and future forecasts [4, 8, 11].

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