



# NAVIGATING ASEAN CENTRALITY:

Building a Competitive, Resilient,  
and Future-Ready ASEAN through  
Integrated Innovation

**Location**

Manila

**Date :**

September 20 – 22, 2026





# I. EXECUTIVE SUMMARY



ASEAN stands at a defining moment in its economic integration journey. The convergence of geopolitical uncertainty, technological disruption, supply chain realignment, demographic change, and the global transition toward low-carbon development is reshaping the international economic landscape. These developments present significant challenges, but also unprecedented opportunities for ASEAN to reinforce its position as one of the world's most dynamic and trusted regional economic communities. As the global economy becomes increasingly fragmented, businesses are seeking reliable markets characterized by predictable regulations, integrated supply chains, digital connectivity, and sustainable investment environments. ASEAN possesses many of these competitive advantages. With a combined economy exceeding US\$4 trillion, a population of nearly 700 million people, expanding digital markets, and an extensive network of free trade agreements, ASEAN is well positioned to become the premier hub for trade, manufacturing, innovation, and sustainable investment in the Indo-Pacific.

Realizing this opportunity, however, will require the next phase of ASEAN integration to move beyond market opening toward deeper economic interoperability, regulatory coherence, innovation-led growth, and implementation excellence. This phase should be anchored in practical implementation, measurable outcomes, and structured public-private collaboration.



In an increasingly fragmented global economy, ASEAN's competitiveness will depend on preserving openness to trade and investment, preventing the proliferation of unnecessary non-tariff barriers, strengthening regulatory predictability, and maintaining an attractive environment for innovation, technology deployment, and sustainable investment. ASEAN should continue to embrace technology-neutral and market-oriented approaches that encourage innovation while delivering policy objectives.

The adoption of the ASEAN Economic Community Strategic Plan 2026–2030 provides an important roadmap for this transformation, while initiatives such as the upgraded ASEAN Trade in Goods Agreement (ATIGA), the Digital Economy Framework Agreement (DEFA), and ongoing discussions towards advancing sustainability and circular economy principles through the future of ASEAN Green Economy Framework Agreement (GEFA) represent critical building blocks for ASEAN's future competitiveness. Against this backdrop, the US-ASEAN Business Council (USABC) encourages ASEAN to consider three mutually reinforcing pillars.

1. **Industrial Resilience** focuses on strengthening ASEAN's competitiveness as an integrated manufacturing, investment, and supply chain hub through enhanced trade facilitation and digitalization, customs modernization, regulatory coherence, implementation of the upgraded ATIGA, stronger strategic trade management, and resilient regional production networks.
2. **Digital Connectivity** emphasizes accelerating ASEAN's digital transformation by supporting implementation of the DEFA, promoting trusted cross-border data governance, advancing responsible artificial intelligence, strengthening cybersecurity cooperation, developing future-ready digital talent, and advancing trusted, interoperable digital payments as a key enabler of ASEAN economic integration and cross-border connectivity.
3. **Sustainable Prosperity** underscores that embedding sustainability and inclusivity into ASEAN's economic strategy is vital to ensuring no one is left behind. Integrating green economy policies and developing proactive frameworks to tackle the economic impacts of population ageing and healthcare demands secures a resilient workforce, drives long-term competitiveness, and fosters equitable regional development.





The U.S. private sector remains a committed long-term partner in ASEAN's development. Beyond investment and commercial engagement, U.S. companies bring global expertise in technology, digital innovation, advanced manufacturing, sustainable infrastructure, healthcare, agriculture, financial services, and workforce development. Through structured collaboration, pilot projects, technical assistance, capacity building, and policy dialogue, the private sector can help accelerate implementation of ASEAN's strategic priorities while strengthening regional competitiveness. ASEAN's next phase of growth will be defined not only by deeper regional integration, but also by its ability to translate ambitious regional frameworks into practical outcomes that benefit businesses, workers, and communities across Southeast Asia. By reinforcing ASEAN Centrality through resilience, innovation, sustainability, and collaboration, ASEAN can strengthen its position as a leading economic hub in the Indo-Pacific and an indispensable partner in the global economy.







# TABLE OF CONTENTS

|                                                                                                                              |           |
|------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>I. EXECUTIVE SUMMARY</b>                                                                                                  | <b>1</b>  |
| <b>II. STRATEGIC PRIORITIES FOR ASEAN COMPETITIVENESS</b>                                                                    | <b>5</b>  |
| <i>Key Trends</i>                                                                                                            | 5         |
| <i>Strategic Opportunities</i>                                                                                               | 6         |
| <i>Key Challenges</i>                                                                                                        | 7         |
| <b>III. POLICY PRIORITIES &amp; PARTNERSHIP OPPORTUNITIES</b>                                                                | <b>8</b>  |
| <i>Pillar 1: Industrial Resilience – Strengthening<br/>Trade, Investment, and Supply Chains</i>                              | 8         |
| <i>Pillar 2: Digital Connectivity – Advancing the ASEAN<br/>Digital Economy and Innovation Ecosystem</i>                     | 12        |
| <i>Pillar 3: Sustainable Prosperity – Accelerating Circular<br/>Economy, Green Growth, and Long-Term Economic Resilience</i> | 17        |
| <b>IV. PUBLIC-PRIVATE PARTNERSHIP FOR IMPLEMENTATION</b>                                                                     | <b>22</b> |
| <b>V. CALL TO ACTION</b>                                                                                                     | <b>30</b> |

## II. STRATEGIC PRIORITIES FOR ASEAN COMPETITIVENESS



### Key Trends

The global economy is entering a period of profound transformation. Geopolitical uncertainty, technological disruption, shifting investment patterns, and the accelerating transition toward more sustainable growth models are reshaping how countries compete for investment, talent, and innovation. At the same time, businesses are reassessing supply chains, accelerating digital transformation, and placing greater emphasis on resilience, regulatory certainty, and trusted economic partnerships.<sup>1</sup> These shifts are redefining the drivers of competitiveness. While cost efficiency and market size remain important, investors increasingly consider the quality of institutions, digital connectivity, sustainability, workforce capabilities, and the predictability of regulatory environments when making long-term investment decisions.

Against this backdrop, ASEAN enters a new phase of regional integration. The adoption of the ASEAN Community Vision 2045 and the AEC Strategic Plan 2026–2030 provides an important opportunity to strengthen ASEAN's position as an integrated economic community while responding to rapidly evolving global economic conditions. As one of the world's fastest-growing regions, ASEAN is well positioned to strengthen its role as a trusted destination for trade, investment, manufacturing, digital innovation, and sustainable growth. Realizing this opportunity, however, will require ASEAN to build upon decades of successful economic integration by accelerating implementation, strengthening regional interoperability, and fostering closer collaboration between governments and the private sector.<sup>2</sup> The following opportunities and challenges are expected to shape ASEAN's competitiveness over the coming decade.

---

[1] World Economic Forum (WEF), *Global Risks Report (2026)* & Organisation for Economic Co-operation and Development (OECD), *OECD Economic Outlook (2025)*.

[2] ASEAN Secretariat, *ASEAN Economic Community Strategic Plan 2026–2030 (2025)* & Asian Development Bank (ADB), *Asian Development Outlook (2026)*.



## Strategic Opportunities

ASEAN is well positioned to capitalize on major shifts in the global economy. As businesses diversify investment, accelerate digital transformation, and pursue more sustainable growth models, the region has a unique opportunity to strengthen its position as a trusted hub for trade, investment, innovation, and regional value chains. Realizing these opportunities will require coordinated policy action, effective implementation of regional commitments, and continued collaboration between the public and private sectors.

- 1. ASEAN as a Trusted Hub for Trade, Investment, and Regional Value Chains.** Global supply chain diversification presents ASEAN with an opportunity to reinforce its position as one of the world's leading manufacturing and investment destinations. Supported by an extensive network of free trade agreements, improving regional connectivity, and a dynamic consumer market, ASEAN is well placed to attract higher-quality investment across advanced manufacturing, healthcare (including preventive and harm reduction innovations), food and agriculture, digital services, and emerging industries. Continued efforts to strengthen trade facilitation, customs modernization, transparent, science-based, and risk-proportionate, and regulatory coherence will further enhance ASEAN's attractiveness as an integrated production base.<sup>3</sup> A predictable, transparent, and coherent regulatory environment, coupled with efforts to reduce regulatory fragmentation, avoid unnecessary trade restrictions, and promote technology-neutral approaches to regulation, will strengthen ASEAN's position as a trusted destination for investment diversification and resilient supply chains.
- 2. ASEAN as a Leading Digital Economy.** Digital technologies are transforming every sector of the economy. The implementation of the Digital Economy Framework Agreement (DEFA), combined with investments in digital infrastructure, trusted data governance, artificial intelligence, cybersecurity, and digital skills, presents ASEAN with an opportunity to become one of the world's most integrated digital markets. Trusted and interoperable digital payments, underpinned by the adoption and use of internationally accepted standards and enabling seamless cross-border transactions, will be an important foundation for ASEAN's digital integration and regional connectivity. A coherent regional digital ecosystem will not only facilitate cross-border commerce but also accelerate innovation, productivity, and MSME participation.<sup>4</sup>
- 3. ASEAN as a Model for Sustainable and Inclusive Growth.** The global transition toward low-carbon and resource-efficient economies creates new opportunities for ASEAN to strengthen competitiveness through sustainable industrial development. Expanding renewable energy, advancing circular economy initiatives, mobilizing sustainable finance, improving workforce capabilities, and responding to the economic implications of population ageing and rising healthcare needs can simultaneously enhance environmental resilience, attract long-term investment, create higher-quality employment, and support inclusive and sustainable growth across the region.<sup>5</sup>

[3]United Nations Conference on Trade and Development (UNCTAD), *World Investment Report (2025)* & World Trade Organization (WTO), *World Trade Report (2025)*.

[4]ASEAN Secretariat, *ASEAN Digital Masterplan (2025)* & ASEAN Secretariat, *Framework on Digital Data Governance (2018)*.

[5]ASEAN Secretariat, *Framework for Circular Economy for the ASEAN Economic Community (2021)* & ASEAN Secretariat, *ASEAN Strategy for Carbon Neutrality (2023)*.

## Key Challenges

While ASEAN's long-term economic outlook remains positive, sustaining its competitiveness will require addressing several structural and emerging challenges. These challenges affect the efficiency of regional integration, the pace of economic transformation, and the ability of businesses and communities across ASEAN to fully benefit from the region's growth. Strengthening regulatory coherence, institutional capacity, and inclusive development will be critical to ensuring that ASEAN remains a competitive, resilient, and attractive destination for trade and investment.

- **Structural and Regulatory Gaps.** Despite significant progress toward regional economic integration, businesses continue to encounter varying regulatory requirements, non-tariff barriers, and differing technical standards across ASEAN Member States (AMS). These differences increase compliance costs, complicate cross-border operations, and reduce the efficiency of regional value chains. Furthermore, differing approaches to digital sovereignty and the lack of a common regional definition may create new sources of regulatory fragmentation, potentially limiting innovation and the development of an integrated ASEAN digital economy. The impact is particularly acute for micro, small and medium-sized enterprises (MSMEs), which often have limited resources to navigate fragmented regulatory frameworks and absorb the costs of complying with multiple market-specific requirements. Uneven implementation of regional commitments can create regulatory uncertainty and limit the full realization of ASEAN's economic integration agenda. Addressing these structural and regulatory gaps through greater coherence, transparency, policy connectivity, and consistent implementation will be essential to strengthening ASEAN's long-term competitiveness.<sup>6</sup>
- **Emerging Economic Transitions.** Rapid advances in artificial intelligence, digital technologies, and new business models are transforming the regional and global economy, creating significant opportunities for innovation and productivity growth. At the same time, the growing importance of trusted data ecosystems requires interoperable digital governance frameworks that enable secure cross-border data flows while fostering business and consumer confidence. In parallel, industrial decarbonization and the transition toward cleaner energy systems are reshaping investment decisions and global value chains, requiring ASEAN to adapt its policy frameworks to remain competitive in a low-carbon economy.<sup>7</sup>
- **Inclusivity and Capability Gaps.** Ensuring that the benefits of regional integration are broadly shared remains an important challenge. Many micro, small, and medium-sized enterprises (MSMEs) continue to face barriers to participating in regional and global value chains due to limited access to technology, financing, innovation, and digital platforms. At the same time, workforce readiness varies across sectors and economies, with growing demand for skills in digital technologies, artificial intelligence, advanced manufacturing, and sustainability. Addressing these capability gaps, while also supporting healthy ageing and broader participation in the silver economy, will be essential to promoting inclusive growth, enhancing productivity, and ensuring that all AMS can benefit from the region's economic transformation.<sup>8</sup>

[6]Economic Research Institute for ASEAN and East Asia (ERIA), *Comprehensive Mapping of Non-Tariff Measures in ASEAN* (2019).

[7]ASEAN Secretariat, *Guide on AI Governance and Ethics* (2024) & International Energy Agency (IEA), *Southeast Asia Energy Outlook* (2024).

[8]Asian Development Bank (ADB), *Asia SME Monitor* (2024) & Asian Development Bank (ADB), *Asia SME Monitor* (2024).





### III. POLICY PRIORITIES & PARTNERSHIP OPPORTUNITIES



Building on the opportunities and challenges identified in the previous chapter, USABC has identified three strategic policy pillars that can further strengthen ASEAN's competitiveness, resilience, and long-term economic growth. These priorities are aligned with the ASEAN Community Vision 2045 and the ASEAN Economic Community Strategic Plan 2026–2030 and are intended to support ASEAN's ongoing efforts to deepen regional integration, foster innovation, and promote sustainable development. Recognizing that effective implementation requires strong collaboration between governments and industry, each pillar also identifies opportunities for public-private partnership to leverage private sector expertise, investment, and innovation in advancing ASEAN's regional priorities.

#### **Pillar 1: Industrial Resilience – Strengthening Trade, Investment, and Supply Chains**

As ASEAN strengthens its position as a globally competitive manufacturing and investment destination, industrial resilience will be critical to sustaining long-term growth and reinforcing ASEAN Centrality. Amid evolving geopolitical dynamics, supply chain realignment, and increasing demand for regulatory predictability, ASEAN has an opportunity to deepen regional integration by enhancing trade facilitation, strengthening regulatory coherence, improving supply chain resilience, and fostering a more secure and efficient trading environment. Continued implementation of regional commitments, coupled with stronger public-private collaboration, will further position ASEAN as a trusted hub for trade, investment, and regional value chains. Outlined below are some priority actions for strengthening ASEAN's trade, investment, and supply chains.

## Improve Trade Facilitation and Regulatory Coherence

- Conduct periodic reviews of existing non-tariff measures (NTMs), non-tariff barriers (NTBs), and technical barriers to trade (TBTs) to assess their continued necessity, alignment with international standards, and consistency with regional integration objectives, while reducing unnecessary measures that increase business costs and impede ASEAN economic integration. ASEAN Member States could also consider extending NTM review mechanisms to explicitly cover trade in digital services and software products, including restrictions on cross-border cloud service provision, mandatory localisation of software code or algorithms, and discriminatory procurement rules.
- Promote transparent, predictable, and evidence-based regulatory approaches that avoid creating unnecessary barriers to trade, investment, innovation, and the development and commercialization of scientifically substantiated harm reduction products and technologies, including through timely publication of trade-related regulations, stakeholder consultation mechanisms, regulatory impact assessment for significant trade measures, and alignment with international standards and best regulatory practices to boost business confidence.
- Promote standards harmonization, mutual recognition arrangements, and regulatory interoperability and consistency across ASEAN Member States, where appropriate to facilitate cross-border trade while maintaining legitimate public policy objectives.<sup>9</sup> This aims to reduce compliance costs, facilitate regional value chain integration, and enhance ASEAN's attractiveness as a destination for long-term investment and innovation through removing duplicative administrative requirements and simplifying licensing and conformity assessment processes.
- Accelerate customs modernization through cloud adoption and paperless customs procedures, AI-enabled document processing, continued enhancement of the ASEAN Single Window (ASW), and risk-based targeting by leveraging the demonstrated productivity gains of Business AI embedded within trade compliance and logistics platforms to improve interoperability of digital trade systems, improve efficiency, reduce administrative burdens, and facilitate seamless cross-border trade.<sup>10</sup> Encourage ASEAN to adopt interoperable digital trade infrastructure that supports AI-driven supply chain visibility, autonomous logistics coordination, and real-time compliance verification to reducing friction costs for businesses of all sizes and strengthening ASEAN's attractiveness as an integrated manufacturing and trade hub.

---

[9]US-ASEAN Business Council (USABC) and ASEAN Business Advisory Council (ASEAN-BAC) Philippines, *Strategic Action Plan for the Philippines' 2026 ASEAN Chairship* (April, 2026).

[10]US-ASEAN Business Council (USABC), *Advancing ASEAN Customs Modernization, Enforcement Cooperation, and Public-Private Cooperation for a Resilient and Connected Region: Recommendation Paper for the 35th ASEAN Directors-General of Customs Meeting* (May, 2026) & US-ASEAN Business Council (USABC), *Beyond Borders: Advancing an Inclusive and Resilient Digital Financial Future for ASEAN* (2026 AFMGM Whitepaper) (March, 2026).



## Strengthen Illicit Trade Prevention and Strategic Trade Management

- Enhance coordination among customs administrations, border agencies, and relevant enforcement authorities to improve information sharing, joint operations, and supply chain security through coordinated, intelligence-led, and risk-based enforcement approaches.<sup>11</sup>
- Promote secure and efficient strategic trade management frameworks that facilitate legitimate trade while addressing emerging risks associated with illicit trade, export controls, and supply chain security.<sup>12</sup>
- Promote the adoption of advanced digital technologies, including AI, machine learning, and data analytics, to enhance supply chain visibility, strengthen trade compliance, improve risk-based targeting, detect illicit trade, intellectual property infringement and trade-based money laundering (TBML), and facilitate more efficient customs and trade finance processes.<sup>13</sup>
- Promote transparent, enforceable, and risk-based regulatory frameworks that facilitate legitimate commerce, strengthen compliance, and support sustainable economic growth alongside efforts to combat illicit trade.

## Build Resilience in Critical Sectors<sup>14</sup>

- Elevate food security and agricultural resilience by promoting science-based food regulations and standards, strengthening regional food supply chain resilience, accelerating adoption of digital agriculture technologies, and reducing trade restrictions during period of supply disruption.
- Promote resilient healthcare supply chains through regulatory cooperation, streamlined approval processes, and improved access to essential medicines, vaccines, and medical technologies, and other evidence-based health innovations, supported by innovation-friendly regulatory environments that enable science-driven innovation, harm reduction approaches, and emerging technologies.
- Facilitate investment in energy infrastructure, critical minerals, and clean energy technologies to support industrial development, energy security, and the regional energy transition.
- Encourage deeper cooperation in semiconductors, electronics, and advanced manufacturing by strengthening regional value chains, developing skilled talent, and promoting innovation-driven investment.

---

[11]Ibid.

[12]US-ASEAN Business Council (USABC) and ASEAN Business Advisory Council (ASEAN BAC) Philippines, *Advancing ASEAN: A Strategic Action Plan Supporting the Philippines 2026 Chairship*, [13]USABC SAP 2026 Paper) (April, 2026).

[14]USABC, *Beyond Borders: Advancing an Inclusive and Resilient Digital Financial Future for ASEAN*. USABC and ASEAN-BAC Philippines, *Strategic Action Plan for the Philippines' 2026 ASEAN Chairship*.



## Maximize Regional Trade Agreements

- Ensure effective implementation of the Upgraded ASEAN Trade in Goods Agreement (ATIGA) and promote greater utilization of the Regional Comprehensive Economic Partnership (RCEP) to improve trade facilitation procedures and enhance regulatory cooperation in ASEAN. The Upgraded ATIGA is important for companies operating in the region as it has the potential to strengthen ASEAN's attractiveness as an integrated manufacturing, investment, and supply chain hub through enhanced greater mechanisms around trade facilitation, customs procedures and modernization, and greater regulatory coherence across ASEAN. By advancing digitalization of trade processes, improving transparency, and reducing compliance costs, the agreement can help businesses move goods more efficiently and seamlessly across borders and support more resilient and connected regional value chains.
- Strengthen ASEAN's integration into regional and global value chains by promoting investment facilitation, regulatory interoperability, logistics connectivity, and cross-border industrial collaboration.
- Continue engaging the private sector to identify implementation challenges, monitor progress, and ensure that regional trade agreements deliver tangible benefits to businesses of all sizes.

**Partnership Opportunities.** USABC stands ready to support ASEAN's industrial resilience agenda through sustained public-private collaboration, technical expertise, and long-term investment. The U.S. private sector can contribute by:

- Expanding public-private partnerships and sharing international best practices on trade facilitation, smart manufacturing, customs modernization and digitalization, customs enforcement to tackle illicit trade, and good regulatory practices.
- Supporting regulatory reform, standards development, and greater regulatory interoperability across ASEAN.
- Partnering on supply chain mapping, risk assessment, and resilience initiatives to strengthen regional production networks.
- Providing capacity-building programs to strengthen institutional capabilities, MSME readiness, workforce development, enforcement skills, and implementation of regional commitments that supports regional supply chains connectivity.
- Expanding strategic investment partnerships through innovative projects, risk-sharing mechanisms, and public-private collaboration in priority sectors, including advanced manufacturing, healthcare, food and agriculture, energy, and digital industries.



## **Pillar 2: Digital Connectivity – Advancing the ASEAN Digital Economy and Innovation Ecosystem**

Digital technologies continue to transform economies and societies. Therefore, strengthening digital connectivity will be essential to enhancing ASEAN's competitiveness, innovation capacity, and regional economic integration. The successful conclusion and implementation of the ASEAN Digital Economy Framework Agreement (DEFA) present a unique opportunity to transform ASEAN as one of the world's leading digitally integrated economies by promoting trusted digital trade, regulatory interoperability, secure cross-border data flows, and inclusive digital development. Coupled with continued investment in digital infrastructure, responsible artificial intelligence (AI), cybersecurity, and workforce development, ASEAN can foster a dynamic digital ecosystem that supports businesses of all sizes, accelerates innovation, and delivers broad-based economic benefits. This pillar consists of some priority actions for advancing ASEAN's digital economy and innovation ecosystem.

### **Advance DEFA Implementation**

- Ensure effective implementation of the DEFA by establishing coordinated execution pathways across AMS that advance digital inclusion through market-aligned policies and regional ecosystem integration.<sup>15</sup> This should include promoting technology-neutral and principles-based approaches that reduce regulatory fragmentation, preserve competition and consumer choice, and support the participation of global, regional, and domestic digital service providers in ASEAN's digital economy.
- Promote trusted cross-border data flows by advancing interoperable data governance frameworks that support innovation while protecting privacy, security, and consumer confidence. Recognize that the cross-border flow of data underpins ASEAN's digital economy and is essential for digital trade, financial services, AI-enabled commerce, and the ability of businesses, including MSMEs, to access global technology tools, markets, and customers.
- Enhance digital interoperability by aligning regulations, standards, and public infrastructure across AMS, including cross-border electronic payment systems (EPS).<sup>16</sup> ASEAN should advance secure, inclusive, and trusted digital payment ecosystems that adhere to international standards and support diverse payment methods, including cards, real-time payments, QR codes, digital wallets, and account-to-account systems. Streamlining interoperable, secure, and inclusive digital payment ecosystems that align with global digital payment standards will reduce fragmentation, preserve consumer and merchant choice, and drive financial inclusion, cross-border trade, tourism, and MSME integration.

---

[15] *Ibid.*



- Encourage ASEAN to avoid discriminatory mandates, forced routing, domestic processing requirements, data localization, or infrastructure residency requirements that could undermine security, resilience, fraud prevention, consumer protection, and cross-border interoperability.
- Promote the adoption of globally recognized information-system audit and internationally accepted payment standards (including EMV, EMV QR, PCI-DSS, tokenization, secure remote commerce, open APIs, and ISO 20022) to enhance cross-border interoperability, security, and trade connectivity across ASEAN in light of DEFA implementation. By harmonizing technical requirements and security protocols around established international frameworks rather than fragmented, market-specific standards and mandates, ASEAN can streamline compliance, reduce integration costs, and preserve consumer and merchant choice across multiple payment rails. Establishing this consistent, friction-free regulatory ecosystem will strengthen consumer protection, improve operating efficiency for regional businesses, and significantly enhance ASEAN's overall competitiveness as a premier destination for foreign direct investment.
- Facilitate greater participation of MSMEs in regional digital markets by improving access and reducing transaction costs to participate in digital platforms, e-commerce, digital payments, and cross-border digital trade opportunities, especially to integrate under the DEFA framework.<sup>17</sup> This can be supported by broader digital services acceptance, simplified onboarding process, and interoperable solutions that enable MSMEs to participate more effectively in regional digital commerce. Reducing friction in cross-border payments and digital trade can help MSMEs access regional customers, strengthen export readiness, increase sales opportunities, and participate more fully in ASEAN's digital economy.
- Strengthen digital readiness across AMS and expand digital trade facilitation through enhanced institutional capacity, digital infrastructure, regulatory cooperation, and capacity building support to develop a resilient, secure, and future-ready regional digital economy through strengthened cybersecurity cooperation, trusted digital identity and verification frameworks, payment security standards, digital skills development, and public-private collaboration on emerging technologies such as AI and digital finance.
- Support cross-sectoral integration between DEFA implementation and broader ASEAN priorities, including tourism, connectivity, MSME development, and digital innovation, to facilitate more seamless movement of goods, services, capital, data, and people across the region. Digital services and data-driven solutions should be leveraged to improve cross-border travel experiences, strengthen tourism competitiveness, and ensure the benefits of digital transformation reach businesses, communities, and secondary destinations across ASEAN.

[16] USABC, *Beyond Borders: Advancing an Inclusive and Resilient Digital Financial Future for ASEAN* (March, 2026).

[17] *Ibid.*



## Promote Responsible AI and Digital Innovation

- Encourage the development of risk-based, innovation-friendly, principles-based, and technology-neutral approaches to AI governance that promote responsible innovation while fostering transparency, accountability, security, and public trust.<sup>18</sup> Such approaches should support emerging applications, including agentic AI and automated decision-making systems, while maintaining appropriate safeguards proportional to risk. Governance frameworks should recognize the distinction between general-purpose AI and Business AI (AI systems embedded within enterprise workflows such as finance, procurement, supply chain, and human resources) and apply accountability and auditability requirements proportional to the risk profile of the business decision involved. As agentic AI systems capable of autonomously executing complex, multi-step business tasks become operational across ASEAN enterprises, governance frameworks should address:
  - Clear accountability structures for autonomous agent decisions;
  - Mandatory observability and auditability standards for enterprise AI agents; and
  - Proportionate human oversight requirements calibrated to the commercial and operational significance of the decision being automated.
- Establish harmonized regional frameworks to drive economy-wide digital transformation and responsible AI adoption, including guidance on emerging applications like agentic AI developed in partnership with industry. To maximize cross-border trade and innovation, ASEAN should prioritize core enabling policies such as an ASEAN Data Classification Framework grounded in the principle that cross-border transfers of non-personal, commercial, and operational data are permitted by default, with restrictions strictly limited to clearly defined categories like national security and subject to proportionality reviews. By standardizing essential digital processes and promoting data mobility alongside real-world AI use cases, ASEAN can create a predictable, business-friendly regulatory landscape that empowers enterprises of all sizes, accelerates regional economic integration, and strengthens overall trade competitiveness.
- Encourage harmonization of regional AI governance around internationally recognized frameworks and established risk management, cybersecurity, and consumer protection standards to accelerate responsible AI adoption while preventing market fragmentation. ASEAN should actively foster public-private collaboration to build trusted, interoperable frameworks for evolving agentic commerce, ensuring clear mechanisms for authorization, accountability, and transaction integrity. By aligning on international benchmarks and leveraging existing privacy safeguards rather than creating isolated national mandates, ASEAN can maintain regulatory consistency, reinforce consumer confidence in AI-enabled trade, and support a seamlessly integrated regional digital economy.

---

[18]Ibid.

- Strengthen regional AI cooperation and innovation by establishing collaborative public-private pilot programs and regulatory sandboxes among AMS,<sup>19</sup> focused on testing agentic AI, agentic commerce, and authentication application across enterprise operations in controlled environments (including supply chain management, financial processes, procurement, and business decision-support) to develop practical, market-aligned accountability and liability frameworks as well as regulatory capabilities across the region.<sup>20</sup> Sandboxes should be designed to produce replicable governance models that SMEs and large enterprises alike can adopt, accelerating responsible AI deployment at scale across ASEAN.<sup>21</sup>
- Expand investment in digital infrastructure, including broadband connectivity, cloud computing and adoption of ASEAN Cloud Principles, data centers, and emerging digital technologies that enable inclusive digital transformation. There is a need to recognize data centres as strategic regional infrastructure for digital infrastructure enablers and support their development through streamlined permitting processes, reliable energy access, integrated connectivity planning, and future-ready talent development.
- Enhance regional cybersecurity cooperation by strengthening cyber resilience, promoting secure digital ecosystems, and advancing trusted cybersecurity frameworks aligned with international standards and best practices,<sup>22</sup> while encouraging responsible information sharing, fraud prevention cooperation, and risk-management capabilities to strengthen trust in digital services and cross-border payment systems.
- Support data-driven approaches, digital health innovation, and trusted cross-border data flows that enable more effective planning, risk management, and delivery of healthcare and ageing-related services.
- Support the transition toward the Autonomous Enterprise by establishing enabling policy frameworks for AI-driven business operations. To provide regulatory certainty and drive productivity, ASEAN should: (i) ensure cross-border recognition of enterprise AI governance standards to prevent compliance fragmentation; (ii) establish clear liability and accountability principles for AI-assisted decisions with appropriate human oversight; and (iii) promote enterprise data readiness as a priority objective to ensure businesses of all sizes can effectively leverage AI across AMS markets.

[19]USABC and ASEAN BAC Philippines, *Advancing ASEAN: A Strategic Action Plan Supporting the Philippines 2026 Chairship*, (April, 2026).

[20]USABC, *Beyond Borders: Advancing an Inclusive and Resilient Digital Financial Future for ASEAN* (March, 2026).

[21]Ibid.

[22]USABC and ASEAN BAC Philippines, *Advancing ASEAN: A Strategic Action Plan Supporting the Philippines 2026 Chairship*, (April, 2026).



## Build Future-Ready Human Capital

- Strengthen regional initiatives to develop digital, AI, cybersecurity, and advanced technology skills that prepare ASEAN's workforce for the evolving digital economy.
- Support workforce transition through lifelong learning, reskilling, and upskilling programs developed in partnership with industry, academia, and training institutions.
- Expand digital inclusion initiatives that improve affordable access to digital infrastructure, digital services, and digital literacy, particularly for underserved communities.
- Enhance MSME digital capabilities by supporting digital adoption, innovation readiness, access to technology, and participation in regional and global digital value chains.
- Encourage ASEAN to establish future-ready talent frameworks to accelerate the region's digital transformation process.<sup>22</sup>
- Develop cross-sector "AI-bilingual" workforce programs to build enterprise-wide AI literacy across functions like finance, supply chain, operations, and HR outside the traditional ICT. ASEAN should support public-private upskilling initiatives aligned with national strategies, formally recognize private-sector training toward national targets, and establish regional frameworks for mutual recognition of AI credentials to drive economic resilience and cross-border mobility.

**Partnership Opportunities.** USABC remains committed to support ASEAN's digital transformation agenda through sustained public-private collaboration, technology partnerships, and investment in digital innovation. The U.S. private sector can contribute by:

- Providing technical expertise to support DEFA implementation, digital regulatory cooperation, and the development of interoperable digital standards and frameworks across ASEAN.
- Investing in digital infrastructure development, cloud services, connectivity, and digital public infrastructure that support ASEAN's digital integration and broader digital economy.
- Sharing expertise on AI, trusted digital ecosystems, data governance, emerging technologies, and evidence-based innovation frameworks that support responsible innovation and harm reduction solutions where appropriate.
- Partnering with governments, financial institutions, and technology providers to advance interoperable cross-border payment systems, enhance payment security, strengthen financial inclusion, and support MSME participation in ASEAN's digital economy.



- Partnering with governments, financial institutions, and technology providers to advance interoperable cross-border payment systems, enhance payment security, strengthen financial inclusion, and support MSME participation in ASEAN's digital economy.
- Support digital skills development, workforce training, and capacity-building initiatives that prepare ASEAN's MSMEs and workforce for the future economy and encourage ASEAN to recognize private sector certifications in national qualifications frameworks.
- Collaborating with governments and regional institutions to strengthen cybersecurity capabilities, cyber resilience, and trusted digital governance.
- Supporting innovation ecosystems through regulatory sandboxes, research collaborations, startup partnerships, and technology incubation initiatives.
- Supporting ASEAN SMEs and high-growth businesses in adopting cloud-based enterprise AI platforms (including ERP, supply chain, and financial management systems with embedded AI) as a practical and scalable pathway to AI adoption and their deployment should be recognized within ASEAN's SME digital enablement frameworks, PSG and EDGE-equivalent grant structures, and national AI adoption programs.
- Supporting development of policy infrastructure to enable the next frontier of AI adoption such as co-creating guidelines for governance of agentic AI with industry-specific use cases and development of a dedicated ASEAN Data Classification Framework.

### **Pillar 3: Sustainable Prosperity – Accelerating Circular Economy, Green Growth, and Long-Term Economic Resilience**

ASEAN continues to show growing interests in advancing transition toward a more sustainable and resilient economy, green growth and circular economy principles. These areas are becoming increasingly the region's important drivers of competitiveness, innovation, and long-term investment. Growing demand for sustainable products from both consumers and government regulations around the globe, resource-efficient production, and low-carbon technologies, together with the economic implications of demographic change and shifts in needs, presents ASEAN with significant opportunities to strengthen industrial competitiveness while supporting climate and environmental objectives and sustainable growth. By promoting regional cooperation on circular economy policies, sustainable finance, resource efficiency, and energy transition, ASEAN can create an enabling environment for sustainable investment, strengthen regional value chains, and support inclusive economic growth. This part comprises some priority actions for accelerating ASEAN's transition toward a more sustainable, competitive, and future-ready economy.



## Advance ASEAN Circular Economy Cooperation

- Strengthen regulatory interoperability and policy coherence by encouraging greater alignment and adoption of circular economy principles, policies and implementation approaches across AMS, while facilitating regional trade in circular goods, services, and secondary materials, including through a future regional green economy agreement study and negotiations.
- Promote harmonized regional definitions, standards, and best practices for circular materials and circular economy activities to improve regulatory certainty, strengthen investor confidence, and support scalable cross-border circular value chains across ASEAN.
- Encourage the development of innovation-oriented mechanisms to accelerate the commercialization and regional scale-up of sustainable materials, including sustainable packaging, bio-based materials, recyclable barrier technologies, and other circular economy solutions. Such mechanisms may include regulatory sandboxes, pilot programs, innovation funding schemes, and public-private collaboration platforms that help bridge commercialization gaps and strengthen ASEAN manufacturing competitiveness. One example to consider would be to adapt proven renewable energy Contracts for Difference (CfD) models to create a dedicated Circular Economy CfD.

## Mobilize Sustainable Finance and Investment

- Expand access to sustainable finance by promoting green financing instruments, blended finance mechanisms, and innovative financing solutions that support commercially viable sustainability projects.<sup>23</sup>
- Improve investment certainty through transparent, predictable, and internationally aligned policy frameworks that encourage long-term investment in sustainable infrastructure and low-carbon industries.<sup>24</sup>
- Facilitate cross-border sustainable investment by strengthening regional cooperation on sustainable finance frameworks, disclosure practices, and investment facilitation.
- Promote commercially viable sustainability solutions that leverage private sector innovation, technology, and investment to accelerate ASEAN's green transition.

---

[23]USABC, *Beyond Borders: Advancing an Inclusive and Resilient Digital Financial Future for ASEAN* (March, 2026).

[24]Ibid.



## Promote Resource Efficiency and Circular Value Chains

- Advance regionally coherent approaches to Extended Producer Responsibility (EPR), emphasizing performance-based outcomes, cost-effective implementation models and strong public-private collaboration to improve policy connectivity and achieve circular economy objectives, while recognizing the diverse circumstances of AMS.<sup>25</sup>
- Complement EPR frameworks with innovation-driven approaches to support the commercialization and scale-up of next-generation sustainable materials and circular economy technologies, including through pilot projects, innovation partnerships, and initiatives such as sustainable packaging pilots that help overcome early-stage adoption barriers.
- Strengthen waste management, resource recovery, and recycling ecosystems through improved infrastructure, innovation, and greater regional public-private collaboration, including enhanced e-waste collection, cross-border waste transportation and traceable circular supply chains.<sup>26</sup>

## Accelerate Energy Transition and Industrial Decarbonization

- Expand renewable energy deployment by promoting investment in clean energy technologies, enabling regulatory frameworks, and greater regional cooperation.
- Strengthen regional energy connectivity and grid modernization to improve energy security, facilitate cross-border electricity trade, and support the integration of renewable energy.
- Encourage the adoption of cleaner industrial technologies, energy-efficient manufacturing processes, and innovative decarbonization solutions that enhance industrial competitiveness.
- Promote market-based, technology-neutral, and internationally aligned approaches to emissions reduction that support sustainable economic growth while maintaining competitiveness.

## Promote Long-Term Economic Resilience in an Ageing Population

- Encourage policies that address the economic implications of population ageing, rising healthcare needs, and changing demographic trends across ASEAN.
- Promote the development of the silver economy through age-friendly products and services, lifelong financial security, preventive healthcare, and innovation that supports healthy and active ageing.

---

[25]USABC and ASEAN BAC Philippines, *Advancing ASEAN: A Strategic Action Plan Supporting the Philippines 2026 Chairship*, (April, 2026).

[26]Ibid.

- 
- Foster sustainable approaches to healthcare financing and long-term care that strengthen economic resilience while supporting broader social and development objectives.
  - Encourage public and private collaboration to develop innovative risk-sharing mechanisms that help address health, longevity, and retirement-related challenges while improving access to protection and healthcare solutions.

**Partnership Opportunities.** Looking ahead, ASEAN may leverage future Chairmanship priorities to accelerate regional cooperation on sustainability. In particular, Singapore's proposed focus on GEFA initiatives during its 2027 ASEAN Chairmanship could provide an opportunity to advance cooperation on circularity, resource efficiency, sustainable value chains, and investment in green growth initiatives across the region. USABC stands ready to support ASEAN's sustainable development agenda through investment, technology, and long-term public-private collaboration, where the U.S. private sector can contribute by:

- Mobilizing sustainable investment and innovative financing solutions that support ASEAN's green growth objectives.
- Supporting technology transfer, innovation partnerships, and research collaboration that accelerate the deployment of circular economy and low-carbon solutions.
- Developing pilot projects to showcase scalable public-private collaboration approaches to resource efficiency, renewable energy, circular manufacturing, and sustainable infrastructure.
- Strengthening readiness and capacity of ASEAN institutions, MSMEs, and workforces to help them prepare for green and sustainable development agenda through the sharing of global expertise on circular economy implementation, policy development, and industry best practices.
- Partnering with governments and regional stakeholders to advance industrial decarbonization initiatives, improve energy efficiency, and support the adoption of cleaner technologies across ASEAN's priority sectors.
- Conducting joint studies, feasibility assessments, policy evaluations and policy recommendations, and analytical research that inform regional priority initiatives and implementation strategies on emerging sustainability topics, supported by industry expertise and international best practices.

- 
- Partnering with governments and regional stakeholders to advance industrial decarbonization initiatives, improve energy efficiency, and support the adoption of cleaner technologies across ASEAN's priority sectors.
  - Conducting joint studies, feasibility assessments, policy evaluations and policy recommendations, and analytical research that inform regional priority initiatives and implementation strategies on emerging sustainability topics, supported by industry expertise and international best practices.
  - Working with governments, healthcare stakeholders and academic to support research, data analytics, and policy development on demographic change, healthy ageing, healthcare sustainability, and the growth of the silver economy.
  - Supporting the development of risk-sharing mechanisms that help governments, communities, and businesses better manage health, retirement security, and catastrophe-related risks, while strengthening long-term economic resilience and reducing fiscal pressures associated with demographic change.

## IV. PUBLIC-PRIVATE PARTNERSHIP FOR IMPLEMENTATION



The successful implementation of ASEAN's economic priorities will depend not only on sound policy design, but also on sustained collaboration between governments, the private sector, financial institutions, academia, and development partners. As ASEAN advances the ASEAN Community Vision 2045 and the AEC Strategic Plan 2026–2030, public-private partnerships will play a crucial role in accelerating implementation, strengthening institutional capacity, mobilizing investment, and ensuring that regional initiatives translate into tangible economic outcomes. USABC stands ready to support ASEAN through long-term partnerships and tangible collaborations that leverage global expertise, technological innovation, and investment. Outlined below are some proposed collaborations across industrial resilience, digital connectivity, and sustainability, where strengthened public-private collaboration can directly support ASEAN's long-term competitiveness and the AEC Strategic Plan 2026–2030.



## ON INDUSTRIAL RESILIENCE PILLAR PROPOSAL:

| <b>Proposed Collaboration</b>              | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Deliverables</b> | <b>Alignment with AEC Strategic Plan 2026–2030</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ASEAN Regulatory Excellence Program</b> | Structured and inclusive regulatory best practices sharing, consultation mechanisms, and capacity building for ASEAN’s policymakers to strengthen policy coherence and policy implementation across AMS based on stakeholder expertise, implementation experience, and evidence-based analysis. This includes ASEAN’s widespread adoption of transparent, evidence-based Regulatory Impact Assessments (RIAs) to evaluate the feasibility and economic implications of proposed regulations, ensuring they effectively support trade, investment, innovation, and long-term business competitiveness. | 1 regional workshop | <p>Supporting the AEC Strategic Plan Objectives:</p> <p>1.3: Achieve ASEAN as an Attractive Investment Destination, particularly Strategic Measure 1.3.4 Continuously enhance investment facilitation and ease of doing business in ASEAN Member States.</p> <p>1.7: Enhance Transparency, Good Governance, and Good Regulatory Practices, particularly Strategic Measure 1.7.1 on Mainstream transparency, good governance, and good regulatory practices across all streams of AEC initiatives.</p> <p>3.3: Foster fair markets in the region, particularly Strategic Measure 3.3.4: Promote fair markets in ASEAN for sustainable, inclusive, and resilient growth</p> <p>6.3: Intensify Partnerships among Public Sector, Private Industries, Academia, and Civil Societies, particularly on Strategic Measure 6.3.3 Establish regular channels and enhance mechanisms for relevant stakeholders to provide their inputs/feedback/concerns on initiatives of AEC.</p> |





ON DIGITAL CONNECTIVITY PILLAR PROPOSAL:

| Proposed Collaboration                                                                                                   | Description                                                                                                                                                                                                                                                                                                                                             | Deliverables                                                                                                                                                | Alignment with AEC Strategic Plan 2026-2030                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| U.S. private sector support for ASEAN Member States in implementing the ASEAN Digital Economy Framework Agreement (DEFA) | USABC and its member companies stand ready to support ASEAN Member States in driving the next phase of DEFA. We are committed to building a close partnership with AMS through technical exchanges, strategic policy dialogues, and targeted capability-building programs to accelerate implementation and strengthen MSME readiness across the region. | 1 regional policy roundtable and 2 to 3 in-country capacity building workshops during the DEFA implementation phase with regional and national stakeholders | <p>This directly supports AEC Strategic Plan Objectives:</p> <p>3.1: Accelerate Regional Digital Transformation</p> <p>3.2: Advance Innovation Ecosystem</p> <p>3.3: Foster Fair Markets in the Region</p> <p>3.9: Advance Inclusive, Innovative, Competitive Business Environment to Strengthen MSMEs Integration in the Regional and Global Value Chains</p> <p>6.3: Intensify Partnerships among Public Sector, Private Industries, Academia, and Civil Societies</p> |
| Developing regional playbooks, implementation guidance, and best-practice frameworks                                     | This could be focused on trusted digital services, digital trust, AI governance, fraud prevention, and secure digital commerce to support ASEAN's digital integration objectives and implementation of DEFA.                                                                                                                                            | Deliverables to follow following ASEAN's approval                                                                                                           | <p>This directly supports AEC Strategic Plan Objectives:</p> <p>3.1: Accelerate Regional Digital Transformation</p> <p>4.4: Ensure Preparedness for Future Megatrends</p>                                                                                                                                                                                                                                                                                                |

| <b>Proposed Collaboration</b>                                              | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Deliverables</b>                                      | <b>Alignment with AEC Strategic Plan 2026–2030</b>                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ASEAN Digital &amp; Agentic AI Governance and Readiness Partnership</b> | <p>This partnership could focus on developing an ASEAN Digital &amp; Agentic AI Readiness and Governance Framework to assess the region’s capabilities, identify readiness gaps and strategic priorities for the adoption and scaling of agentic AI, while establishing common trust and governance guidelines that enable governments, SMEs, and enterprises to deploy AI agents responsibly, securely, and confidently across borders within ASEAN. Following the framework, the partnership could focus on providing capacity building to enhance digital skills, agentic AI capability, and cybersecurity readiness in improving scalability of the ecosystem.</p> | <p>Deliverables to follow following ASEAN’s approval</p> | <p>This directly supports AEC Strategic Plan Objectives:</p> <p>3.1: Accelerate Regional Digital Transformation</p> <p>3.2: Advance Innovation Ecosystem</p> <p>3.4: Empower ASEAN’s Consumers and Safeguard Their Welfare</p> <p>5.5: Advance ASEAN-wide and ASEAN-ready Training and Employment Efforts</p>                            |
| <b>ASEAN Digital Trust and Security Partnership</b>                        | <p>Focused on strengthening regional capabilities in fraud prevention, cybersecurity, digital identity, authentication, and risk management to support trusted digital commerce, secure digital payments, and consumer confidence across ASEAN</p>                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Deliverables to follow following ASEAN’s approval</p> | <p>This directly supports AEC Strategic Plan Objectives:</p> <p>3.1: Accelerate Regional Digital Transformation</p> <p>3.2: Advance Innovation Ecosystem</p> <p>3.4: Empower ASEAN’s Consumers and Safeguard Their Welfare</p> <p>6.3: Intensify Partnerships among Public Sector, Private Industries, Academia, and Civil Societies</p> |





| <i><b>Proposed Collaboration</b></i>                 | <i><b>Description</b></i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i><b>Deliverables</b></i>                        | <i><b>Alignment with AEC Strategic Plan 2026–2030</b></i>                                                                                                                                                                                                                                                                                |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ASEAN Enterprise AI Governance Working Groups</b> | Establish a structured public-private platform that combines AI-bilingual workforce development with enterprise AI governance, partnering with industry leaders to equip ASEAN’s workforce with practical, role-based AI capabilities while developing interoperable frameworks for enterprise AI accountability, agentic AI observability, and cross-border recognition of AI governance practices. The Partnership would provide practical, risk-proportional guidance on auditability and human oversight, enabling businesses to build the skills, governance capabilities, and trust needed to deploy AI responsibly and at scale across ASEAN. | Deliverables to follow following ASEAN’s approval | <p>This directly supports AEC Strategic Plan Objectives:</p> <p>3.1: Accelerate Regional Digital Transformation</p> <p>3.2: Advance Innovation Ecosystem</p> <p>3.4: Empower ASEAN’s Consumers and Safeguard Their Welfare</p> <p>6.3: Intensify Partnerships among Public Sector, Private Industries, Academia, and Civil Societies</p> |



## ON SUSTAINABLE PROSPERITY PILLAR PROPOSAL:

| <b>Proposed Collaboration</b>                                                                      | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Deliverables</b>                                                                                                                                                                                                                                                                                                                                                  | <b>Alignment with AEC Strategic Plan 2026–2030</b>                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>U.S. private sector support in advancing the ASEAN Green Economy Framework Agreement (GEFA)</b> | <p>USABC and ERIA are ready to support ASEAN’s priority focus for 2027 to conduct a feasibility study on GEFA to advance sustainable development and circularity agenda in ASEAN. USABC and ERIA will support the feasibility study by providing the private sector assessment and perspectives on the economic, trade, and environmental benefits of GEFA through sectoral business case studies that strengthen evidence base decision making for potential GEFA negotiations.</p> <p>In addition, USABC and ERIA would also support ASEAN to conduct consultation and awareness raising workshops prior to GEFA negotiations and capacity building workshops for GEFA negotiators once the negotiation process commences.</p> | <ul style="list-style-type: none"> <li>• Private sector assessment and insights on the economic, trade, and sustainability benefit of a GEFA</li> <li>• 1 Regional and 3 national dissemination workshops to raise awareness on the importance of a GEFA negotiation</li> <li>• 1 Regional and 3 national capacity building workshops for AMS negotiators</li> </ul> | <p>Supporting AEC Strategic Plan Objectives on:</p> <p>2.1 Build a supportive ecosystem to unlock green economy potential, enhance resilience via climate adaptation, and accelerate the decarbonisation of regional supply chains.</p> <p>2.8: Engender awareness and capacitate ASEAN businesses, regulators, financial institutions, and policymakers towards green transition</p> <p>6.3: Intensify Partnerships among Public Sector, Private Industries, Academia, and Civil Societies</p> |





| <i><b>Proposed Collaboration</b></i>                       | <i><b>Description</b></i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <i><b>Deliverables</b></i>                               | <i><b>Alignment with AEC Strategic Plan 2026–2030</b></i>                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ASEAN Sustainable Economy Accelerator pilot project</b> | <p>Public-private platform supporting the commercialization and scale-up of sustainable materials and circular economy solutions which aim to contribute to ASEAN’s circular economy objectives, industrial competitiveness, innovation, and investment objectives, while creating new opportunities for sustainable manufacturing across the region.</p> <p>Potential areas of collaboration under this program include:</p> <ul style="list-style-type: none"> <li>• Regulatory and innovation sandboxes for sustainable materials and packaging solutions;</li> <li>• Pilot and demonstration projects supported through public-private partnerships;</li> <li>• Knowledge sharing on standards and lifecycle assessment methodologies;</li> <li>• Exploration of market-creation mechanisms and procurement approaches that help accelerate adoption of innovative sustainable materials; and</li> <li>• Support for regional manufacturing capabilities and circular value chain development.</li> </ul> | <p>Deliverables to follow following ASEAN’s approval</p> | <p>Supporting AEC Strategic Plan Objectives on:</p> <p>2.1 Build a supportive ecosystem to unlock green economy potential, enhance resilience via climate adaptation, and accelerate the decarbonisation of regional supply chains.</p> <p>2.8: Engender awareness and capacitate ASEAN businesses, regulators, financial institutions, and policymakers towards green transition</p> <p>6.3: Intensify Partnerships among Public Sector, Private Industries, Academia, and Civil Societies</p> |



## V. CALL TO ACTION

ASEAN's next phase of growth will be defined not only by deeper regional integration, but also by its ability to strengthen resilience, accelerate digital transformation, and advance sustainable and inclusive economic development. By effectively implementing its strategic priorities, including enhancing industrial resilience, advancing the digital economy, and promoting circular economy and green growth, and addressing the opportunities and challenges associated with demographic change and the silver economy, ASEAN can reinforce its centrality, enhance regional competitiveness, and strengthen its position as a leading global hub for trade, investment, innovation, and sustainable growth. USABC remains committed to supporting ASEAN as a long-term partner in this journey to continue advancing agile, predictable, and risk-based regulatory frameworks that encourage innovation, support investment, and enable the responsible commercialization of new technologies and emerging solutions across ASEAN. Through continued public-private collaboration, investment, technology, innovation, and capacity building, the U.S. private sector stands ready to work alongside AMS and the ASEAN Secretariat to translate regional ambitions into practical, measurable outcomes that deliver benefits for businesses, communities, and economies across the region. By combining ASEAN's vision with the private sector's expertise, innovation, and investment, together, we can transform today's opportunities into tomorrow's shared prosperity.







For over 40 years, the US-ASEAN Business Council has been the premier advocacy organization for US corporations operating within the dynamic Association of Southeast Asian Nations (ASEAN).

Worldwide, the Council's membership, more than 180 companies, generate over US\$6 trillion in revenue. Members include the largest US companies conducting business in ASEAN and range from newcomers to the region to companies that have been working in Southeast Asia for over 100 years.

We believe opening and investing in the sustainability of efficient, resilient, and competitive markets are critical to the continued growth of our member companies and innovation and job creation in the United States and Southeast Asia.

The Council has offices in: Washington, DC; Bangkok, Thailand; Hanoi, Vietnam; Jakarta, Indonesia; Kuala Lumpur, Malaysia; Manila, Philippines; and Singapore. The Council's Financial Services Committee is made up of the world's leading financial services institutions and market participants operating in Asia's most dynamic regional economic community.



[www.usasean.org](http://www.usasean.org)