



## **Ministerial Declaration on the Framework for ASEAN Industrial Projects Based Initiative (AIPBI)**

We, the Member States of the Association of Southeast Asian Nations (hereinafter referred to as “ASEAN”), namely Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People’s Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand, and the Socialist Republic of Vietnam, on the occasion of the 43<sup>rd</sup> ASEAN Summit in Jakarta, Indonesia;

**ACKNOWLEDGING** that ASEAN’s long-term economic resilience depends on deeper and more inclusive economic integration to drive competitive and sustainable growth;

**RECOGNISING** the important role of the industrial sectors in supporting sustainable and integrated economic growth and development, with the sector comprising 36% of ASEAN’s GDP and an estimated annual growth rate of 9.7% till 2030;

**RECOGNISING FURTHER** that shifts in the regional and global supply chains – driven by COVID-19, need for decarbonisation and sustainability, and rapid advancements in technology and innovation – are creating new opportunities to accelerate ASEAN industrial cooperation;

**SEEKING** to catalyse ASEAN’s industrial sectors through a greater flow of capital, improved productivity through new or advanced technologies, and increased workforce productivity;

**HIGHLIGHTING** that it is an opportune time for ASEAN to revive ASEAN industrial project-based initiatives to focus on forward-looking strategic sectors, taking into account technological advancements, increased private sectors participation, intra-ASEAN complementarity, and collaboration with relevant and interested partners;

**ASPIRING** to realise ASEAN as an epicentrum of growth and unlock ASEAN’s potential to become the fourth largest economy globally by 2030 via region-wide industrial projects that could uplift regional GDP by 3-15% in the next decade, create up to 6 million new jobs, and improve livelihoods equitably;

**DESIRING** to bring back industrial cooperation into the mainstream of ASEAN economic integration with the aims of: (i) supporting the recovery of industrial sectors and business in the region; (ii) promoting the growth of new production networks and resilient supply chains; (iii) strengthening long-term sustainable development; (iv) accelerating and sustaining post-COVID19 economic rebuilding; (v) enhancing intra-ASEAN trade and investment; and (vi) deepening connectivity, sectoral cooperation, and wider ASEAN’s economic integration initiatives;

**AIMING** to put in place the **ASEAN Industrial Projects Based Initiative (AIPBI)** that underscores Indonesia's 2023 Chairmanship's theme "ASEAN Matters: Epicentrum of Growth", the aforementioned trends, and learnings from past industrial cooperation initiatives;

**DO HEREBY:**

**AGREE** to establish a Framework for ASEAN to cooperate on industrial projects where ASEAN Member States could participate in the **ASEAN Industrial Projects Based Initiative** based on the following:

**1. Strategic Goals**

- a) **To forge secure and resilient supply chains and next-generation industrial champions** by unlocking areas of complementarity among ASEAN Member States to promote regional value chains;
- b) **To promote digital economy, long-term sustainability and development** across ASEAN Member States and inclusive economic opportunities – in particular growth opportunities for MSMEs and jobs for vulnerable segments;
- c) **To enhance connectivity and sectoral cooperation** across ASEAN by enabling ASEAN Member States to invest in better physical and digital connectivity, including regional and remote area connectivity; enhance information exchange; increase cross-border technology cooperation; and grow knowledge sharing and capacity building. This will reduce trade barriers and transaction costs, improving the efficiency and reliability of regional supply chains and making intra-ASEAN trade and investment more attractive overall.

**2. Guiding Principles**

- a) **Enhance engagement with the private sectors** – To nurture successful industrial projects, it is crucial to foster proactive involvement and close collaboration with the private sectors, such as, providing real market insights, facilitating the resolution of existing market gaps, ensuring effective last-mile implementation and monitoring as well as evaluating the effectiveness of the projects' implementation, the private sectors' participation will become the key element in ensuring the most efficient and impactful outcomes.
- b) **Foster a collaborative win-win mindset among ASEAN Member States** – To realise the potential of strategic region-wide industrial projects, it is essential to identify projects that align with the individual requirements and common interest of ASEAN Member States. Simultaneously, the initiatives, such as, creating effective mechanism or procedures for coordination on troubleshooting, knowledge-, resource-, and cross-border technology cooperation as part of this initiative will enable ASEAN Member States to

collectively address market access challenges that regional industrial projects tend to face.

- c) **Ensure inclusive and equitable processes to foster broad-based participation** – To promote sustainable and inclusive industrial cooperation in ASEAN, the diverse socio-economic interests and maturities across ASEAN Member States are to be taken into account in the development and implementation of ASEAN Industrial Projects Based Initiative.
- d) **Utilise existing ASEAN mechanisms to start fast:** To ensure a quick start, leverage existing ASEAN mechanisms and organisational capabilities to select and facilitate approved projects. To ensure long term impact, projects should be carefully assessed and selected based on a set of eligibility criteria aligned with the overall Strategic Goals and Guiding Principles. Facilitation of the selected projects should also be pragmatic, open and transparent to enhance ASEAN's attractiveness as an investment destination to investors.

**NOTE:** For consistency, the ASEAN Industrial Projects Based Initiative projects selection criteria should align with the existing ASEAN Economic Community (AEC) Blueprint 2025 and the AEC post-2025 agenda as well as Sustainable Development Goals (SDGs) and post-2030 agenda; take into account relevant international rules, standards and best practices; be forward-looking and take into consideration the opportunities and exiting as well as potential challenges faced by ASEAN; align with relevant regulations in the host and participating ASEAN Member States.

### 3. Priority Areas

Priority consideration shall be given to strategic projects that will secure ASEAN's centrality, boost ASEAN's competitiveness and credibility, strengthen ASEAN's collective resilience by establishing regional value chains, and advance ASEAN's carbon neutral and circular economy goals.

**TASK** the Senior Economic Officials Meeting (SEOM) to facilitate further discussions on the implementation of this Ministerial Declaration with relevant sectoral bodies and private sector stakeholders, particularly on matters related to, among others, the eligibility criteria to foster the development of impact-oriented industrial projects; mechanism to facilitate public-private sectors engagement; and identification of appropriate instruments to stimulate private sectors' interest to actively engage in the implementation of this Framework.

**ADOPTED by the AEC Council** in Jakarta, Indonesia on this Day of September Third in the Year Two Thousand and Twenty-Three.

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