

Thailand-Cambodia Border Tensions Escalate as US, China Call for Calm

July 27, 2025

— Categories: Defence & Security



Download IPFS

Tensions between Thailand and Cambodia have sharply intensified following heavy clashes at their shared border, prompting Bangkok to issue a sobering warning that the situation could devolve into open warfare.

“This situation could potentially develop into a war,” Thai Deputy Prime Minister Phumtham Wechayachai said during a press conference. “At present, it is still considered an armed

clash involving heavy weaponry.”

The violent confrontation, centered in the disputed border province of Oddar Meanchey, has already resulted in at least 20 fatalities, including one Thai soldier and more than three dozen injuries. Cambodian sources cited by *Agence France-Presse* confirmed that one civilian was killed and five more injured in the recent fighting.

The conflict reached a turning point after a ceasefire brokered by Malaysian Prime Minister Anwar Ibrahim, acting as chair of the Association of Southeast Asian Nations (ASEAN), fell apart. Cambodian Prime Minister Hun Manet accused Bangkok of withdrawing from the agreement, stating his country had been prepared to observe the truce from early Friday.

While Phnom Penh has closed more than 260 schools in the affected region, Thailand has evacuated over 130,000 civilians from the conflict zones. This marks the worst confrontation between the two Southeast Asian nations in over ten years.

Despite growing casualties, both governments have so far failed to return to the negotiating table. The United States and China have urged restraint, reflecting wider concerns that prolonged instability could threaten the region’s already fragile geopolitical balance.

Economic and Strategic Ripples

The escalating violence has had a mixed effect on Thailand’s financial markets. The Thai baht slipped 0.4% to 32.39 per dollar, mirroring the downward trend of regional currencies. However, the country’s main stock index rose 0.4%, marking its fifth consecutive week of gains, a sign that investor confidence remains cautiously optimistic, perhaps banking on a swift resolution.

The border dispute centers around the long-contested area surrounding the ancient Preah Vihear temple, an 11th-century Khmer site that has long been a point of contention. Despite a 1962 ruling by the International Court of Justice granting sovereignty over the temple to Cambodia, the surrounding territory remains in dispute.

The ASEAN bloc’s credibility as a regional peace broker is also being tested. With Malaysia attempting to mediate, the group’s ability to unify its members under a common diplomatic framework is under scrutiny.